DekaBank
Deutsche Girozentrale

Annual financial statements 2024

Deka

Finanzgruppe

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Management report

Information about the Deka Group

The structure and content of the following passages on the business model and strategy correspond to the relevant sections published in the Group management report of the Deka Group. The business model and strategy are oriented towards the Deka Group, while Group management is aligned with the business divisions, thereby incorporating all business divisions and legal entities. As DekaBank is not separately managed as an individual institution, these sections have not been separately prepared at the individual institution level.

Deka Group profile and strategy

The Deka Group, comprising DekaBank Deutsche Girozentrale (DekaBank) and its subsidiaries in Germany and other countries, is the securities service provider (the *Wertpapierhaus*) for the German savings banks and part of the *Sparkassen-Finanzgruppe* (Savings Banks Association).

DekaBank is classified by the German Federal Financial Supervisory Authority (BaFin) as an "other systemically important institution".

Legal structure

DekaBank is a German federal institution incorporated under public law with registered offices in Frankfurt / Main and Berlin. It is wholly owned by the German savings banks. 50% of the shares are held via Deka Erwerbsgesellschaft mbH & Co. KG. The savings banks hold their interests via this company, which is owned by their regional savings bank and giro associations. The other 50% of the shares are held by the German Savings Bank and Giro Association (*Deutscher Sparkassen- und Giroverband* – DSGV ö.K.). DekaBank and thus the entire Deka Group are a key part of the *Sparkassen-Finanzgruppe*.

DekaBank is a member of the *Sparkassen-Finanzgruppe* deposit guarantee system. The deposit guarantee system of the *Sparkassen-Finanzgruppe* protects deposits with a savings bank, a state bank (*Landesbank*), DekaBank or a state building society (*Landesbausparkasse*).

Organisational structure

The Deka Group divides its business into five business divisions that bring together similar activities. Asset management activities are handled by the Asset Management Securities and Asset Management Real Estate business divisions. The Group's banking business is covered by the Capital Markets and Financing business divisions. The fifth business division – Asset Management Services – provides banking services for asset management.

The cross-divisional sales units – Savings Banks Sales for private customers (which is subdivided into Retail Customers and Private Banking & Wealth Management) and Institutional Customer Sales – act as the interface with sales partners and customers.

The corporate centres support the business divisions and sales departments throughout the value chain.

Major companies and locations

The Deka Group has its headquarters in Frankfurt / Main, which is also home to the investment management companies Deka Investment GmbH, Deka Immobilien Investment GmbH and Deka Vermögensmanagement GmbH and the robo-advisor company bevestor GmbH. A further investment management company – WestInvest GmbH – is based in Düsseldorf. S Broker AG & Co. KG has its registered office in Wiesbaden, while S-PensionsManagement GmbH (in which DekaBank has a 50% shareholding) is headquartered in Cologne.

In Luxembourg, the Deka Group is represented by DekaBank Deutsche Girozentrale Niederlassung Luxemburg and the investment management companies Deka International S.A. and Deka Vermögensmanagement GmbH (Luxembourg branch). The Austrian fund manufacturer IQAM Invest GmbH is headquartered in Salzburg.

Corporate management and supervision

As an institution incorporated under public law, DekaBank is not subject to the German Corporate Governance Code. Nevertheless, the Deka Group strictly adheres to the principles of good and responsible corporate governance.

The guidelines for the management and supervision of the Group ensure that the responsibilities of boards and committees are clearly defined and enable efficient decision-making processes. As a member of the *Sparkassen-Finanzgruppe*, the Deka Group is committed to the principles of subsidiarity and a focus on the greater good. Both the company’s own Code of Ethics and the risk culture framework are based on this commitment. The Code of Ethics serves as a binding framework for employees acting on the Deka Group’s behalf and is a key component of the corporate culture. The risk culture framework lays down binding guidelines for the responsible handling of risks in the Deka Group and for compliance among employees, managers, managing directors and Board members in relation to this.

DekaBank is managed collectively by the Board of Management. The Board of Management takes a holistic approach to managing the Deka Group, always considering the strategic direction and risks.

The Board is divided into divisions, each under the responsibility of a designated member. This ensures a clear distribution of roles and core competencies in the Board of Management.

At the reporting date, the Board of Management consists of six members. The responsibilities are as follows:

- CEO: Dr. Georg Stocker
- Deputy CEO & Asset Management: Dr. Matthias Danne
- Risk (CRO): Birgit Dietl-Benzin
- Finance (CFO) & Operations (COO): Daniel Kapffer
- Sales: Torsten Knapmeyer
- Banking business: Martin K. Müller

The Board of Management is supported by in-house management committees in an advisory capacity. DekaBank actively incorporates its sales partners’ market proximity and expertise via three specialist advisory boards, which also advise the Board of Management, and six regional sales committees (securities committees of the regional savings banks).

The Administrative Board oversees the Board of Management and thus performs a supervisory role. It comprises shareholder and employee representatives as well as representatives from the *Bundesvereinigung der kommunalen Spitzenverbände* (German Federal Association of Central Municipal Organisations), who act in an advisory capacity. The Administrative Board’s work is performed in part by the full Board and in part by various committees. To this end, the Administrative Board has established a General and Nominating Committee, an Audit Committee, a Risk and Credit Committee and a Remuneration Supervision Committee, appointing members from within its own ranks. With the exception of the employee representatives and representatives from the *Bundesvereinigung der kommunalen Spitzenverbände*, the members of the Administrative Board are appointed by the Shareholders' Meeting.

The responsibilities of the boards and committees are assigned by the Bank's statutes. The DekaBank Administrative Board has adopted rules of procedure and various policies, including a fit & proper policy for the Administrative Board, guidelines for the Administrative Board on the handling of conflicts of interest and on independence, succession planning guidelines for members of the DekaBank Administrative Board and Board of Management, a policy on the induction and training of new Administrative Board members, and a policy for the promotion of diversity on the DekaBank Administrative Board and Board of Management. There are additional rules of procedure for the Board of Management and for the specialist advisory boards and sales committees.

Supervision of DekaBank is exercised by the Federal Minister of Finance.

Business model as the *Wertpapierhaus* for the savings banks

In order to meet the disclosure requirement, included by reference in: ESRS 2 BP-1

The Deka Group is the securities service provider (the *Wertpapierhaus*) for the savings banks. Through its asset management and banking activities, it acts as a service and infrastructure provider for the investment, administration and management of assets, supporting its customers at every stage in the investment and advisory process within the securities business. It also offers comprehensive advice and solutions around investment, liquidity and risk management, and refinancing. The Deka Group acts as an all-round solution provider, serving customers' needs without bias towards particular products. This philosophy drives the development of its complete range of asset management and banking services to meet the securities business needs of savings banks and their customers. It provides targeted sales support as a partner for savings banks and makes the necessary infrastructure available.

The Group's integrated business model, combining asset management and banking business, ensures stability and competitiveness. The Deka Group divides its activities into five business divisions.

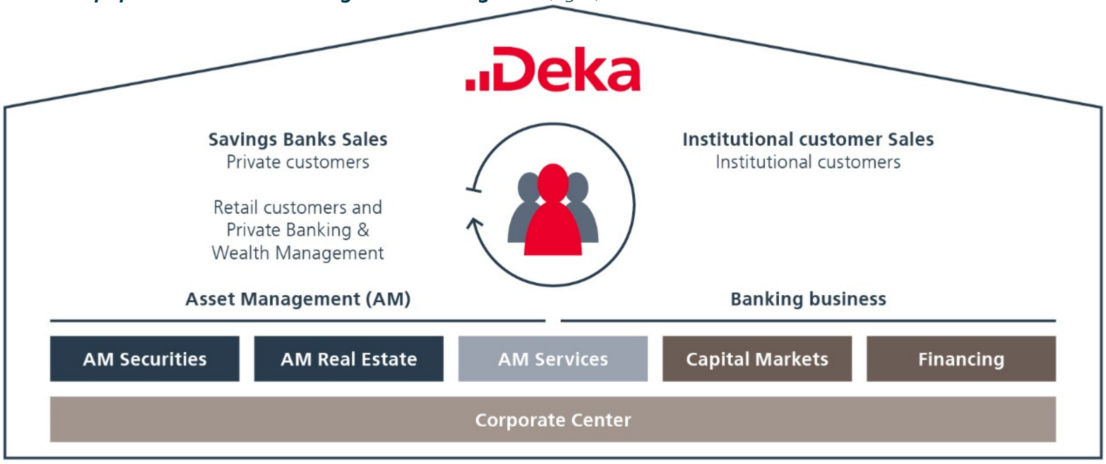
- The Asset Management Securities and Asset Management Real Estate business divisions focus primarily on fund-based products and services.
- As a banking division, Asset Management Services encompasses banking services for asset management, such as depositary business, custody account business and digital multichannel management.
- The Capital Markets and Financing banking divisions support the integrated model by offering additional investment products and enabling the necessary access to the money and capital markets and to financing. Capital Markets also acts as a service provider for asset management.

See also: Sales: page 13 ff.

The cross-divisional sales units – Savings Banks Sales for private customers (which is subdivided into Retail Customers and Private Banking & Wealth Management) and Institutional Customer Sales – act as the interface with sales partners and customers.

The corporate centres perform essential functions and support Sales and the front office units.

The *Wertpapierhaus* for the savings banks at a glance *(Fig. 1)*



In business involving securities funds and real estate funds, the Deka Group primarily earns commission income from management and transaction fees. Subject to regulatory requirements, some of this income is passed on as an "association payment" to the savings banks in their capacity as sales partners. Additional commission income comes from banking transactions, including capital market activities, which also generate net financial income from the trading book. Interest income is obtained primarily from lending business and from the investment of own funds as part of the Treasury function.

Customers

In order to meet the disclosure requirement, included by reference in: ESRS 2 SBM-1

The Deka Group puts its primary customers – German savings banks and their customers – at the heart of its activities. To ensure that its products and solutions meet the needs of these customers, it is in regular dialogue with the savings banks. Products that are in demand among primary customers are also sold to other institutional customers. These particularly include insurance companies, pension funds, family offices, foundations, corporates and the German public sector. Given the Deka Group's close involvement in the savings banks sector and its focus on German institutional customers, its business activities are concentrated on the domestic market.

Product and solution provider

The core business is to provide suitable investments in securities and real estate as well as supplementary services throughout the investment and asset management value chain. In this regard, the Deka Group acts as finance provider, issuer, structurer, trustee and depositary. In addition to the provision of investment products such as securities and real estate funds or certificates, the Deka Group also provides execution of securities trading, management of custody accounts, asset servicing and depositary services. It also offers capital market services for savings banks, such as securities lending or the procurement and settlement of securities and financial derivatives. Advice, support and service processes – e.g. the provision of market analyses and infrastructure services – also form part of its business model. The Deka Group thus works as a solution provider to create further value added for customers and shareholders.

Position and mission in the *Sparkassen-Finanzgruppe*
The historical development of its predecessor institutions, together with its ownership structure, make the Deka Group a key part of the *Sparkassen-Finanzgruppe* (Savings Banks Association).

The Management Agenda is an ongoing strategic action programme that sets the direction to further develop Deka's position as the *Wertpapierhaus* for the *Sparkassen-Finanzgruppe*. This is focusing on the following elements:

- Customer orientation: Sales and the product and service portfolio are being geared to the needs of target customers in order to make the savings banks more competitive in the securities business and to generate profitable growth.
- Technology and innovation: Technology and the possibilities it brings are being used to redesign the customer experience, i.e. all of a customer's experiences and impressions when interacting with a company. New products and services are being offered, existing products and services are being digitalised, and efficiency is being improved.
- Sustainability: The emphasis is on providing an appropriate range of products and services to help safeguard our competitive standing and ensure a systematic approach to everything we do, taking ESG issues into account.
- Modern organisation and attractiveness as an employer: Having a consistent focus on results, being able and willing to change, orienting the Group towards overarching goals and increasing Deka's attractiveness to existing and potential employees are key issues in ensuring the Group is fit for the future.

Digitalisation activities
As society, industry and the financial sector are increasingly transformed by digital technology, the Deka Group is focusing on three strategic directions: digital transformation of the customer experience, new digital products and services or digitalisation of existing ones, and digital transformation of processes and infrastructure. The targeted use of technology, combined with the strength of savings banks in their respective regions, is key if we want to keep offering competitive investment services in the future. These are as follows:

- Interaction with savings banks and their customers: Deka is constantly enhancing interaction with the savings banks via sales platforms such as S-Invest Manager and improving the support it offers savings banks for the provision of competitive digital customer journeys via the S-Invest app and "internet branch". To make the *Sparkassen-Finanzgruppe* more competitive, particularly in attracting young customers and execution-only clients, the services provided directly to end customers are being expanded. The sales support provided to the savings banks is also being further digitalised.
- Innovative digital product offerings: Digital product offerings are being developed in two areas. First, the digitalisation of traditional products and services, for example in asset management or brokerage. Second, the issue, trading and safekeeping of digital assets. We are also developing sales- and customer-centric services on a native cloud architecture so that we can offer customers frequent innovations and meet their needs.
- Blockchain infrastructure: The Deka Group is working to develop and establish an infrastructure for digital assets all along the value chain. This will complement existing infrastructure and ensure secure processing and custody of digital assets. After being granted licences for crypto securities register management and crypto custody in December 2024, DekaBank can now cover the full digital asset value chain from within the *Sparkassen-Finanzgruppe* for savings bank customers and its own institutional customers. The joint venture with SWIAT GmbH supports the development of relevant blockchain technologies and makes a private permissioned blockchain available.

- Process digitalisation: By digitalising business and IT processes both old and new, the Deka Group is aiming to boost the efficiency and resilience of core, management and support processes. In addition, process digitalisation supports end-to-end customer orientation by examining how things work from a customer perspective. To further transform the customer experience and identify customer needs early on, data is collected and analysed as part of a structured process. Based on this, we can develop sales initiatives to boost the quality of customer communication and the satisfaction of end customers. Deka is currently developing a platform to consolidate existing sales data pools.

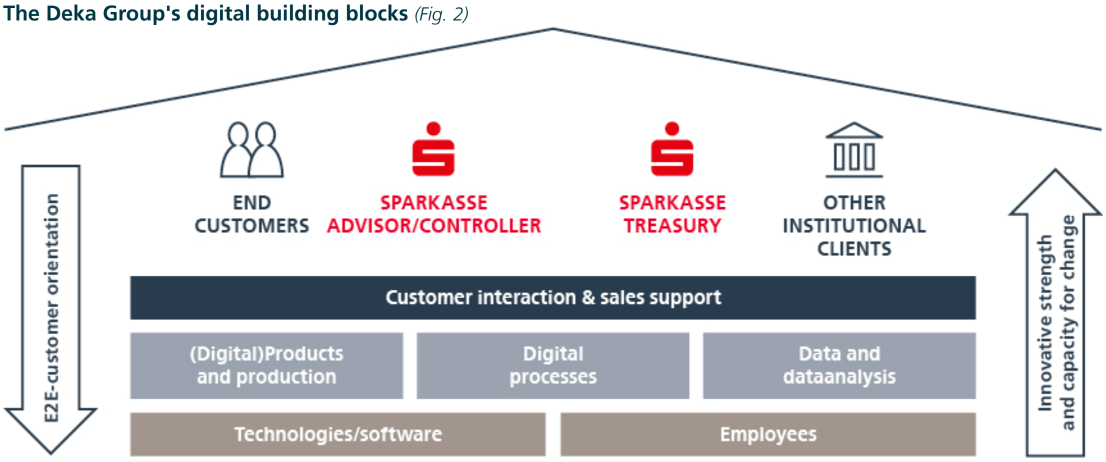
The cloud, distributed ledger technology (DLT) and artificial intelligence play a key role in our digitalisation activities. These are dovetailed by technologies to optimise processes, such as software robots (RPA) and workflow and low-code tools.

The Deka Group is using artificial intelligence (AI) in three main areas:

- Customer centricity: AI is being used as a more targeted and efficient way to approach customers, as well as to enhance the customer experience.
- Quality improvement: AI is being used for ongoing data-driven optimisation of, and adjustments to, product and service quality.
- Efficiency gains: AI is being used to boost productivity by optimising and automating processes, making processes more reliable and ensuring efficient use of resources.

These strategic initiatives are being pursued as part of an iterative approach to give us the flexibility we need to respond to new requirements and findings. All AI activities have to be consistent with our corporate policies and values, taking into account the guidelines governing use of artificial intelligence in the *Sparkassen-Finanzgruppe* and ensuring compliance with regulatory requirements.

The Deka Group's digital building blocks *(Fig. 2)*



Sustainability within the Deka Group (ESG)
As the *Wertpapierhaus* for the savings banks, the Deka Group supports the *Sparkassen-Finanzgruppe* in its quest to ensure it is fit for the future and has made sustainability a key cornerstone of its business model.

In general, the Deka Group takes sustainability issues into account from two angles. First, it looks at risks for the Deka Group and its products that could emerge from sustainability-related issues such as climate change (outside-in perspective). Second, it looks at the impacts, both positive and adverse, that the Deka Group and its products have on the environment and people (inside-out perspective). The interactions between the two perspectives can be complex in all aspects of ESG.

The Deka Group's activities are part of a drive to achieve net zero/climate neutrality by 2050, and strategic climate transition plans have been prepared for its banking business, its own operations and the Asset Management Securities and Asset Management Real Estate business divisions.

The Deka Group's ESG ratings confirm the high quality of its sustainability-related measures.

ESG ratings at a glance *(Fig. 3)*

Status of sustainability ratings according to annual ESG ratings reports: MSCI ESG ratings: 6 September 2024; ISS-ESG: 23 August 2023; Sustainalytics: 23 January 2024; Moody's ESG Solutions (formerly V.E): December 2024

Business divisions, sales units and corporate centres

There is a clear separation in the Deka Group at Board of Management level between asset management and banking. Nevertheless, the business divisions, sales units and corporate centres work closely together in operational terms, reflecting the integrated business model. The business divisions form the basis for the Deka Group's segment reporting under IFRS Accounting Standards (IFRS 8).

Asset Management Securities business division

In order to meet the disclosure requirement, included by reference in: ESRS 2 BP-1

The Asset Management Securities business division offers high-quality asset management solutions for private and institutional investors in every market environment with the goal of lasting value and sustainable growth. It responds to the requirements of customers and regulators by creating solutions that meet these needs for all sales channels.

Customers can choose from a wide range of products for one-off investments or, where available, for savings plans:

- actively managed mutual funds and special funds following fundamental and quantitative strategies as well as advisory mandates in all major asset classes (equities, bonds, money market, mixed funds, capital protected funds and any combination of these),
- passively managed index funds (exchange-traded funds – ETFs),
- asset management products and services: asset management funds using both actively managed and indexed funds as target funds, fund-based asset management, savings bank asset management, individual security-based asset management and robo-advisory asset management in partnership with bevestor GmbH,
- pension products (e.g. fund-based private and company pension products), also including the new Deka-FutureFlex product, which does not feature a guarantee,
- asset servicing, which enables savings banks and institutional investors to combine various asset classes in master funds.

The business division also offers a wide range of solutions for investments with sustainability features and engagement services. This includes mutual fund solutions and individual services for institutional mandates such as sustainability portfolio management. The business division also works to promote good and responsible corporate governance and helps institutional investors comply with regulatory engagement and reporting requirements. It incorporates sustainability considerations into fund, investment and business risk processes. In its investment decisions, the business division also takes into account the ESG factors that are mandatory under the EU Sustainable Finance Disclosure Regulation (principal adverse impacts – PAIs).

The products offered by the fund manufacturer IQAM Invest GmbH (IQAM) expand the range of quantitative asset management products, particularly for institutional customers. The products are offered under the IQAM brand. Joint research by Deka and IQAM is conducted at the IQAM Research institute and is used in depth in order to improve quality.

The business division's product range also features bespoke and standardised securities services. These comprise macro, individual-stock and fund research, support with designing investment strategies and processes, order desk and fund reporting services. These services are also offered to external customers in some cases.

The business division has already gained crucial experience for future market and product developments with the launch of its first digital special fund in 2023.

Asset Management Real Estate business division

The Asset Management Real Estate business division brings together the Deka Group's real estate investment services. It provides fund products and advisory services relating to real estate, infrastructure or real estate financing for the customer and proprietary business of savings banks and other institutional investors. The division concentrates on the office, retail, hotel and logistics segments in Europe as well as selected locations in North and South America and the Asia-Pacific region.

The product range comprises:

- open-ended real estate mutual funds,
- open-ended and closed-ended special funds,
- real estate and infrastructure funds of funds,
- credit funds that invest in real estate, infrastructure or transport financing,
- residential property funds made available via experienced external partners,
- advisory services for investments in real estate products.

Fund products are subject to appropriate cash flow management for the purpose of lasting risk limitation and reduction.

The business division's services comprise the purchase, sale and management of real estate and all other real estate services. These include the value-oriented development of marketable commercial properties in liquid markets as well as active portfolio and risk management. With the *Deka Immobilien-Kompass*, the Asset Management Real Estate business division offers savings banks and other institutional investors an extensive modular service package for real estate fund investment. It thereby positions itself as a strategic partner.

In order to fully address environmental and social issues and meet investors' expectations, the Asset Management Real Estate business division is gradually expanding its range of sustainability-focused products and taking sustainability criteria into account in fund and investment processes. In its investment decisions, the business division takes into account the principal sustainability impacts (including PAIs) for real estate under the Sustainable Finance Disclosure Regulation.

Asset Management Services business division

The Asset Management Services business division provides banking and other services to complement the offerings of the asset management divisions. Its services comprise multichannel offerings for the savings banks, online brokerage, management of customer custody accounts and custodial services for investment funds.

The Asset Management Services business division is divided into the Digital Multichannel Management and Depositary subdivisions.

The Digital Multichannel Management subdivision offers savings banks an extensive range of services for an attractive customer interface and efficient processing of securities business. This enables the savings banks' multichannel customers to seamlessly access securities products and services and complete transactions across different channels. Customers are offered efficient, competitive custody solutions based on depositary services tailored to the target group that are constantly evolving to meet customers' needs.

DekaBank custody accounts allow savings banks to offer end customers a custody account provided by DekaBank. The DekaBank custody account can be used to hold funds, certificates and ETFs.

Closely related to the custody solutions are the efficient and digital securities processes available to savings bank advisory staff. As well as the sales channel itself, securities processes in OSPlus_neo – the savings banks' multichannel sales front end – are being continuously optimised.

The Deka Group offers the savings banks an electronic, web-based sales support and information platform in the form of DekaNet. The S-Invest Manager platform is currently being expanded and will gradually replace DekaNet with a vastly improved range of services.

Savings bank customers access the wide range of online securities products primarily through the "internet branch" and savings bank app. The mobile offering for customers is further expanded by the S-Invest app, which brings all the investment services together in a single place, making them easy to navigate.

The solutions offered by bevestor GmbH and S Broker AG & Co. KG expand the multi-channel strategy for savings banks and their customers. bevestor acts as the savings banks' central robo-advisory product for private customers and serves as a development platform for innovative digital asset management solutions. Its goal is the rapid, agile development of competitive online services. The hybrid, digital asset management product *SmartVermögen* and white-label services for savings banks round off bevestor's offering. S Broker offers an extensive range of services designed principally to meet the high expectations of customers in online brokerage.

The Depositary subdivision offers an extensive range of depositary services, including the regulatory control function under the German Investment Code (*Kapitalanlagesetzbuch*, KAGB), securities settlement and reporting. Depositary acts as a one-stop shop for its customers. If required, depositary services can be combined with other offerings from the Deka Group: the master KVG for a comprehensive asset servicing solution and services from the capital markets business such as commission business with securities and exchange-traded derivatives, foreign exchange trading, repo/lending transactions and collateral management. The subdivision offers its services to investment management companies both inside and outside the Deka Group and to asset managers. Depositary functions are additionally offered to institutional end investors. The target markets are in Germany and Luxembourg.

Capital Markets business division

The Capital Markets business division is the central product, solution and infrastructure provider while also acting as a service provider and driving forward innovation in the Deka Group's customer-focused capital markets business. As such, the division connects customers to the capital markets. It offers investment solutions to both private and institutional customers and helps them to put their asset and risk management decisions into practice.

With its range of services relating to securities repurchase transactions, securities lending and foreign exchange trading, the business division also acts as the central securities and collateral platform for the savings bank association. In addition to its function as a commission agent for all relevant asset classes, it serves as a centre of competence for trading and structuring capital market products as well as for DekaBank's certificate issues. Institutional customers are provided with clearing services and support with the efficient fulfilment of regulatory requirements. Customers benefit from synergy effects and economies of scale.

The business division also designs solutions for sustainable (ESG) investment and trading products in proprietary and customer business (for example, green bonds and certificates with sustainability features), and works on developing and brokering a selection of carbon offset options in the form of climate action projects for customers and savings banks alike.

The activities of the Capital Markets business division are divided into three subdivisions:

- The Trading & Structuring subdivision is the Deka Group's centre of competence for trading and structuring capital market products (cash instruments, bonds and shares) and for all types of derivatives that are used in investment funds and in the Depot A securities account of the savings banks or by other customers. The unit also runs the structured issuance business (Deka certificates and cooperation certificates) and debt capital markets business (third-party issues business), i.e. supporting other companies as they issue financial instruments. In addition, it is establishing the syndication and placement of own and third-party lending as an additional product.
- The Collateral Trading & Currency subdivision brings together all securities lending products, securities repurchase transactions, their derivative equivalents and customer-oriented currency trading, acting as a liquidity hub within the savings bank association.
- The Commission Business subdivision executes trades in securities and exchange-traded derivatives in its own name on behalf of third parties. These services can be used by business partners inside and outside the *Sparkassen-Finanzgruppe*.

Deka is constantly enhancing its own platform solutions to support its business activities:

- The main product remains the Deka Easy Access (DEA) information, management and trading platform, which helps savings banks to manage their proprietary portfolios effectively. DEA allows the savings banks to trade popular capital market products and offers broad access to information and research. As of the end of 2024, 324 savings banks were using the tool.
- finledger is a platform jointly developed with other market participants for processing digital promissory notes using distributed ledger technology (DLT).
- SWIAT is a blockchain-based decentralised financial infrastructure. It was developed to combine financial transactions for traditional and digital securities, other assets and digital financial market instruments in a single network.

Financing business division

The Financing business division concentrates on specialised and real estate financing and supports the savings banks with refinancing. Lending is taken onto our own statement of financial position via the banking book, as well as being packaged as an investment product for other savings banks and banks or other institutional investors via club deals or syndications. Placement within the *Sparkassen-Finanzgruppe* is the aim. There is the possibility to participate in loans arranged by third parties.

Specialised Financing and Real Estate Financing are subdivisions of the Financing business division.

- The Specialised Financing subdivision concentrates on financing energy, grid, utilities and public infrastructure projects (infrastructure and renewable energy financing), on aircraft, ship and rail financing (transport financing), on export financing and on financing of the public sector. Savings bank financing involves financing for German savings banks in all maturity ranges and financing for the public sector in Germany in the interests of the *Sparkassen-Finanzgruppe*.
- The Real Estate Financing subdivision provides lending for commercial real estate in the office, logistics, retail and hotel segments. It focuses on marketable properties in markets of relevant size, transparency and liquidity, with a preference for Europe and North America. Open-ended real estate funds are also financed.

Sales

Sales is responsible for the Deka Group's sales activities across all business divisions and the overall customer relationship with savings banks and other investors. It works across business divisions to generate and maintain business. With regard to the savings banks, the approach to sales and service provision varies depending on the requirements of the different end customer groups, and this is reflected in the organisational division of Sales.

Deka takes an all-round approach to helping savings banks sell products and services. An example of this is the close support given to the investment and advisory process within the savings banks. This includes incorporating the product and service offering into customer advice, strategic planning processes in the savings bank securities business, joint customer-focused activities and in-depth support for savings banks and local advisers. Sales support is aligned with the *Sparkassen-Finanzkonzept* – the financial planning strategy offered by the savings banks – and aims to support the savings banks throughout the investment and advisory process.

Savings Banks Sales (Retail Customers)

Savings Banks Sales focuses on comprehensive sales support for the savings banks in business with private and individual customers in all sales channels.

The savings banks have sole responsibility for directly contacting, advising and serving end customers. To provide the savings banks with optimal support, Savings Banks Sales offers systematic, in-depth assistance, provided by dedicated contacts, along with a structured product range of solution-focused, customer-friendly investment concepts. Digital execution-only clients can also make use of the services and solutions provided by bevestor and S Broker. Deka's marketing activities are aimed directly at customers.

To ensure nationwide support, Savings Banks Sales (Retail Customers) in Germany is divided into six sales regions. The sales directors responsible ensure continuous dialogue with the savings banks and savings bank associations. As a point of contact for the savings banks' management boards and sales managers, they focus on strategic aspects of the securities business and on planning as part of the investment process. In addition, the savings banks have access to Deka sales managers to support the operational advisory process. Other Deka specialists also assist with marketing and sales activities and offer training and coaching as the topic or occasion requires. Deka's sales directors and managers engage in continuing professional development and are certified by an external institute.

In addition to collaboration on a personal level, Deka provides the savings banks with S-Invest Manager – a cloud-based, E2E process support platform used by the savings banks to organise their securities business. The future features of S-Invest Manager will cover all phases of savings banks' securities sales process as part of a seamless, user-centric solution. These features include planning modules, sales and management measures, and features to support the closing of transactions and controlling. This means that S-Invest Manager will replace DekaNet in the long run.

With its comprehensive coverage of the securities culture in market and brand communications, Deka aims to draw attention to the work of the *Sparkassen-Finanzgruppe* in this area. Ethical asset structuring, sustainable investments, future-proof securities saving and future trends such as digitalisation are also important issues and inspire new ideas for sales activities. The overarching aim is to put the securities expertise of Deka Investments front and centre of marketing efforts.

Products and solutions are regularly expanded or adjusted to reflect expected market and regulatory developments. They are primarily marketed under the Deka Investments sales brand.

Savings Banks Sales (Private Banking & Wealth Management)

Private Banking & Wealth Management at the Deka Group is aimed at wealthy savings banks customers from the private banking segment and at corporates and institutions. In particular, target customers include high net worth private clients and family businesses and their shareholders (corporate and private assets). Non-profit institutions such as churches, local government and foundations are another focus.

The savings banks are responsible for directly contacting, advising and serving private banking end customers. To provide them with optimal support, Private Banking & Wealth Management offers the savings banks systematic, in-depth assistance, provided by dedicated contacts, along with a structured product range of solution-focused, customer-friendly investment concepts with sustainability features. The focus is on a holistic approach to advising customers.

The offering for Private Banking & Wealth Management customers comprises both universal and modular product solutions (asset management solutions such as the exclusive *Deka-Vermögensverwaltung Premium*, mutual and special funds, ETFs and certificates) as well as support for the savings banks' advisory systems, such as performance and quality control, reporting and consultancy services. The target group-oriented approach and close integration with savings bank sales enable ongoing, solution-oriented evolution of the product offering based on up-to-date market analyses.

Private Banking & Wealth Management offers savings bank customers tailor-made investment solutions that reflect all their individual needs. The focus in private banking has so far been on large lump-sum investments. In addition to this, there are sales approaches in private banking designed to encourage regular saving among this customer group too.

Bespoke solutions for high net worth private clients are provided under the Deka Private & Wealth sales brand.

Institutional Customer Sales

The Institutional Customer Sales unit supports the savings banks with proprietary business and serves institutional investors in Germany and, in a number of cases, abroad. Customer advisers are responsible for the overall relationship with institutional customers and adopt a comprehensive approach that covers all products and services offered by the Deka Group across all business divisions. In addition, Deka offers institutional customers important functions such as reporting and order placement through online channels. Sustainability is an important topic when advising and supporting customers.

In our business with savings banks, the Institutional Customer Sales team acts as a management partner and adviser. It develops immediately viable solutions for proprietary business (Depot A) and overall bank management. This includes methods and applications for interest rate book management and asset allocation. The solutions are based on comprehensive analyses of the earnings and risk situation. Support for savings banks and financial institutions is divided into two sales regions. Another team looks after the largest savings banks and financial institutions with special requirements. Employees in the Strategic Proprietary Business & Asset Liability Management team develop methods and applications for interest rate book management and asset allocation for institutional customers – particularly savings banks – and advise them on these topics. There are also dedicated teams for the ETF sales business, the sale of bonds and structured products and direct business with asset managers. These teams work across customer groups.

The Deka Group brings together all its solution expertise for institutional customers under the Deka Institutionell brand, reinforcing its clear focus on the needs of this target group.

Restructuring of Institutional Customer Sales
In 2024, Deka made changes to its organisational structure in the institutional business in a quest to further strengthen and expand its competitive standing in this segment. Institutional business is a growth area for the Deka Group, both in terms of Depot A securities account management for savings banks and customers within the savings bank association, and for market customers. The term "market customers" is generally used to refer to institutional customers outside the *Sparkassen-Finanzgruppe*. The idea behind this realignment is to make Deka even better equipped to address the specific needs and concerns of individual customer groups. To this end, the current Institutional Customer Sales unit will be developed into an institutional sales unit exclusively for savings banks and customers within the savings bank association. These customers will receive support spanning all products and services from primary contacts based on their specific requirements, in line with the tried-and-tested end-to-end relationship approach. On the other hand, decentralised, product-specific sales units are being set up in the relevant business areas for institutional market customers outside the *Sparkassen-Finanzgruppe*, including insurance companies and pension funds, foundations and public-sector customers, the idea being to give Deka even greater flexibility in responding to their individual needs.

Corporate centres
The corporate centres perform essential functions, support Sales and the front office units, and also perform administrative tasks. As at the reporting date, these comprised the Corporate Office & Communications, Internal Audit, Legal, Compliance, Strategy & HR, Organisational Development, Non-Financial Risk, Risk Control Capital Market Funds, Risk Control, Finance, IT, Business Services, Credit Risk Management, and Treasury corporate centres.

Influencing factors, market position and awards

In securities-related asset management, the economy, money market and capital market environment, the sales environment for the *Sparkassen-Finanzgruppe*, customer behaviour and product quality all influence business development and profit performance. These factors have an impact on the sale of products to private and institutional investors as well as on the performance of portfolios. In addition to this, real estate asset management is largely influenced by the situation and developments in commercial property, investment and letting markets.

Real estate financing focuses on properties in Europe and selected locations in North America. The specialised financing business has an international orientation and is rounded off by its services for German savings banks. Having worked for decades in every segment, DekaBank has extensive market knowledge and experience at its disposal.

Developments in the money and capital markets are also highly relevant to the Capital Markets and Financing divisions. For example, customer demand for liquidity partly depends on the volume of liquidity made available by the European Central Bank (ECB). In addition, the situation in the securities markets impacts the certificate issuance activities of the Capital Markets business division. Lending business is affected to some extent by economic trends in the sectors financed and by market interest rate developments.

Changes to regulatory requirements are also of key significance for all business divisions, sales units and corporate centres. An overview of current economic conditions is provided in the economic report.

See also: Economic report: page 19 ff.

With fund assets (according to the BVI, the German Investment Funds Association, as at 31 December 2024) of €183.5bn and a market share of 12.7%, Deka is the third-largest provider of mutual securities funds in Germany. It is Germany's leading provider of mutual property funds, with fund assets (according to the BVI, as at 31 December 2024) of €42.1bn and a market share of 34.2%.

DekaBank's certificates are sold through the German savings banks. According to statistics from the German Structured Securities Association (*Bundesverband für strukturierte Wertpapiere*, BSW), DekaBank has a good position as an issuer of structured products in Germany, with a 16.5% market share by market volume at the end of December 2024.

At the 2025 Capital-Fonds-Kompass awards organised by the business magazine *Capital* together with *Institut für Vermögensaufbau*, Deka was crowned "best investment fund business of the year". Its consistent excellent performance was also confirmed by the top 5-star rating, which Deka has now received 13 times running.

Deka was named "investment fund company of the year" at the 2025 €uro FundAwards. The awards presented by the publishing house Finanzen Verlag together with the editors of "€uro", "€uro am Sonntag" and "Börse-Online" in March 2025 recognised the best funds of the year. Deka's funds and ETFs won a total of 24 individual awards.

The German Fund Champions 2025 were crowned in January 2025. Deka was the winner again in the "bonds" category of the *Liga der Fondschampions* (league of fund champions) organised by f-fex and finanzen.net. It also emerged as the winner in the "ESG" category for the second time.

In the "Best investment fund companies of 2025" ranking compiled by the German business magazine *Wirtschaftswoche* for the first time in February 2025, Deka was awarded the highest rating of 5 stars and came third in the overall ranking.

Deka Immobilien Investment GmbH was honoured as Best Asset Manager in the Retail Real Estate Europe and Retail Real Estate Global categories at the Scope Alternative Investment Awards in November 2024. Deka Investment GmbH was also crowned "Best bond fund asset manager" and "Best asset manager for thematic equity funds DE/AT/CH".

The 2024 Scope Rating confirms the high quality of Deka's real estate funds. Deka's Real Estate business division also delivered an impressive performance again, and was awarded an AA+AMR rating for the twelfth year running.

In September 2024, Deka was awarded two first-place rankings as part of the German Certificate Prize. Deka's range of certificates won the jury over in two categories: express certificates and capital protection certificates. It also came in second for both its primary market offering and its range of ESG certificates.

At the Scope Certificate Awards 2024, presented in November 2024, DekaBank was recognised as the best certificate issuer in the primary market for the ninth time.

For the eighth time in a row, Deka received the top score of AAA in the Scope Certificate Management Ratings. This is testimony to Deka's excellent quality and expertise as an issuer of investment certificates in the primary market. The evaluation process looked at Deka's corporate profile, market position, product range, and sales and investor services. Deka emerged as the winner twice at the t-online German *Publikumspreis* awards ceremony, securing the top provider awards for both funds and certificates.

For what is now the fifth time in a row, bevestor was recognised by the German business magazine *Capital* as one of the "best robo-advisors" and was awarded a maximum five-star rating. The evaluation criteria included performance, the service offered and an assessment of how good a match robo-advisors were for their customer profiles.

In the annual online broker test by "€uro" magazine, S Broker impressed with its wide range of securities and trading venues in Germany and other countries. Its securities offering was ranked in second place, putting it among the magazine's "top brokers". For certificate savings plans, S Broker took first place as "best broker" again. It was also the "top broker" for investment fund savings plans and withdrawal plans. S Broker has also been ranked as a "top broker" in a long-term comparison since 2012.

Risk and profit management at the Deka Group

The structure and content of the section on risk and profit management correspond to the relevant section published in the Group management report of the Deka Group. Risk and profit management are oriented towards the Deka Group, while Group management is aligned with the business divisions, thereby incorporating all business divisions and legal entities. Financial and non-financial performance indicators are defined and managed solely at Group level, and not at the level of individual institutions. Therefore, no separate section on risk and profit management has been prepared for DekaBank on an individual basis.

The Deka Group has established a consistent system of targets at Group and business division level. At Group level, success is measured against three outcomes: sustainably increasing enterprise value, generating value added for the *Sparkassen-Finanzgruppe* and growing customer assets under management.

Financial and non-financial performance indicators are used in the Bank's management. These can be divided into key management indicators and other relevant indicators. The Board of Management and management committees that support the Board in its management role are informed through regular comprehensive reporting whether the strategic and operational measures used to manage the Deka Group are successful and whether the Deka Group risk/reward ratio is within the target range.

Financial performance indicators

The financial performance indicators relate to the Deka Group's earnings position, capital adequacy and liquidity adequacy.

The economic result is the key in-house management indicator within the meaning of the provisions of IFRS 8 (Operating Segments). The return on equity and cost/income ratio are also integral to internal management.

See also: Glossary: page 340 ff.

Return on equity is defined at Group level as the ratio of the economic result to balance sheet equity. It shows the return on the capital that has been invested in the Deka Group. For the purposes of operational management at business division level, the figure used for return on equity is the ratio of the economic result to regulatory capital employed. The cost/income ratio is an indicator of cost efficiency. The two management indicators – return on equity and the cost/income ratio – lead to a focus on profitability and efficiency, meaning that they directly support the strategic targets.

The economic result, calculated based on the IFRS Accounting Standards, includes the total of profit or loss before tax (IFRS), plus or minus changes in the revaluation reserve (before tax) and the interest rate- and currency-related valuation result from financial instruments recognised at amortised cost, which are not recognised in the income statement under the IFRS Accounting Standards but are relevant for assessing financial performance. Interest expense for the AT1 (Additional Tier 1 Capital) bonds, which is recognised directly in equity, is also taken into account in the economic result. Furthermore, the economic result includes potential charges that are considered possible in the future but that are not yet permitted to be recognised under IFRS due to the fact that accurate details are not yet available. The economic result is therefore a control variable on an accrual basis with a high level of transparency that enables recipients of the external financial reporting to consider the company from the management perspective.

The economic result is used in external reporting at Group and business division level. A reconciliation of the economic result to total profit or loss before tax (IFRS) can be found in the segment reporting in note [3] to the Deka Group consolidated financial statements, which shows the measurement and reporting differences in the "reconciliation" column.

See also: Capital adequacy: page 67 ff.

The Internal Capital Adequacy Assessment Process (ICAAP) is based on two perspectives. In the normative perspective, the Common Equity Tier 1 capital ratio is the key management indicator. The Common Equity Tier 1 capital ratio is defined as the ratio of Common Equity Tier 1 capital to risk-weighted assets (RWAs) for all relevant credit, market and operational risk positions plus the credit valuation adjustment (CVA) risk. Other indicators that are relevant for management purposes include own funds, Tier 1 capital, RWAs and leverage ratio exposure (LRE) along with the corresponding capital ratios. The MREL ratios (RWA- and LRE-based), subordinated MREL requirements (RWA- and LRE-based) and utilisation of the large exposure limit are also relevant indicators. RWAs are managed in line with the Deka Group's strategy, the targeted balance sheet structure and the capital market environment. In the economic perspective, risk appetite and its utilisation is the key management indicator. Risk appetite is defined as the overall aggregate risk for individual risk types that the Deka Group is willing to accept in order to achieve its strategic objectives and business plan. It forms the basis for allocating risk capital. The monthly risk-bearing capacity analysis involves comparing the Deka Group's risk appetite and allocated risk capital with total risk determined across all risk types that have an impact on profit or loss and calculating the level of utilisation. This makes it possible to establish whether risk limits have been adhered to at Group and divisional level.

See also: Liquidity adequacy: page 70 ff.

The Internal Liquidity Adequacy Assessment Process (ILAAP) is also based on two perspectives. In the normative perspective, the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) serve as the relevant indicators. The funding matrices (FMs) defined by the Board of Management serve as the risk measure to be used as an indicator in the quantification, management and monitoring of liquidity risk in the economic perspective.

Non-financial performance indicators

Non-financial performance indicators relate to various aspects of the Bank's operations and are an indication of the success of the products and services of the business divisions in the market.

Total sales is the key management indicator of sales performance and customer acceptance. It comprises net sales in asset management and in the certificates business. Net sales in asset management (investment fund business) essentially consists of total direct sales of mutual and special funds, fund-based asset management, funds of cooperation partners, master funds, advisory/management mandates and ETFs. Net sales in investment fund business corresponds to gross sales less redemptions and maturities. Sales generated through proprietary investment activities are not included. Gross sales in the certificates business do not take account of redemptions and maturities, as the impact on earnings is determined primarily by the issue volume. Gross certificate sales include both certificates issued by DekaBank and cooperation certificates issued by other institutions and sold via sales support platforms.

The key management indicator asset management volume comprises the income-relevant volume of mutual and special fund products (including ETFs), direct investments in cooperation partner funds, the portion of fund-based asset management activities attributable to cooperation partners, third-party funds and liquidity, advisory/management mandates and master funds. The asset management volume reflects the market position and has a significant impact on the level of net commission income that is linked to the portfolio.

The performance indicators are reported by customer segment and product category at Deka Group level and for the Asset Management Securities and Asset Management Real Estate business divisions. For the Capital Markets business division, they are reported by customer segment and issuer.

See also: Sustainability report: page 95 ff.

When it comes to managing and monitoring climate and environmental risks, the Deka Group has defined additional indicators of business model resilience with regard to these risks in the short, medium and long term. These indicators are reviewed annually and adjusted if necessary to ensure that they are given adequate consideration when deciding on the direction of the Group's business activities. Climate and environmental risks are used as additional indicators, in particular via the development in climate-related greenhouse gas intensities in the Group's business activities. Details can be found in the sustainability report (consolidated non-financial statement).

Economic report

Economic environment

The structure and content of the economic report section essentially correspond to the relevant section of the Group management report of the Deka Group. The overall statement on the business trend and position relates to the Deka Group. The sections on profit performance and changes in the balance sheet relate only to DekaBank.

Macroeconomic conditions

Based on objective economic data, 2024 was another good year for the global economy. Global gross domestic product grew by 3.1% in real terms and inflation rates moved closer to central bank targets, prompting key rate cuts. 2024 brought strong gains not only in share indices; it was also a good year on the bond market. While the global economy proved resilient yet again, radical changes in global politics and the global economy became increasingly apparent. Donald Trump's re-election as US President prompted concerns that the old rules of geopolitics will give way to uncertainty. To make matters worse, military conflicts dominated the headlines, with Russia's ongoing war of aggression against Ukraine and the escalation of the conflict in the Middle East from October 2023 onwards. Challenges also remain as the green transformation, demographic change and digitalisation cause major upheaval. Increasingly, many people in the world's industrialised nations are grappling with the sheer number of these challenges, and with the tensions associated with them, as something akin to a crisis. In many places across the globe, expansionary fiscal policy delivered more of a boost to economic activity than private consumer spending or corporate investment. Nevertheless, companies around the world reported much higher profits, sending stock markets soaring to new record highs.

The United States came as the biggest positive surprise out of the world's economic regions, with fiscal stimulus and a marked upward trend in employment throughout 2024 having a positive impact. Developments in the eurozone painted a very mixed picture in comparison. Some of the continent's southern economies reported strong growth and lower unemployment, and the eurozone as a whole recorded the lowest unemployment rate in its history. Germany, on the other hand, remained locked in stagnation. Sentiment among German companies, particularly in industry, was poor, first and foremost due to structural problems affecting Germany's standing as a business hub (including infrastructure, bureaucracy and energy costs). Geopolitical tensions also put pressure on export-heavy German companies. This was exacerbated by mediocre economic development in China, giving the country less weight as a consumer, but increasingly a better competitive standing on the global markets, including for industrial products. By contrast, the global economy was buoyed by central bank moves to loosen monetary policy and by the more moderate financing costs that emerged as a result.

Sector-related conditions

After the historically high wave of inflation over the past two years, inflation continued to retreat in 2024. While monthly reported inflation rates started to rise again to some extent from October onwards, this can be explained largely by the significant drop in energy prices in October of the previous year. Nevertheless, energy prices continued to help drive inflation down in the eurozone and Germany in 2024 as a whole. Food prices were also up only slightly in a year-on-year comparison. Service prices, on the other hand, are still on the rise. While this trend followed a more moderate trajectory as the year progressed, the slowdown lost considerable pace in the second half of the year. Wage increases in the eurozone were still too high at 3.5% at the mid-point of 2024 (to allow for a sustained inflation rate in the region of 2%), particularly as wage momentum accelerated again to 5.4% in the third quarter. Core inflation also remained elevated at 2.7% in the eurozone and as high as 3.3% in Germany in December 2024 (Harmonised Index of Consumer Prices).

The European Central Bank has gained credibility over the past inflationary period. It had initially lifted its key rates significantly despite the risks this entailed for the economy and financial markets. Market trust in the ECB's credibility despite this move, together with the downward movement in inflation, enabled the European Central Bank to loosen the monetary reins in the course of 2024. After an initial rate cut of 25 basis points in June, the ECB went on to make further cuts on the same scale in September, October and December. In the second half of the year, minutes from Governing Council meetings and public statements by Council members showed that doubts over whether the inflation target could be achieved had largely been allayed, and the money markets were poised for further key interest rate cuts. However, the speed and extent of any possible easing remained a matter of controversial debate. Some Council members stressed the risk that the inflation target would be undershot in the long term. Others cautioned against cutting interest rates too quickly given residual risks to inflation. The first key element of the new *modus operandi* of the European Central Bank's monetary policy came into force in mid-September 2024, with a narrower spread between the main refinancing rate and the deposit rate. With surplus reserves still at a high level, however, this did not yet have any significant impact on money market rates.

Performance of the various capital market asset classes in 2024 was similar to the previous year. Trends on the bond markets, in particular, were also very similar over the course of the year. After yields had plummeted at the turn of the year 2023/24, disappointment started to increase over what was now proving to be a sluggish decline in inflation rates. Especially in the United States, economic development delivered repeated positive surprises, pushing yields up, with a knock-on effect on Europe. The ECB's interest rate turnaround in June then sent yields back down. Inflation data in the United States finally started to point downwards again in the summer of 2024, fuelling expectations of future rate cuts there too. In September, the US Federal Reserve (Fed) finally heralded its own interest rate turnaround, putting an end to yield curve inversion for the country's government bonds. As Donald Trump's return to power started to look more likely, however, concerns over inflation returned, sending yields on US Treasuries up significantly again. At the Fed's last meeting in December 2024, the currency guardians went on to announce slower interest rate cuts, pushing yields up further again, especially on longer maturities.

Alongside a much steeper yield curve, Bunds underwent another drastic change over the course of 2024: they cheapened very considerably compared to swap rates, with swap spreads for long maturities even falling deep into negative territory, mainly due to a significantly greater supply of fully accessible government bonds. On the one hand, the move by the ECB to stop reinvesting assets eliminated the massive shortage of German government bonds, while on the other, financing requirements are expected to increase considerably on the back of sluggish economic development in Germany and the much greater resources needed to finance aid for Ukraine, defence budgets and other EU aid initiatives. The changes in Bund swap spreads have also left their mark on other asset classes. Spreads on bonds issued by German federal states and supranational organisations, as well as covered bonds, which many investors assess based on the swap spread, have widened significantly. The same trend emerged for some corporate bonds, which showed very positive performance compared with German government bonds, but only moved sideways compared with swap rates. High-yield bonds performed significantly better thanks to a combination of current interest income that remained relatively high and lower spreads.

Virtually across the globe, stock market performance was excellent. A large number of country indices, as well as the MSCI World, soared from one new all-time high to the next. High-tech stocks from the United States, which accounted for the lion's share of US corporate profits and also price gains in the S&P 500 share index, were particularly sought-after. Germany's leading index, the DAX, also climbed to new highs despite considerable political turbulence and the country's ailing economy, particularly in the all-important automotive sector. The EURO STOXX 50, on the other hand, remained trapped in a sideways movement from spring 2024 onwards. Alongside a lack of the sort of strong IT heavyweights that the United States has with its "Magnificent 7", this can be explained largely by very poor performance of French equities. Political developments such as the political escalation in France, Trump's election as US President and the threat of higher tariffs were other factors with a negative impact in the short term.

The real estate markets saw the investment market bounce back in the second half of 2024, with the global transaction volume outstripping the prior-year level by 11%. Prices have now stabilised for all use types, especially for retail and logistics properties, with yields plateauing as a result. Such conditions continued to give competitive advantages to investors who purchased property with a large proportion of equity capital and had a high level of market expertise. In the office markets in Europe in particular, employees have increasingly returned to the office. The trend towards smaller but higher-value spaces also fuelled further rises in top rents. Vacancy rates have increased only moderately. The retail sector reported stable demand in prime locations, primarily thanks to clothing shops ramping up their expansion again. Hotels benefited from higher occupancy rates and the ongoing recovery in travel, with an added boost from major international events. Demand in the logistics market stabilised at a slightly lower level. Moves to safeguard supply chains and further expansion of online capacity remained fundamental demand drivers in this segment.

According to Deutsche Bundesbank statistics, the financial assets of private households rose considerably, by around €540bn as against the end of 2023 to €9,004bn (30 September 2024). The monetary easing embarked upon by the European Central Bank meant that sight deposits became less attractive than term deposits. Growth in value and new inflows led to increased financial assets in securities investments. Compared against 31 December 2023, the share of equities and investment funds in the total financial assets of private households rose by almost 1.0 percentage point to just under 21.3%.

Market performance in 2024 was also reflected in the investment statistics of the German Investment Funds Association BVI. Net assets in open-ended mutual funds amounted to €1,564.3bn as at 31 December 2024 (year-end 2023: €1,382.1bn), while the net assets of open-ended special funds stood at €2,183.0bn (year-end 2023: €2,079.9bn). As at 31 December 2024, net inflows into open-ended mutual funds came to €36.2bn, up considerably on the previous year's figure (€12.9bn). Bond, equity and money market funds recorded particularly high inflows. At €33.6bn, the sales figure for open-ended special funds for institutional investors was almost on a par with the previous year (€33.7bn).

Regulatory environment

Changes to regulations, both those already initiated and those in the pipeline, have an influence on the business model and profitability of the Deka Group. Higher capital requirements for banks could emerge from supervisory interpretations of existing legal standards and from the results of the annual Supervisory Review and Evaluation Process (SREP), for example in the context of the supervisory review of the internal models under Pillar 1 of the Basel capital framework.

The main regulatory topics for the Deka Group at present are described below.

Regulatory topics

On 19 June 2024, CRR III, implementing the finalised Basel III rules (also known as Basel IV) in the EU, was published in the Official Journal of the European Union. The rules came into force at EU level on 1 January 2025. With the switch to CRR III, DekaBank continues to use an internal model (IRB approach) to measure credit risk for the majority of its lending. This means that it is affected by the new output floor, which limits the benefit of internal models as compared to the standardised approach. The plan is to introduce the output floor gradually. It stands at 50% upon introduction and is to increase to its final level of 72.5% in 2030. The level of the output floor will increase by 5 percentage points each year from 2026 to 2029 and by 2.5 percentage points in 2030. The output floor will only take full effect at the beginning of 2033, as further transitional arrangements for calculating the underlying RWAs in the Credit Risk Standardised Approach will apply until that time. Risk-weighted assets (RWAs) could increase when the transitional arrangements expire. In addition, CRR III contains rules on calculating RWAs for market risk from the fundamental review of the trading book (FRTB), as well as for credit valuation adjustment risk (CVA risk) and operational risk, which may also increase RWAs. DekaBank generally uses the specified standardised approaches for these risk types. The European Commission has postponed the calculation of RWAs under the FRTB rules by means of a delegated regulation which pushes the start date back by a year to 1 January 2026, meaning that the internal market risk model in line with CRR II will still apply in 2025. Other FRTB rules (internal risk transfers, reclassifications, distinction between the trading and banking book) will now not come into force until 1 January 2026 either.

A stress test by the European Banking Authority (EBA) is planned for 2025, which, as in 2023, will cover all risk types. Publication of the results is scheduled for August 2025. DekaBank is not among the banks taking part in the EBA stress test. As a bank subject to ECB supervision, it is nevertheless subjected to a stress test that is carried out in accordance with EBA methodology. The results of this ECB stress test feed into the calculation of the SREP ratios.

On 2 January 2024, the ECB started its first cyber resilience stress test (CRST) at 109 institutions. 28 selected institutions had to conduct a more in-depth recovery test and create detailed logs as evidence of their activities. As part of the standard assessment, DekaBank and a large majority of the institutions completed an extensive questionnaire by the end of February 2024 and submitted cyber incident reports to the ECB. The closing meeting with the supervisory authority took place in June, and DekaBank received the final report, including the results, at the end of July 2024. The regulator’s comments will be processed and implemented by the deadlines agreed with the ECB.

Regulation (EU) 2022/2554, the Digital Operational Resilience Act (DORA), was introduced by the European Union to enhance digital operational resilience in the financial sector. DORA aims to make financial organisations more resilient to cyber threats and ICT-related incidents. The Regulation harmonises cyber security and ICT risk management requirements within the EU and covers aspects such as ICT risk management, handling and reporting of ICT-related incidents, test measures to increase cyber defence capability and resilience, and the management of third-party ICT service providers. The Regulation applies as of 17 January 2025.

Sustainability-related regulatory proposals

See also: Sustainability report ESRS 2: page 97 ff.

The Corporate Sustainability Reporting Directive (CSRD) is expanding sustainability reporting. The aim is to increase accountability in relation to sustainability. To this end, mandatory reporting standards – the European Sustainability Reporting Standards (ESRS) – have been introduced. DekaBank forged ahead with implementation of the CSRD in 2024, taking action aimed at data collection and preparation and also including sustainability topics that were previously classified as material in its reporting. In Germany, the collapse of the governing coalition meant that the CSRD had not been transposed into national law by 31 December 2024. The provisions of the CSRD Implementation Act continue to apply, among others, in accordance with the NFRD. The Deka Group's sustainability reporting (consolidated non-financial statement) was prepared applying the ESRS in full for the very first time and has been included as a separate section of the Group management report. This means that the sustainability reporting also fulfils the requirements for the consolidated non-financial statement in accordance with sections 315b and 315c HGB.

In 2024, European supervisory authorities (ESAs) joined forces with the ECB and the European Systemic Risk Board (ESRB) to conduct a "Fit for 55" climate risk scenario analysis, the aim being to assess the resilience of the financial sector in accordance with the EU's "Fit for 55" package. DekaBank was one of 110 institutions in the EU to take part in the climate risk scenario analysis, which was based on three scenarios. The baseline scenario assumed a smooth and timely transition to a climate-neutral economy. The first adverse scenario incorporated short-term climate risks in the form of asset price corrections triggered by a reassessment of transition risk (run-on-brown scenario), while the second adverse scenario also included macroeconomic stress factors that were not specific to climate risk. The supervisory authorities believe that, based on the results, first-round losses from a possible run-on-brown scenario would only have a limited impact on the financial system. However, adverse macroeconomic developments could considerably increase the losses incurred by financial institutions, hindering them in their capacity to provide financing. The climate risk scenario analysis did not have any impact on the capital requirements of the participating institutions. The aggregated results were published by the supervisory authorities in November 2024.

See also: Business and human rights at Deka

The Corporate Sustainability Due Diligence Directive (CSDDD) came into force on 25 July 2024. EU member states have two years to transpose the legislation into national law. The transition periods are staggered, with the biggest companies affected, including DekaBank, likely to have to apply the Directive from mid-May 2027. The German Act on Corporate Due Diligence Obligations in Supply Chains (*Lieferkettensorgfaltspflichtengesetz*, LkSG) already anticipates many aspects of the CSDDD. The German Act is, however, expected to be amended in the future to reflect further-reaching requirements of the CSDDD.

Product- and service-related regulatory proposals

The EU directive on deposit guarantee schemes (Deposit Guarantee Schemes Directive) was implemented in Germany as part of the European banking union in 2015. Under the more wide-ranging ideas put forward by the European Commission, national deposit guarantee systems would create a reinsurance system via a single European Deposit Insurance Scheme (EDIS) and centralise deposit insurance at European level in future. The design of this scheme, the role of institutional guarantee systems and the timetable have not yet been determined.

In May 2023, the European Commission published its draft Retail Investment Strategy (RIS). The proposals primarily relate to processes in investment services and are therefore relevant to the Deka Group and its collaboration with the savings banks. The European Parliament and European Council have commented on the proposals. Substantive trilogue negotiations involving the European Parliament, Council and Commission have yet to start. The proposals put forward by the trilogue partners still differ considerably on key points. DekaBank continues to support the DSGV in accompanying the legislative process and is evaluating possible impacts.

Business development and position

Overall statement on the business trend and the Group's position

The Deka Group can look back on 2024 as a year in which the global economy proved resilient overall in the face of geopolitical conflict. A marked drop in inflation and the start of a cycle of rate cuts sent stock markets soaring to new highs. Volatility on equity and bond markets started to increase towards the end of the year due to the US elections and government crises in a number of eurozone countries. Although the German economy contracted and the eurozone reported only weak growth, economic development was robust in global terms.

In this environment, Deka maintained its systematic focus on supporting savings banks and institutional customers. The expert advice offered by the savings banks helped to keep customers investing in 2024. The Deka Group generated a good economic result of €892.2m, below the prior-year value of €971.5m as expected. The decline was mainly attributable to valuation effects from own issues due to changed market parameters.

All in all, Deka is satisfied with its business development and profit performance. Thanks to our economic strength, we were able to make targeted investments in technology and innovation and expand our business model. The Deka Group's earnings position also ensures that Deka remains able to distribute profits while at the same time retaining parts of the annual profit to strengthen its capital base.

Income amounted to €2,218.0m (previous year: €2,282.9m). There was an improvement in net interest and commission income year on year. Additions to risk provisions in the lending and securities business were down on the previous year. Net financial income and other operating profit were lower. Net commission income remained the main component of the Deka Group's income, accounting for around 76%. Expenses came to €1,325.8m, up on the previous year's figure (€1,311.3m), as expected. There was a slight increase in personnel and other administrative expenses, partly due to the increase in headcount to take advantage of growth opportunities and to investments in the business model. The fact that no bank levy was charged in 2024 had the opposite effect.

The investment fund business picked up again in 2024, a trend that is also reflected in an increase in savings plans. The Deka Group's total sales stood at €28.9bn, compared with €5.7bn in the previous year. In the private customer segment, sales increased to €25.7bn (previous year: €22.7bn), driven by sales in the investment fund and certificates business. €20.0bn was attributable to retail customers (previous year: €19.1bn) and €5.7bn to Private Banking customers (previous year: €3.6bn). In institutional business, sales came to €3.2bn. The prior-year figure of €–17.0bn was affected by a major client moving to another provider (approximately €–19bn).

In the private customer segment, asset management net sales rose by €6.0bn year on year to €11.4bn. Sales performance was driven to a considerable degree by equity funds, which contributed €4.2bn (previous year: €4.0bn), and bond funds, with a contribution of €2.3bn (previous year: €–0.6bn). Real estate funds also contributed to the positive net sales, although sales were down year on year due to the market environment in this segment. €8.6bn of asset management net sales in the private customer segment was attributable to retail customers (previous year: €5.2bn) and €2.8bn to Private Banking customers (previous year: €0.2bn). Net sales to institutional customers came to €2.5bn as against €–17.3bn in 2023. The prior-year figure was affected by a major client moving to another provider.

Asset management net sales stood at €13.9bn, compared with €–12.0bn in the previous year.

At €15.0bn, gross certificate sales were, as expected, down on the high prior-year figure (€17.7bn). As in the previous year, the majority (€14.3bn) of these sales were to private customers (2023: €17.3bn). There was particular demand for stepped coupon bonds (€6.6bn) (previous year: €12.1bn) and express certificates (€5.6bn) (previous year: €4.1bn). €11.4bn of gross sales in the private customer segment was attributable to retail customers (previous year: €14.0bn) and €2.9bn to Private Banking customers (previous year: €3.3bn). Certificate sales to institutional customers in the reporting period came to €0.7bn (previous year: €0.4bn). The gross sales figure includes both Deka certificates and cooperation certificates. Deka certificates accounted for €10.6bn of the total (previous year: €9.2bn). Cooperation certificates, which complement Deka's certificate range, accounted for €4.4bn, compared with €8.4bn in 2023.

Deka Group sales *in €m (Fig. 4)*

	2024	2023*
Asset management net sales	**13,949**	**–11,958**
by customer segment		
Private customers	11,410	5,372
Institutional customers	2,540	–17,329
by product category		
Mutual funds and fund-based asset management	10,278	4,307
Special funds and mandates	2,440	–16,163
ETFs	1,232	–102
Gross certificate sales	**14,973**	**17,664**
by customer segment		
Private customers	14,308	17,302
Institutional customers	665	362
Total sales (Total of net sales asset management and certificates)	**28,922**	**5,707**

*The allocation of net sales to the customer segments was refined, resulting in shifts between the customer segments but no effect on the Group figures. The prior-year figures have been adjusted to aid comparison.

Savings plans performed well in 2024. Investors signed up to around 583,000 (net figure) new investment savings plans (year-end 2023: around 222,000), meaning that the Deka Group manages approximately 8.2 million contracts in total, compared with around 7.6 million at the end of 2023.

The appeal of securities was also reflected in the number of securities accounts, which increased by approximately 226,000 in total to 5.7 million (year-end 2023: 5.5 million). At 141.7 million, the number of transactions was significantly up on the figure for the end of 2023 (123.2 million).

At €394.1bn, the asset management volume at the end of 2024 was up by €36.4bn on the figure for year-end 2023 (€357.7bn), mainly due to net sales and a market-induced positive investment performance. The asset management volume for private customers came to €215.6bn (previous year: €188.4bn). €163.4bn of this amount was attributable to retail customers (previous year: €144.3bn) and €52.2bn to Private Banking customers (previous year: €44.1bn). The Deka certificate volume fell by €1.5bn compared with the end of the previous year to €21.7bn. The volume for private customers came to €17.4bn (previous year: €18.5bn). €12.2bn of this amount was attributable to retail customers (previous year: €13.1bn) and €5.2bn to Private Banking customers (previous year: €5.5bn). The Deka certificate volume comprises only Deka certificates; cooperation certificates are not included. The total of the asset management and Deka certificates volume came to €415.9bn at the end of 2024 (year-end 2023: €380.9bn).

Deka Group asset management volume and Deka certificate volume *in €m (Fig. 5)*

	31 Dec 2024	31 Dec 2023*	Change	
Asset management volume	**394,132**	**357,730**	36,402	10.2%
by customer segment				
Private customers	215,612	188,402	27,210	14.4%
Institutional customers	178,520	169,329	9,192	5.4%
by product category				
Mutual funds and fund-based asset management	222,279	196,787	25,492	13.0%
Special funds and mandates	156,161	147,841	8,320	5.6%
ETFs	15,693	13,103	2,590	19.8%
Deka certificate volume	**21,724**	**23,216**	–1,493	–6.4%
by customer segment				
Private customers	17,397	18,533	–1,136	–6.1%
Institutional customers	4,326	4,683	–357	–7.6%
Total of asset management and Deka certificate volume	**415,856**	**380,947**	34,909	9.2%

*The allocation of the volume to the customer segments was refined, resulting in shifts between the customer segments but no effect on the Group figures. The prior-year figures have been adjusted to aid comparison.

See also: Capital adequacy: page 67 ff.

The Common Equity Tier 1 capital ratio at the close of 2024 stood at 19.8% (year-end 2023: 19.2%). The regulatory requirement was exceeded at all times. As in the previous year, pursuant to Article 26 (2) CRR, the year-end profit less foreseeable charges and dividends was recognised in Common Equity Tier 1 capital within the same period as at 31 December 2024 (dynamic approach).

Compared with the previous year, Common Equity Tier 1 capital increased by €256m to €6,104m. The increase was due to the inclusion of year-end effects from 2024 (mainly profit retention).

RWAs increased overall by €328 m from the year-end 2023 figure of €30,486m to €30,814m. This was driven mainly by higher market risk, which was offset to a degree by lower credit risk. Credit risk fell by €672m to €19,212m, primarily as a result of lower RWAs from funds. Market risk (€5,257m) increased over the year (year-end 2023: €4,347m). The increase can be traced back first and foremost to general market risk. RWAs from operational risk amounted to €5,969m (year-end 2023: €5,727m). The CVA risk amounted to €375m (year-end 2023: €528m).

At 8.2%, the leverage ratio was below the previous year's figure of 9.2%. The minimum leverage ratio of 3.0% was adhered to at all times.

The MREL requirements are calculated using an RWA- and LRE-based method in accordance with supervisory requirements. As at the reporting date, the MREL ratio in line with the RWA-based approach amounted to 53.2% (year-end 2023: 54.1%), while the figure under the LRE-based approach came to 20.0% (year-end 2023: 23.5%). Both ratios were well above the applicable minimum ratios.

The subordinated MREL requirements are also calculated using an RWA- and LRE-based method in accordance with supervisory requirements. As at 31 December 2024, the subordinated MREL requirements in line with the RWA-based approach came to 37.5% (year-end 2023: 37.7%), while the figure under the LRE-based approach was 14.1% (year-end 2023: 17.9%). Both ratios were well above the applicable minimum ratios.

See also: Liquidity adequacy: page 70 ff.

The Deka Group had ample liquidity, measured using the liquidity balances and liquidity coverage ratio (LCR), throughout 2024. The LCR as at year-end 2024 stood at 192.0% (year-end 2023: 209.0%). It was always significantly above the applicable minimum limit of 100% in the reporting period.

The net stable funding ratio (NSFR) came to 117.9% (year-end 2023: 120.9%) at the end of December 2024 and was thus significantly above the applicable minimum limit of 100%.

Economic risk-bearing capacity was at a non-critical level overall as at the end of 2024. A slight increase in total risk was offset by much higher risk capacity due to the positive development in retained earnings and various correction and deduction items. At 57.8%, utilisation of the risk appetite (which had been increased to €4,500 m) was down slightly on the 2023 reporting date (59.4%). Utilisation of risk capacity also dropped to 42.5%, below the level at the end of 2023 (46.6%).

Comparison of forecast and actual growth

Most of the expectations regarding the Deka Group's key management indicators in 2024, as set out in the forecast report of the 2023 Group management report and updated in the 2024 interim financial report, either materialised as predicted or exceeded the forecast. The Deka Group's total sales were slightly lower than forecast at around €29bn due to caution in the real estate funds business and lower than expected net sales in the institutional business.

Development of key management indicators in the Deka Group *(Fig. 6)*

		31 Dec 2023	Forecast 2024 in the Annual Report 2023	Forecast 2024 in the Interim Report 2024	31 Dec 2024
Economic result	€m	971.5	around 700	around 700	892.2
Return on equity before tax (balance sheet)	%	15.8	around 11	around 11	13.9
Cost/income ratio	%	54.4	around 60	around 60	59.2
Total of asset management and Deka certificate volume	€bn	380.9	significant above the previous year	significant above the previous year	415.9
Total sales	€bn	5.7	around 35	slightly below 35	28.9
Common Equity Tier 1 capital ratio	%	19.2	appropriate above 13	appropriate above 13	19.8
Utilisation of risk appetite	%	59.4	at non-critical level	at non-critical level	57.8

Profit performance of the DekaBank

The total of net income from interest and equity investments rose slightly to €1,155m (previous year: €1,139m). This change was attributable to net interest income, which grew by €32m to €487m. The increase in net interest income was mainly due to the investment of liquidity from own funds by the Treasury function. Net commission income grew slightly to €363m (previous year: €346m). Trading profit of €96m was lower than in the previous year (€158m). This resulted mainly from a fall in the valuation result in the context of the change in capital market interest rates. Other operating profit came to €445m (previous year: €340m). It was positively affected by actuarial gains on pension provisions. These resulted mainly from the market-induced rise in plan assets.

General administrative expenses as the total of personnel expenses and other administrative expenses including depreciation and amortisation increased to €1,120m in the year under review (previous year: €1,089m). This can be traced back to higher personnel expenses, which increased to €541m (previous year: €492m) due to measures to take advantage of growth opportunities as well as due to wage and salary rises under collective agreements. At €579m, other administrative expenses including depreciation and amortisation were slightly lower than the prior-year figure (€598m).

The overall valuation result from the lending, securities and investment business for the past financial year was €–6m (previous year: €139m). This drop was primarily attributable to lower gains on the disposal of securities in the liquidity reserve. This was offset by a lower net addition to risk provisions, which came to €–24m (previous year: €–127m). After higher allocations of €394m (previous year: €122m) to the fund for general banking risks and deduction of income taxes of €238m (previous year: €611m), DekaBank achieved net income of €300m (previous year: €300m).

DekaBank performance *(Fig. 7)*

	2024	2023	Change	
Net interest income and net income from equity investments	1,155	1,139	16	1.4%
Net commission income	363	346	17	5.0%
Trading result	96	158	–62	–39.5%
General administrative expenses	1,120	1,089	31	2.8%
Risk provision/valuation	–6	139	–145	–104.4%
Income taxes	238	611	–372	–61.0%
Net Income	**300**	**300**	–	–

Business development by business division

Business development in the Asset Management Securities business division

The economic result for the Asset Management Securities business division was €637.8m (previous year: €567.4m). Net sales stood at €13.9bn, compared with €–13.3bn in 2023. The prior-year figure was affected by an institutional customer transferring their mandate to another provider. The positive investment performance and net sales meant that the asset management volume of €339.0bn significantly exceeded the prior-year figure (€302.2bn).

Net sales and volume

The division's asset management net sales totalled €13.9bn (previous year: €–13.3bn). Business with private customers remained the sales focus, accounting for around 80% of net sales. Sales to these customers came to €10.9bn, as against €3.9bn in the previous year. Sales of mutual securities funds reached €9.1bn (previous year: €3.6bn). Sales of equity, bond and money market funds were particularly positive. Fund-based asset management recorded inflows of €0.9bn (previous year: outflows of €0.6bn). Business with institutional customers amounted to €3.0bn versus €–17.3bn in the previous year. This included net sales of special funds and mandates of €2.6bn. Sales in 2023 (€–16.3bn) had been affected by a major client moving to another provider (approximately €19bn). ETFs recorded inflows of €1.2bn, compared with net redemptions and maturities of €0.1bn in the previous year.

Net sales performance in the Asset Management Securities business division *in €m (Fig. 8)*

	2024	2023*
Asset management net sales	**13,924**	**–13,337**
by customer segment		
Private customers	10,914	3,950
Institutional customers	3,010	–17,287
by product category		
Mutual funds and fund-based asset management	10,054	3,025
ETFs	1,232	–102
Special funds and mandates	2,638	–16,260

* The allocation of net sales to the customer segments was refined, resulting in shifts between the customer segments but no effect on the Group figures. The prior-year figures have been adjusted to aid comparison.

At €339.0bn, the asset management volume was up considerably on the prior-year value of €302.2bn due to positive performance and net sales.

Volume in the Asset Management Securities business division *in €m (Fig. 9)*

	31 Dec 2024	31 Dec 2023*	Change	
Asset management volume	**338,981**	**302,227**	36,754	12.2%
by customer segment				
Private customers	176,565	149,860	26,705	17.8%
Institutional customers	162,416	152,367	10,049	6.6%
by product category				
Mutual funds and fund-based asset management	178,812	153,464	25,348	16.5%
thereof: equity funds	80,935	66,680	14,254	21.4%
thereof: bond funds	23,223	21,169	2,054	9.7%
thereof: mixed funds	25,423	22,915	2,508	10.9%
ETFs	15,693	13,103	2,590	19.8%
Special funds and mandates	144,477	135,660	8,817	6.5%

* The allocation of the volume to the customer segments was refined, resulting in shifts between the customer segments but no effect on the Group figures. The prior-year figures have been adjusted to aid comparison.

Business development in the Asset Management Real Estate business division

The economic result in the Asset Management Real Estate business division stood at €146.2m at the end of 2024 compared with €200.8m in the previous year. Asset management net sales were positive at around €26m, but fell short of the previous year’s figure. With continued sound investment performance, the business division’s asset management volume was stable at €55.2bn. Real estate assets under management grew by €0.7bn to €51.0bn.

Net sales and volume

Asset management net sales in this business division failed to match the previous year’s figure (€1.4bn) due to investor restraint. The asset management net sales for private customers fell to €0.5bn (previous year: €1.4bn). Net sales nevertheless fare very well in a comparison with Deka’s peers. Net sales for institutional customers came to €–0.5bn (previous year: €–0.0bn). However, sales remained positive overall. High demand was registered for WestInvest InterSelect, which focuses on Europe, and for the Deka-ImmobilienMetropolen funds, which invest internationally.

Net sales performance in the Asset Management Real Estate business division *in €m (Fig. 10)*

	2024	2023*
Asset management net sales	**26**	**1,380**
by customer segment		
Private customers	496	1,422
Institutional customers	–470	–43
by product category		
Mutual property funds	224	1,283
Special funds, individual property funds and mandates	–198	97

* The allocation of net sales to the customer segments was refined, resulting in shifts between the customer segments but no effect on the Group figures. The prior-year figures have been adjusted to aid comparison.

The volume in the Asset Management Real Estate business division (€55.2bn) remained virtually constant despite distributions of €1.2bn, thanks largely to stable performance. €39.0bn of the volume was attributable to the private customer segment. Euro-denominated mutual property funds achieved an average volume-weighted return of 2.1% (previous year: 2.7%).

Volume in the Asset Management Real Estate business division *in €m (Fig. 11)*

	31 Dec 2024	31 Dec 2023*	Change	
Asset management volume	**55,151**	**55,503**	–352	–0.6%
by customer segment				
Private customers	39,047	38,541	506	1.3%
Institutional customers	16,104	16,962	–858	–5.1%
by product category				
Mutual property funds	43,467	43,323	144	0.3%
Special funds, individual property funds and mandates	11,684	12,181	–497	–4.1%

* The allocation of the volume to the customer segments was refined, resulting in shifts between the customer segments but no effect on the Group figures. The prior-year figures have been adjusted to aid comparison.

Although pricing on national and international real estate markets is still difficult following the change in interest rates, more transactions were successfully concluded in the second half of the year. At €1.7bn, the volume of real estate purchase and sale transactions was up on the previous year’s level of €1.3bn. Around 49% of the overall transaction volume concerned a total of ten contractually secured property purchases. There were twenty disposals, representing 51% of the transaction volume. Business activities continue to centre on properties in the office, retail, logistics and hotel asset classes.

Business development in the Asset Management Services business division

The economic result for the Asset Management Services business division was €–7.2m (previous year: €6.3m). There was an increase of around 226,000 in the number of securities accounts in Digital Multichannel Management. Custody account volume rose to €218.1bn due to market and sales developments. Assets under custody in the Depositary subdivision recorded a market-induced rise in the course of 2024 and came to €327.4bn.

Business development in the Asset Management Services business division

The number of custody accounts for which the division is the legal provider increased to 5.7 million in the reporting year (previous year: 5.5 million custody accounts). At 141.7 million, the number of securities transactions also exceeded the previous year’s figure of 123.2 million. This was partly due to the sales figures for savings plans, with around 583,000 additional savings plans in 2024. Due to the favourable market and sales trend, assets under custody in the Digital Multichannel Management subdivision rose to €218.1bn (previous year: €194.6bn).

At S Broker AG & Co. KG, the investment volume also increased year on year to €18.5bn (previous year: €16.2bn). The number of custody accounts came to around 203,000, almost unchanged compared with the previous year (around 200,000 custody accounts).

As of year-end 2024, the robo-advisory service bevestor GmbH has been integrated into the sales of 337 savings banks (previous year: 348) as part of the cooperation partner model. The decline is due to mergers in the savings bank sector. bevestor GmbH had arranged an investment volume of €506m (previous year: €299m) and managed around 138,000 customer custody accounts as of year-end 2024 (year-end 2023: around 69,000 custody accounts).

Assets under custody in the Depositary subdivision were up compared with the start of 2024, mainly due to market-related factors. They increased for both mutual funds and special funds and came to €327.4bn at year-end (previous year: €290.8bn).

Business development in the Capital Markets business division

At €274.6m, the economic result reported by the Capital Markets business division was down on the previous year's figure of €291.5m. The Capital Markets business division continues to fulfil its role as the Deka Group's product, solution and infrastructure provider. It is supported in this by the DEA and finledger platforms.

Business development in the Capital Markets business division

In the largest subdivision, Trading & Structuring, business was stable compared with the previous year and benefited from the certificates business.

At €15.0bn, gross sales of certificates remained, as expected, below the previous year's high figure of €17.7bn. As in the previous year, business with private customers accounted for the lion's share of demand. There was particular demand for stepped coupon bonds (€6.6bn, previous year: €12.1bn) and express certificates (€5.6bn, previous year: €4.1bn). Deka certificates accounted for 70.9% of gross certificate sales in the reporting year (previous year: 52.2%).

Gross certificate sales Capital Markets business division *in €m (Fig. 12)*

	31 Dec 2024	31 Dec 2023
Gross sales	**14,973**	**17,664**
by customer segment		
Private customers	14,308	17,302
Institutional customers	665	362
by issuer		
Deka certificates	10,613	9,220
Cooperation certificates	4,360	8,444

The volume of Deka certificates reported in the balance sheet amounted to €21.7bn (year-end 2023: €23.2bn).

Deka certificate volume Capital Markets business division *in €m (Fig. 13)*

	2024	2023	Change	
Deka certificate volume	**21,724**	**23,216**	–1,493	–6.4%
by customer segment				
Private customers	17,397	18,533	–1,136	–6.1%
Institutional customers	4,326	4,683	–357	–7.6%

The Collateral Trading & Currency subdivision remains well positioned in the repo/lending business. Business was up overall in a year-on-year comparison due to higher volumes.

The Commission Business subdivision was able to match the previous year's turnover in business with shares, bonds, exchange-traded derivatives and supplementary services in a challenging market environment.

Business development in the Financing business division

The Financing business division generated an economic result of €164.3m (previous year: €44.2m). The business division's gross loan volume came to €25.7bn, down by 5.5% on the end of 2023.

Business development in the Financing business division

The business division's gross loan volume came to €25.7bn (year-end 2023: €27.2bn). The drop resulted mainly from a smaller volume of new business. Around 57% (year-end 2023: around 59%) of the gross loan volume was attributable to specialised financing. The share of real estate financing came to around 43% (year-end 2023: around 41%).

The volume of new business in the Financing business division came to €3.3bn at the end of 2024 (previous year: €4.7bn). €1.2bn of this amount was arranged in the Specialised Financing subdivision, as against €2.7bn at the end of 2023. Loans to savings banks accounted for €0.3bn (previous year: €1.6bn). At €2.1bn, the new business volume in the Real Estate Financing subdivision slightly exceeded the previous year's figure (€2.0bn). Loans to savings banks accounted for 9% of total new business in the division (previous year: around 35%).

At €0.5bn, the total volume of placements was consistent with the new business trend and was below the previous year's figure of €0.9bn. More than half of this total was placed within the *Sparkassen-Finanzgruppe*.

Repayments of around €4.8bn (previous year: around €3.7bn) were the main factor reducing the portfolio.

Gross loan volume in the Specialised Financing subdivision *in €bn (Fig. 14)*

	31 Dec 2024	31 Dec 2023	Change
Infrastructure financing	3.5	4.0	–11.6%
Renewable energies	1.0	1.5	–32.6%
Transport financing	2.9	3.3	–10.6%
Aviation	1.6	1.8	–14.6%
Shipping	1.2	1.3	–3.2%
Export financing	0.8	1.0	–18.9%
Public sector financing	3.0	3.1	–5.1%
Savings bank financing	4.4	4.6	–3.3%
Total	**14.7**	**16.0**	–8.2%

Gross loan volume in the Real Estate Financing subdivision *in €bn (Fig. 15)*

	31 Dec 2024	31 Dec 2023	Change
Commercial real estate financing	8.0	8.3	–3.6%
Financing of open-ended real estate funds	3.0	2.9	3.6%
Total	**11.0**	**11.2**	–1.7%

For materiality reasons, segments with a gross loan volume of less than €1bn are not reported.

Commercial real estate financing continued to focus on financing in Europe (€3.9bn) and North America (€4.1bn). In the previous year, the figures were €4.3bn in Europe and €4.0bn in North America. Office properties were the main use type in commercial real estate financing with a share of 78.1% (year-end 2023: 75.8%). Hotel financing accounted for 3.8% (year-end 2023: 3.7%) and retail property financing for 6.6% (year-end 2023: 9.1%) of the gross loan volume in commercial real estate financing. For the loan to values in commercial real estate financing, Deka follows a conservative policy on lending values.

At 8, the average rating for the loan portfolio as a whole according to the DSGV master scale was unchanged from the end of 2023. This corresponds to a rating of BB on S&P's external rating scale. The average rating for Specialised Financing was also unchanged from the end of 2023 and stood at 7 (S&P: BB). The rating for Real Estate Financing deteriorated as against the end of 2023 from 8 to 9 (S&P: from BB to BB–). Taking account of collateralised assets, the average rating for Real Estate Financing came to 4 on the DSGV master scale (S&P: BBB–) and was unchanged as against the end of the previous year.

Financial position

Financial management principles and objectives

Via its Treasury corporate centre, DekaBank pursues an integrated approach aimed at the active management of Group-wide liquidity, thus ensuring that flexibility and investor trust are retained even in difficult market situations.

The Treasury corporate centre manages Group liquidity and Deka Group refinancing across all maturities and is responsible for asset-liability management. Treasury also heads the Management Committee for Assets and Liabilities (*Managementkomitee Aktiv-Passiv* – MKAP), which manages the strategic position of the Bank as a whole and makes recommendations for action in this regard to the Board of Management.

Treasury manages the liquidity management portfolio with a view to compliance with regulatory requirements and safeguarding the Bank's liquidity at all times. This portfolio comprises the liquidity buffer, which contains securities held to ensure liquidity in stress situations and liquidity shortages, other liquid assets (e.g. securities for cover registers) and the securities in the proprietary securities portfolio (Strategic Investments portfolio). The Strategic Investments portfolio is used to invest surplus financial resources and balance out differences in maturity structure. For the securities that constitute the strategic investments, liquidity investing is focused on investments in investment-grade bonds from financial services providers and corporates. Given the targets for the liquidity buffer, investment here concentrates on bonds issued by German federal states, German development banks and supranational institutions, as well as German covered bonds (*Pfandbriefe*) and credit balances held with central banks.

Treasury assists the Board of Management with the management of existing risks from fund-based guarantee products, manages market price risks in the banking book and is responsible for Group-wide hedge accounting. In addition, Treasury manages counterparty risks in its own banking book and equity. By setting transfer prices for the whole Group, Treasury helps to ensure both that the balance sheet is evenly structured and in line with strategy, and that transactions are calculated appropriately. It also provides active support to the business divisions in meeting their business policy targets.

DekaBank supports cash pooling for the savings banks and other companies of the *Sparkassen-Finanzgruppe*. It has high volumes of central bank-eligible highly liquid assets, which can be used to generate liquidity via various market access routes at any time.

Refinancing is carried out in a diversified manner using domestic and international money market and capital market instruments. This includes issues of covered bonds, bearer bonds based on the commercial paper programme and the debt issuance programme, as well as the programmes for structured issues and certificates. These activities are supplemented by placements of registered debt securities along with promissory note loans and DekaBank's range of certificates with sustainability features. DekaBank also uses the repo and lending markets as well as daily and time deposits to raise and invest liquidity. It participates in the various central bank tenders as necessary.

See also:
Green bonds

As part of its ongoing efforts in the field of sustainability, DekaBank has continued to develop its Green Bond Framework in line with the ICMA Green Bond Principles 2021. This framework enables the issue of green bonds and certain certificates as required as part of ongoing issuing activities. The funds raised are used to fully or partially finance appropriate green loans – new or existing lending in renewable energy and green buildings.

Derivative financial instruments are used for trading purposes and to hedge interest rate risks, currency risks and other price risks in the banking book and trading book. DekaBank does not have extensive open interest or currency positions. Detailed information on derivative transactions can be found in the consolidated financial statements.

Changes in the DekaBank balance sheet

Total assets increased as expected by €8.2bn in financial year 2024 to €94.3bn (year-end 2023: €86.2bn). Lower new financing business was offset by higher investments in liquid securities on the assets side. There was also an increase in short-term reverse repo transactions.

Amounts due from banks and customers fell by €8.7bn to €38.3bn in the period under review. The decline was due to lower money market transactions with banks. There were also reduced balances (overnight deposits) with Deutsche Bundesbank in the form of a deposit facility, which are reported as amounts due from banks that are due on demand. Bonds and other fixed-interest securities increased year on year to €14.5bn (year-end 2023: €9.8bn). This was primarily due to investments in liquid fixed-interest securities. The trading portfolio (assets) increased from €27.2bn to €39.3bn. This was due in particular to an increase in reverse repo transactions and synthetic lending transactions.

Amounts due to banks and customers rose by €2.8bn in total to €39.5bn, mainly due to higher customer current account deposits. Securitised liabilities posted an increase of €6.0bn to €17.1bn. This was due primarily to the issue of short-term securities. Liabilities in the trading portfolio fell slightly to €28.2bn (year-end 2023: €29.1bn). This was due in particular to the fall in capital market interest rates in the reporting year, which resulted in a lower fair value for derivatives held for hedging purposes on the liabilities side. The change was also attributable to a lower volume of trading book certificates due to maturities.

Changes in the DekaBank balance sheet *in €m (Fig. 16)*

	31 Dec 2024	31 Dec 2023	Change	
Total assets	**94,318**	**86,156**	8,162	9.5%
Selected asset items				
Due from banks and customers	38,304	47,011	–8,707	–18.5%
Bonds and other fixed-interest securities	14,480	9,820	4,660	47.5%
Trading portfolio	39,313	27,239	12,074	44.3%
Selected liability items				
Due to banks and customers	39,490	36,674	2,816	7.7%
Securitised liabilities	17,142	11,148	5,994	53.8%
Trading portfolio	28,209	29,069	–860	–3.0%

Capital and liquidity adequacy

Full details of capital and liquidity adequacy in the 2024 financial year are provided in the risk report section of the management report.

See also:
Risk report:
page 43 ff.

Development of capital market ratings

At year-end 2024, DekaBank's capital market rating remained among the best in its peer group of German commercial banks. The ratings from Standard & Poor's (S&P) and Moody's enable access to the money and capital markets on stable and competitive terms. They reflect the high strategic importance of the Deka Group to the savings bank sector as well as the adequacy of the capital and liquidity base for its business model.

Ratings overview *(Fig. 17)*

	Standard & Poor's	Moody's
Bank Ratings		
Issuer Rating	A (positive) Issuer Credit Rating	Aa1 (stable) Issuer Rating
Counterparty Rating	N/A	Aa1 Counterparty Risk Rating
Deposit Rating	N/A	Aa1 Bank Deposits
Own financial strength	bbb+ Stand-alone Credit Profile	baa2 Baseline Credit Assessment
Short-term rating	A–1 Short-term Rating	P–1 Short-term Rating
Issuance Ratings		
Preferred Senior Unsecured Debt	A Senior Unsecured Debt	Aa1 (stabil) Senior Unsecured Debt
Non-Preferred Senior Unsecured Debt	A– Senior Subordinated Debt	A1 Junior Senior Unsecured Debt
Subordinated Debt (Tier 2)	N/A	A3 Subordinate Debt
Additional Tier 1 debt	N/A	Baa2 (hyb) Preferred Stock Non-cumulative
Public Sector Covered Bonds	N/A	Aaa Public Sector Covered Bonds
Mortgage Covered Bonds	N/A	Aaa Mortgage Covered Bonds

Moody's lifted DekaBank's long-term ratings by one notch in mid-March 2024. This was due to the reassessment of the *Sparkassen-Finanzgruppe's* institutional protection scheme (IPS). Moody's has since put the support assumed from the *Sparkassen-Finanzgruppe* if needed in the "affiliate-backed" category rather than the "very high" category.

At the beginning of September 2024, S&P upgraded the outlook for DekaBank's issuer rating from stable to positive. This is based on the stronger support that the *Sparkassen-Finanzgruppe* provides to DekaBank following the revision of the institutional protection scheme. S&P assumes that timely and sufficient support is now more likely to be provided. S&P also recognised DekaBank's strong position within the *Sparkassen-Finanzgruppe* and the positive development in its profitability and capital ratios by raising the stand-alone credit profile (own financial strength) from bbb to bbb+.

Forecast and opportunities report

Forecast report

Forward-looking statements

The structure and content of the forecast and opportunities report section correspond to the relevant section published in the Group management report of the Deka Group. Group and business division planning are oriented towards the Deka Group, while Group management is aligned with the business divisions, thereby incorporating all business divisions and legal entities including DekaBank in its capacity as an individual institution. Therefore, no separate forecast and opportunities report has been prepared at individual institution level.

The Deka Group's planning is based on the assumptions about future economic development that appear the most probable from a current standpoint. However, plans and statements about expected developments and the course of business during 2025 are subject to uncertainty.

Actual trends in the international money, capital and property markets and in the Deka Group may diverge significantly from our assumptions, which are partly based on expert estimates.

See also:
Risk report: page 43 ff.
Opportunities report: page 42

The Deka Group's risk position is explained in full in the risk report. If the risk scenarios referred to in the risk report should materialise, for example as a result of stress situations or counterparty default, this may result in negative differences from the forecast in the course of the 2025 financial year. Conversely, opportunities may result in expectations being exceeded. The opportunities for the Deka Group are set out in the opportunities report.

The US government elected in November 2024 looks set to take action (the nature of which is currently difficult to predict) to intervene in global trade in 2025 by increasing tariffs and adopting less of a rule-based approach to geopolitical matters, which will fuel greater uncertainty. The impacts of a continuation of the wars in Ukraine and the Middle East are again impossible to fully predict in 2025. The same applies to the tensions between western industrialised nations and the emerging economies, led by China. If the hostilities worsen or if further geopolitical conflicts develop, this may hit economic growth and the capital markets. It is also difficult to estimate to what extent governments will turn to the capital market in order to finance the green transformation and demographic change, as well as higher defence spending. The monetary policy of central banks will also be a relevant factor. Future market developments therefore remain highly uncertain, and the earnings, risk and capital situation, as well as the corresponding key management indicators, may show less favourable development than that presented in the forecast report.

Expected macroeconomic trends

DekaBank expects average expansion of the global economy in 2025. Global gross domestic product is expected to grow at a rate of 3.0% with little fluctuation over the course of the year. Various sources of political uncertainty, particularly with regard to possible further tariff increases by the US government, as well as challenges related to corporate and economic transformation with a view to decarbonisation, demographic factors and digital transformation are putting pressure on consumer spending and corporate investment alike. While a common approach by the world's industrialised nations would be helpful, the recent elections have made even reaching a consensus within the eurozone more difficult. DekaBank expects to see slight economic expansion as opposed to a strong upswing, partly boosted by ongoing high employment and rising real wages. Further key rate cuts by central banks will provide support. Government spending and investments are also likely to rise. The structural transformation that is urgently required in many industrialised countries, not least in Germany, will not receive the impetus it needs in the form of buoyant private-sector investment for the time being. Moderate price growth and a normalisation of monetary policy is at least likely to gradually improve sentiment among businesses and households.

Expected sector-related conditions

DekaBank expects to see a further drop in inflationary pressure in the eurozone in 2025, primarily due to the weak economic and growth environment for member states. There are already signs that wage pressure is easing considerably in particularly hard-hit sectors and regions of the economy, as is evident from a number of industrial wage agreements reached in Germany at the end of 2024. With this in mind, an inflation rate of 2.2% in the eurozone and 2.4% in Germany would appear to be realistic. This means that, while the risk of inflation has not yet vanished entirely, it has been reduced enough to reverse the restrictive European monetary policy stance. Furthermore, as things stand at the moment, Donald Trump’s re-election as US President is not a serious enough shock to change the inflation landscape entirely. However, the situation would have to be reviewed if a risk scenario were to materialise with an ongoing tariff tug-of-war between the major economic areas of the United States, the eurozone and China. In this sort of scenario, not only would the upward effects on inflation in Europe and the United States be considerably greater, but a loss of prosperity would also become a real risk due to lower, or even negative, growth rates.

DekaBank’s main scenario assumes that the European Central Bank (ECB) will make four further key interest rate cuts of 25 basis points each this year. The ECB is expected to conclude the normalisation of its monetary policy in September 2025 at a deposit rate of 2%. At the beginning of 2025, the ECB also fully discontinued reinvestments under its pandemic emergency purchase programme (PEPP). Nevertheless, the reduction in the ECB’s balance sheet and, as a result, banks’ excess reserves is likely to slow now that the TLTRO III long-term refinancing transactions have been repaid in full. In the longer term, the ECB is planning a money market regime in which the level of excess reserves is determined by banks’ demand for refinancing operations. We can expect EURIBOR rates to be just above the main refinancing rate in this scenario, while the €STR remains just below the deposit facility rate.

Euphoria over swift and far-reaching rate cuts in the United States has been marred by a surprisingly robust economy and inflation concerns sparked by US President Donald Trump’s aggressive tariff plans. Consequently, market participants and the US Federal Reserve have lowered their expectations for further interest rate cuts significantly and revised their assessment of long-term equilibrium interest rates upwards. This has pushed yields on US Treasuries up sharply, especially for long maturities, creating a much steeper yield curve. In an environment of high real yields, this means that potential for somewhat lower yields should be realistic as soon as a clearer political picture starts to emerge. Relatively solid US growth and limited potential for interest rate cuts by the Fed will nevertheless restrict any room for manoeuvre over the next three months. Compared to previous years, politics will exert much greater influence over market developments.

Trends in US Treasuries are also having an impact on euro yields at the long end of the yield curve. Although the curve has already steepened, uncertainty will remain high for the time being. As a result, market expectations of key rate cuts to a level below the 2% mark appear exaggerated. On the other hand, the very sharp rise in yields in the United States has also pushed yields on German Bunds and eurozone government bonds up significantly, meaning that yields are likely to drop moderately from the high level at the start of the year. The ECB’s deposit rate will likely remain the anchor point for the short end of the Bund curve, meaning that yields are expected to dip slightly here. The Bund curve should flatten out in general. The trend towards yield convergence in eurozone countries looks set to continue given the ever-louder calls for joint EU financing to address myriad political and economic challenges. However, spreads could also widen as a result of political uncertainty in individual countries, such as government formation in France.

The ongoing reduction in ECB bond holdings and expectations of rising debt levels in Germany should confirm the elevated level of Bund yields compared to swap rates. This means that the negative situation compared to swap rates will continue for bonds issued by German federal states and supranational organisations, as well as covered bonds, although much wider spreads and higher absolute yield levels of late have attracted the interest of international investors. Once the usual wave of new issues at the beginning of 2025 has subsided, spreads should narrow again. The same applies to corporate bonds. In particular, high-yield stocks with high spreads are likely to remain in demand.

As was the case in 2024, many stock markets across the globe, especially in the United States, started the 2025 trading year close to all-time highs, which would appear to provide a difficult starting point for renewed good performance in 2025. But the outlook for the United States, in particular, remains very positive thanks to slight profit-taking in the last quarter of 2024 due to tariff concerns and corporate profit guidance that has been scaled back somewhat as a result. The positive economic development means that market expectations will likely be exceeded. The outlook is also likely to be rosy across the board, especially given that the US government elected in 2024 is expected to pursue business-friendly policies.

The German economy, on the other hand, is up against considerable economic and structural challenges, with growth over the coming years set to lag well behind other parts of the globe. DAX-listed multinational corporations are also being hit by the weakness in the economy but are better able to absorb it with their broader orientation. They are reaping the benefits of global growth, which is also reflected in their earnings. At any rate, the profits of DAX-listed companies are expected to rise again slightly in 2025 after stagnating in 2024. The stock market is receiving an additional boost from the gradual easing of monetary policy. Together with a neutral assessment of the German stock market, this provides a good foundation, with regard to investments, for economic uncertainties or geopolitical shocks to trigger only moderate short-term price losses. Unlike the DAX, the EURO STOXX has been lagging far behind the global market since spring 2024 due to the lower weighting of fast-growing tech stocks and the plight of French equities. There is much to suggest that eurozone equities will trail behind investments in the United States or the global market for the foreseeable future. Nevertheless, moderate valuations, the ECB's rate reduction cycle and attractive dividend yields in an environment characterised by less inflationary and interest rate pressure argue in favour of good long-term returns on eurozone equities. Stock markets in the emerging markets look set to struggle in a climate dominated by higher tariffs and geopolitical tension.

Looking at things from a global perspective, the monetary policy pursued by the world's major central banks, which is important for securities investments, remains focused on lowering key rates to bring them down to the long-term average. This monetary easing will provide further support to the market. Furthermore, the global economy is still growing at a solid 3% after adjustments for inflation, which is more or less the long-term average growth rate. Considerable political uncertainty remains, however, with major risks associated with what are often completely unpredictable decisions made by US President Donald Trump and the potential response to these decisions in other economic regions.

Real estate asset management remains an appealing asset class. The construction cycle on office property markets is likely to have peaked in 2024. As new construction activity will decline considerably from 2025, excess demand for prime properties priced in line with the market is expected to emerge in the medium term. Rents are likely to rise further. However, DekaBank expects this to be at a significantly slower pace in the next few years. Polarisation of the market will intensify, favouring high-quality and sustainable buildings in central locations with good transport links. A more stable financing environment thanks to the key rate cuts that have already been implemented, and those that are still expected to come, should lead to growing acceptance of the new price structure and invigorate the investment market.

Expected business development and profit performance of Deka Group

The Management Agenda is an ongoing strategic action programme that sets the direction to further build on the Deka Group's position as the customer-centric, innovative and sustainable *Wertpapierhaus* for the *Sparkassen-Finanzgruppe*.

Particularly when it comes to geopolitical tensions and conflicts, it remains scarcely possible to make a full prediction of their impacts in 2025. Their spread or escalation may hit economic growth and the capital markets. The uncertainty surrounding what we can expect from the US government elected in 2024, which would appear to be turning away from the traditional rules-based order, is unsettling the markets further. Finally, future market developments remain highly uncertain, which means that the earnings, risk and capital situation, as well as the corresponding key management indicators, may show less favourable development than expected.

In 2024, the Deka Group achieved an economic result of €892.2m. In the context of continuing geopolitical tensions, conflicts and uncertainties, the Deka Group expects to report an economic result of around €800m for 2025.

The Deka Group operates in a growing market with the aim of realising potential income with an attractive cost/income ratio. The cost/income ratio should come to around 60%. The Deka Group is aiming for a return on equity before tax (balance sheet) of around 12% in financial year 2025.

Net commission income will remain the primary income component. The expected positive trend in the asset management volume, along with asset management net sales well into positive territory, will contribute to this. The forecast result will ensure that DekaBank remains able to distribute profits. The planned retention of parts of the annual profit will further strengthen the capital base.

Sales activities will focus in particular on further expanding the investment fund business. The certificates business is expected to make another significant contribution to total sales. As part of its forecast for 2025, Deka expects total sales of around €35bn. The asset management volume is expected to chart a slight increase compared to the end of 2024.

The Asset Management Securities business division will maintain its proven strategic direction in 2025 and focus on providing and enhancing digital, high-performance processes, services and products. In business with private customers, Deka's product range is being adapted to reflect the current market environment and customer needs, and continues to focus on funds designed to maintain lasting value, multi-asset class fund solutions, regular savings, retirement provision and digital multichannel sales. Deka is pressing ahead with initiatives to make sales approaches for institutional customers more professional. The business division is also keeping a constant eye on developments in, and potential applications for, blockchain technologies in asset management for all of Deka's business divisions. The business division expects net sales to have increased by the end of 2025. Its asset management volume is expected to rise slightly overall.

Risks to the Asset Management Securities business division may arise from global political and geopolitical conflicts, changes in supply chains and structural changes in energy prices. These factors can trigger more dynamic economic fluctuations and have an impact on corporate profitability. Political uncertainties and economic weakness, particularly in the event of restrictive monetary policy, could also have an adverse impact on the securities markets and the investment fund business. In addition, a changed interest rate environment may affect Deka's own business and that generated by the savings banks. This and other factors may hit investors' risk appetite and result in outflows of funds and reluctance to invest. A pronounced stock market correction could also negatively affect the asset management volume.

The Asset Management Real Estate business division's mission in 2025 remains to provide the savings banks with high-quality real estate- and real estate financing-based investment products with sustainable features. These products are suitable for both customer business and proprietary investment activities. Portfolio and property risk management will be continuously developed through digitalisation. In open-ended real estate funds for private customers, the business division plans to build on its leading market position without compromising on quality or stability. In the institutional business, it is seeking to at least maintain its market position despite investment restraint among customers. Deka expects to report positive net sales in 2025. After distributions, the asset management volume at the end of 2025 is expected to match the 2024 year-end level. The division anticipates a below-average transaction volume again in 2025.

Risks to the performance of the Asset Management Real Estate business division may arise from global geopolitical conflicts. Uncertainty surrounding interest rate trends and the as yet incomplete pricing process on real estate markets currently means a difficult market environment for transaction planning. There are also risks associated with continued high regulatory pressure, ongoing court proceedings against a third-party real estate investment management company, sales risks from competition with alternative yields, and potential spill-over risks in the event of turbulence in the industry.

The Asset Management Services business division is aiming to increase assets under custody in 2025 in line with asset management growth.

The Digital Multichannel Management subdivision will continue with its strategic orientation. It aims to realise efficiency gains through the seamless integration of physical branches and other sales channels for the securities products offered by the savings banks. With innovative services such as the new brokerage app from S Broker, digital fund asset management and S-Invest Manager, this will safeguard and further expand savings banks' access to their end customers. Innovative solutions including blockchain technology, artificial intelligence and data analytics are also being trialled in the securities business.

The Depositary subdivision is aiming to establish a strong competitive position and grow the volume of assets under custody in its business involving mutual and special funds, third-party mandates and investment managers, focusing on developing a comprehensive asset servicing solution (master KVG and depositary). It will continue to pursue a holistic approach to asset servicing by improving connectivity with external asset managers and investment management companies and making settlement routines more flexible. Custody of crypto securities is being expanded as part of the Group-wide digitalisation activities.

There are risks to Digital Multichannel Management from a stagnation of sales due to potential delays in the enhancement of the product offering for the sales channels. In the custody account business, disruption to product development could also have a knock-on effect on custody account sales. Risks to the Depositary subdivision include rising pressure on margins as well as market-induced outflows of assets under custody. A pronounced stock market correction triggered by wars and trade conflicts may adversely affect assets under custody and thus the income achievable in this subdivision.

In 2025, the Capital Markets business division will maintain its proven strategic direction as a customer-centric product and solution provider focused on structured products and the derivatives, issuance and trading business. By expanding platforms such as DEA and integrating them into the savings banks' IT landscape, it will continue to help savings banks and institutional customers manage their proprietary portfolios. This will be complemented by products and services with an ESG focus such as green bonds, certificates with sustainability features and instruments for carbon offsetting. The high level of sales achieved in the certificates business in 2024 is unlikely to be repeated. Gross sales are expected to be in clearly positive territory in 2025.

Risks to the development of the Capital Markets business division arise particularly from negative capital market developments and fears of recession, which could result in lower customer activity levels. Risk factors include unpredictable consequences of military conflicts around the world and of global trade disputes and supply chain difficulties. Additional risks arise from regulatory intervention in the design of products and definition of terms and conditions and increased pressure on fees. Regulatory or adverse monetary policy escalations leading to additional capital backing or reporting obligations may also affect business performance.

For its business activities in 2025, the Financing business division will continue to concentrate on its well-established segments: specialised financing and real estate financing in liquid markets. It will generate new business where this contributes to its objectives and to appropriate management of the balance sheet structure. The business division will maintain its stability-focused and risk-conscious strategy, with the loan portfolio to remain virtually stable in the course of 2025.

Risks for the Financing business division may arise from global geopolitical conflicts and the development of interest rates and inflation. This may adversely affect the quality of loan exposures, leading to higher risk provisions and increased capital requirements due to rating downgrades. Further risks are associated with specific creditworthiness risks relating to borrowers, which could adversely affect the economic outlook for the lending segments. This could also lead to a need for higher loan loss provisions, or to increased capital adequacy requirements. A worsening of global political crises may trigger similar effects. Business performance may also be negatively affected by increasing competitive pressure for project and infrastructure financing if institutional investors act as direct lenders.

Expected financial and risk position of Deka Group

The Deka Group anticipates a continued sound financial position for 2025. Total assets will be subject to business-related fluctuations over the course of the year. The planning assumption is for total assets of around €90bn at year-end 2025.

The Deka Group expects to maintain an adequate capital and liquidity base in both the normative and economic perspective in 2025. To retain sufficient flexibility in the event of unfavourable market developments, the Deka Group aims for a Common Equity Tier 1 capital ratio at an appropriate level above the strategic target of 13%.

Balance sheet management is geared towards ensuring compliance with an appropriate leverage ratio well above the minimum ratio of 3%, as well as compliance with the requirements for RWA- and LRE-based MREL and subordinated MREL requirements.

In terms of risk-bearing capacity analysis, risk appetite utilisation is expected to remain at a non-critical level.

The Group's liquidity position is forecast to remain at a comfortable level and the relevant LCR and NSFR ratios are expected to be comfortably adhered to with sufficient flexibility.

Forecast development of key performance indicators in the Deka Group *(Fig. 18)*

		31 Dec 2024	**Forecast 2025 in the Annual Report 2024**
Economic result	€m	892.2	around 800
Return on equity before tax (balance sheet)	%	13.9	around 12
Cost/income ratio	%	59.2	around 60
Asset management volume	€bn	394.1	slight increase
Total sales	€bn	28.9	around 35
Common Equity Tier 1 capital ratio	%	19.8	appropriate above 13
Utilisation of risk appetite	%	57.8	at non-critical level

Opportunities report

Opportunity management

Opportunity management is built into the Deka Group's overall management concept. Opportunities are continually identified and evaluated as part of the strategic process. Decisions on what resources to make available to exploit additional potential in different areas of opportunity depend on the expected impact on risks and earnings and probability of occurrence. Continuous and intensive market observation and the feedback processes established with the savings banks ensure that the assessment of the opportunities portfolio is regularly updated. This allows the Deka Group to actively manage its opportunities and react to new developments swiftly.

Opportunities are defined as positive deviations from the assumptions made for planning purposes over a one-year horizon. These essentially fall into three categories:

- Opportunities arising from changes in circumstances result from market developments that are more favourable than expected. These include regulatory changes or changing investment trends among customers.
- Corporate strategy opportunities are mainly linked to the Management Agenda – the ongoing strategic action programme that sets the direction to further build on the Deka Group's position as the *Wertpapierhaus* for the *Sparkassen-Finanzgruppe*. The positive effects of these measures could be greater or occur sooner than anticipated in the forecast report.
- Other opportunities lie in greater than anticipated process improvements or positive earnings effects from projects.

Current opportunities

The assumptions on economic trends made in the forecast report represent the most likely scenario from the point of view of the Deka Group. Nevertheless, trends may turn out better than the baseline scenario assumes. The positive macroeconomic scenario described below is considered unlikely, however. A further easing of monetary policy, major investment in digital transformation and sustainability, increased confidence and significant productivity gains could lead to surprisingly high growth without any significant rise in inflation. In this scenario, it is possible that an unexpectedly large rise in equity and bond indices could lead to stronger growth in the asset management volume and have a positive impact on net commission income. A steepening yield curve could also improve the conditions for investing own funds and managing liquidity.

Opportunities from market developments could also be generated by an even stronger customer shift towards funds, ETFs and certificates for financial savings. However, the Deka Group anticipates that this process will continue to progress only gradually. Nonetheless, if the popularity of funds, ETFs and certificates should increase by more than forecast in planning, this would have a beneficial impact on total sales and asset management volume.

There are strategic and other opportunities associated with the Management Agenda as our ongoing strategic action programme. The resultant effects have already been incorporated into the planning for 2025, meaning that any further positive impacts on the Deka Group's business and results are unlikely.

Risk report

The structure and content of the following risk report correspond to the risk report published in the Group management report of the Deka Group. Risk management and risk control are oriented towards the Deka Group, thereby incorporating all business divisions and legal entities including DekaBank in its capacity as an individual institution. Therefore, no separate risk report has been prepared at individual institution level.

DekaBank also makes use of the exemption ("waiver") under Article 7 (3) CRR in conjunction with section 2a (5) of the German Banking Act (***Kreditwesengesetz***, KWG), opting in particular not to meet the requirements on own funds, capital and large exposures on an individual basis.

Together with a subsidiary, DekaBank also uses a liquidity waiver in accordance with Article 8 CRR.

Risk policy and strategy

The basic principles underlying the Deka Group's risk policy remain largely unchanged from the previous year. Noteworthy developments in risk management are explained in the sections below. In order to achieve its commercial objectives, the Deka Group accepts certain risks in line with strategic requirements. These risks are limited by a comprehensive risk management system that covers all types of risk and all business divisions, sales units and corporate centres in order to ensure the success of the Deka Group as a business. The framework for business and risk management is provided by the general concept of risk appetite (Risk Appetite Framework – RAF), which forms the main basis for assessing the adequacy of internal capital and liquidity (Internal Capital Adequacy Assessment Process (ICAAP)/Internal Liquidity Adequacy Assessment Process (ILAAP)) and is an integral part of the Deka Group's strategy system. The aim of the ICAAP and ILAAP is to help ensure the Deka Group's continued existence by maintaining adequate capital and liquidity and to contribute to effective risk management. To this end, there is a distinction within the ICAAP and ILAAP between the economic and normative perspective.

A strong risk culture for the Deka Group is key to the lasting achievement of the business policy objectives set out in the business strategy. Without risk-appropriate behaviour and a sensible approach to risks, it would be impossible to limit them through overall risk management and ensure the Deka Group's lasting business success. The concept of risk appetite and the procedures for monitoring compliance with it form one of the three fundamental pillars of the Deka Group's risk culture. They are complemented by sound governance and a remuneration system that encourages appropriate risk behaviour. Processes are in place to ensure that these three pillars are continuously adjusted to changing circumstances. Staff and leadership behaviour – risk culture in the narrower sense – are shaped by the rules set down in the Code of Ethics and by the Deka Principles of Leadership, in addition to the aforementioned formal components.

The Deka Group has adopted a risk culture framework laying down binding guidelines for the responsible handling of risks in the Deka Group and for compliance among employees, managers and Board of Management members in relation to this. The framework also sets out the guiding principles that detailed rules on processes and tools have to adhere to. All Deka Group employees receive information and undergo awareness-raising measures on risk culture-related topics through mandatory annual training. The Deka Group conducts a regular survey of the risk culture. The findings from this and other more in-depth survey tools are addressed and feed into the ongoing evolution of the risk culture.

See also: Economic report: page 19 ff. Opportunities report: page 42 ff.

The risk position of the Deka Group presented in the risk report corresponds to the definition used as the basis for presentation of the Deka Group's business development and profit performance in the economic report. The report focuses on risks that are relevant from the point of view of the Group. Opportunities that might be used to counteract an increase in risk are presented separately in the opportunities report.

Strategy process

In accordance with the German Minimum Requirements for Risk Management (*Mindestanforderungen an das Risikomanagement*, MaRisk), the Group uses a systematic strategic process to ensure that its Group-wide business strategy, management and structure, as well as the corresponding divisional and sales strategies and the risk strategy, are reviewed at least once a year. The reviews consider whether these items are consistent, complete, sustainable and up to date. The process covers the planning, implementation and evaluation of the strategies and any necessary adjustments to them. Division-specific targets for risk and profit are used in order to ensure that the business and risk strategy is implemented appropriately in the business divisions.

The risk data aggregation strategy fleshes out the overall risk strategy in terms of the requirements and specifications for effectively aggregating risk data and for risk reporting. As part of the risk strategy, it is an integral part of the strategic architecture and systematic strategic process.

Sub-risk strategies are formulated for significant types of risk identified during the risk inventory: counterparty risk, market price risk, operational risk, business risk and liquidity risk. These risk strategies are derived from the Deka Group's overall risk strategy as well as the strategies of the business divisions and provide specific details regarding risk monitoring and management. They are also reviewed at least once a year, revised if necessary, approved by the Board of Management and discussed with the Administrative Board.

Developments in risk management

The Deka Group refined parts of its risk management and control in the reporting year, taking due account of regulatory requirements.

In order to anticipate potential medium and long-term impacts, in particular those resulting from CO_2 price increases or a scenario in which more physical climate and environmental risks materialise, a buffer is maintained in the ICAAP that reduces the upper limit for risk appetite in the economic perspective or is included in the normative perspective via the thresholds.

To improve the modelling of the liquidity balance in market-wide stress scenario funding matrices, the modelling of current account positions was enhanced. There were also improvements to the modelling of loans in funding matrices, particularly to better capture unscheduled repayments.

The methodology used in the business risk model to estimate expenses in the 99.9% quartile was revised in the first half of the year, resulting in a risk-increasing effect. The relevant planned earnings figures used in the business risk model were adjusted with a view to the consistency in the risk-bearing capacity calculation, and the average margin used in the model for the Asset Management Real Estate business division was enhanced. Both adjustments had a risk-reducing effect.

A dedicated Non-Financial Risk unit was established on 1 April 2024, marking another milestone in realising the Board of Management's vision for the integrated management of these risks. The Information Security Management department, which used to report directly to the Board of Management and encompassed the Information Security, Business Continuity Management, Operational Data Protection and Central Outsourcing Management functions, has been merged into this new corporate centre. Non-Financial Risk sets Group-wide rules in these areas, monitors adherence to them and identifies the resulting risks. The Operational Risk group within the new corporate centre, which used to be part of the Risk Control corporate centre, has responsibility for aggregating and plausibility checking decentralised risk assessments and for overarching reporting on non-financial and reputational risks.

Given the introduction of the Standardised Measurement Approach (SMA) as the new method for calculating operational risk capital, the current quantification model, which has been approved as an Advanced Measurement Approach (AMA), will continue to be used as a pure Pillar 2 model from 2025. This process has involved designing various methodological improvements and approving them for implementation in the first quarter of 2025. These improvements aim to develop the scenario analyses on the ex-ante side directly on the basis of the qualitative NFR assessments and to continue to ensure conservative mapping of the observed operational loss profile in the ex-post perspective.

Over and above the buffers introduced for climate and environmental risks, ESG risks were, as part of the annual risk inventory, identified and assessed systematically for the main risk types, with again greater use being made of quantitative tools to determine materiality. As before, management and reporting is calibrated to the results of the analysis of the significance of the risks, and quantitative, qualitative and process-related guidance is in place, with further details provided with regard to climate and environmental risks in particular. All of the approaches used are being enhanced continually to ensure they adequately reflect both the speed of climate change and related political initiatives, as well as developments in market standards and regulatory requirements in this regard (for example, the publication of the EBA Guidelines on the management of ESG risks).

As part of the implementation of the EBA Guidelines on PD estimation, LGD estimation and treatment of defaulted assets, IRB reviews have been carried out since 2021 for a total of eight modules so far in connection with the corresponding model change notifications. Of the eight modules reviewed, seven have now gone live following supervisory approval. The most recent modules to go live were those for project financing, national real estate financing and funds.

The potential economic impact of changes in CRR III to the Credit Risk Standardised Approach (CRSA) and the Internal Ratings-Based Approach (IRBA) that are currently planned as part of the finalisation of Basel III (Basel IV) continues to be monitored. The same applies to the Fundamental Review of the Trading Book (FRTB). The measures needed to meet the requirements of the new FRTB standardised approach were already implemented before the start of the parallel reporting period. When the FRTB capital backing regime comes into force, the new standardised approach will replace the internal market risk model and will be subject to enhanced reporting requirements. The planned introduction of the Standardised Measurement Approach (SMA) as the new method for calculating operational risk capital is also being monitored. The expected effects of CRR III have been taken into account in normative capital planning.

Concept of risk appetite

Overview

The key component of the concept of risk appetite is the risk appetite statement (RAS), which provides the framework for the ICAAP and ILAAP. Within the ICAAP and ILAAP, there is a distinction between the economic and normative perspective.

The first starting point for the RAS is a description of the desired risk profile that is implied by our customer-centred business model. A Group-wide risk inventory enables the Deka Group to maintain an overview of its risk profile. This combines an annual risk inventory process with ongoing discussion of the significant risks at Group level in the Management Committee for Risk. The risk inventory exercise is carried out on an annual basis, and at other times as required, in order to assess which risks could have a significant negative impact on its financial position (including in terms of capital adequacy, earnings or liquidity). Particular consideration is given here to risk concentrations to which the Deka Group consciously exposes itself in connection with its business model. The assessment has further implications for backing risks with capital, for the holding of liquidity, and for validation. Inclusion of the relevant companies is checked as part of the risk inventory.

The second starting point for the RAS, in addition to the risk profile, is risk capacity – the maximum amount of risk that the Deka Group can accept with respect to its available funds. Risk appetite is defined, within the scope of this risk capacity, as the overall aggregate risk for individual risk types that the Deka Group is willing to accept in order to achieve its strategic objectives and business plan. There are different measures of risk capacity and risk appetite depending on the perspective and the nature of the risks (affecting profit or liquidity).

The RAS also incorporates medium-term planning, which specifies and quantifies details of the business and risk strategy. Medium-term planning involves an integrated planning process for profits, balance sheets, funding, capital and risk for the next three budget years, with account being taken of potential adverse developments.

The concept of risk appetite also covers procedures for monitoring compliance with risk appetite. These include management instruments, regular reporting, rulebooks, controls and processes, as well as risk governance in the sense that roles and responsibilities are laid down for implementing and monitoring risk appetite. Taking risk concentrations into account, the Deka Group has thus established limits for all risks classified as material during the risk inventory and has implemented adequate risk management.

Risk definitions, concentrations and measurement

The individual risks and risk types for the purposes of risk monitoring and risk management are derived from the annual risk inventory. Risk types considered to be material, which are backed by capital in the context of the ICAAP, include counterparty risk, market price risk, operational risk and business risk. Liquidity risk is also classified as material and is managed and monitored as part of the ILAAP. Liquidity is maintained to cover the main drivers of liquidity risk (in the sense of insolvency risk). Other risk types or risk drivers can also be included in the ICAAP or ILAAP.

The risk types relevant for the Deka Group also include investment risk, step-in risk and reputational risk. In addition, model uncertainties and the ESG risk are regarded as relevant risks but not as standalone risk types.

A distinction is drawn between financial and non-financial risks (NFR), based on the context in which risks are incurred and/or arise. Financial risks are incurred consciously in direct connection with individual transactions in order to generate income. Non-financial risks, by contrast, are inherent in a particular business activity but are not incurred in order to achieve profit. Non-financial risks include, in particular, operational risk and business risk.

Another way of classifying risks is to look at how they materialise, i.e. a distinction is made between risks affecting profit and loss and liquidity risk (insolvency risk).

Counterparty risk

Counterparty risk is the risk of financial loss resulting from deterioration in creditworthiness (migration risk), from business partners failing to fulfil their contractually agreed obligations or to fulfil them in a timely manner (counterparty default risk), or from restructuring or liquidation (restructuring and liquidation risk). Country risk is also included in counterparty risk. There is a distinction between country risk in the narrower and broader senses. Country risk in the narrower sense equates to transfer risk, which does not result from the business partner itself, but instead is due to that partner’s location abroad. Country risk in the broader sense is the risk that countries or governments will be unable to (fully) meet their contractual obligations in respect of receivables.

In terms of volume limitation, the Deka Group makes a distinction in counterparty risk between position risk, advance performance risk and potential future exposure (PFE). Position risk comprises borrower and issuer risk, as well as replacement risk and open position risk. Borrower risk is the risk that outstanding loan payment obligations to the Deka Group will not be paid or will not be paid in a timely manner. Similarly, issuer risk is the risk of losses caused by default on the part of issuers of debt or equity securities, underlyings of derivative instruments, or fund units. Replacement risk is the risk that if a business partner were to default, a replacement transaction would have to be conducted at less favourable market conditions. Open position risk (performance disruption) results if a delay occurs in the payment of consideration by a business partner. Advance performance risk represents the risk that a business partner will not pay their consideration after advance performance has been rendered by the Deka Group. Potential future exposure (PFE) risk comprises the risk arising from potential market price fluctuations in relation to repo loan transactions, synthetic lending transactions and other derivatives transactions.

In addition to these individual counterparty risk types, counterparty risk is also used as an umbrella term that particularly includes replacement risk (for example from derivatives and their collateral), the portion of borrower risk attributable to counterparties of financial instruments (for example from repo/lending transactions) and the PFE from derivatives and repo/lending transactions.

Pension risk is regarded as a sub-type of counterparty risk. It comprises potential losses from pension benefits payable or similar commitments due that may arise in comparison with the pensions and similar commitments recognised on the balance sheet. This also includes the counterparty risk for the plan assets. Management of this risk is not assigned to a specific business division. It is taken into account as a deduction from internal capital.

Market price risk

Market price risk describes the potential financial loss from future market price fluctuations (and from relevant valuation parameters) over a fixed time horizon and hence includes interest rate risk (including credit spread risk), share price risk, currency risk and commodity risk. Option risks are included in the above risks.

General interest rate risks result from changes in currency- and tenor-specific swap curves, with different fixed-rate periods having an effect as well, and from changes in cross-currency spread curves. These risks also include volatility risk in interest rate derivatives and options (cap/floor and swaptions).

Credit spread risks depend on changes in the issuer-specific premiums on the reference curves. These premiums depend primarily on the market's assessment of the creditworthiness of individual issuers or sectors. Premiums for individual issues (residual risks) are also considered.

Share price risks are identified as risk factors via the individual shares, indices or funds and are influenced by risks from share or index volatility. The associated option risks or volatility risks are also taken into account here.

Currency risks reflect changes in exchange rates.

Commodity risks arise from changes in the prices of commodities or commodity derivatives. The relevant commodities for the Bank particularly include metals, CO_2 and electricity.

The process for identifying and quantifying these risks in the economic perspective does not differentiate between the trading book and banking book; the same procedures are applied for all Deka Group portfolios, irrespective of the portfolio type. Market price risks relating to guarantees that the Deka Group has provided for individual investment funds are part of market price risk and are backed by capital as part of the ICAAP.

CVA risk and pension risk are regarded as sub-types of market price risk:

Credit valuation adjustments (CVAs) are valuation adjustments on derivative contracts which represent the expected loss from counterparty risk and are reflected accordingly in the result. CVA risk is the risk of a corresponding financial loss due to potential future changes in the risk factors determining the valuation adjustments. In the normative perspective, there is a regulatory requirement to report separate RWAs for CVAs. In the economic perspective, CVA risk is quantified as an integral part of market price risk.

Pension risk comprises potential losses from pension benefits payable or similar commitments due that may arise in comparison with the pensions or similar commitments recognised on the balance sheet. This also includes market price risks in the sense of an additional shortfall in cover on the risk horizon. Management of this risk is not assigned to a specific business division. It is taken into account as a deduction from internal capital.

Liquidity risk

In terms of liquidity risk, the Deka Group makes a distinction between insolvency risk (liquidity risk in the stricter sense), liquidity maturity transformation risk and market liquidity risk.

Insolvency risk describes the risk that the Deka Group will be unable to meet its current and future payment obligations in a timely manner because liabilities due exceed the available liquid funds.

Liquidity maturity transformation risk describes the risk that arises from a change in the Deka Group's own refinancing curve or in liquidity spreads in the event of imbalances in the liquidity-related maturity structure.

Market liquidity risk is understood as the risk that transactions cannot be settled or closed out, or can only be settled or closed out with losses, due to inadequate market depth or market disruptions.

Operational risk

Operational risk means the risk of loss caused by the inadequacy or failure of internal processes, people and systems or by external events, including legal risks. In accordance with its overarching definition in the Deka Group's non-financial risk taxonomy, it can be broken down into the following sub-types: compliance risk, service provider risk in the narrower sense, information and communication technology and security risk, personnel risk, project risk in the narrower sense, process risk and legal risk.

Business risk

Business risk concerns unexpected adverse variances from plan that result from changes in the behaviour of customers or sales partners or from market conditions, legal requirements or competitive conditions and for which the causes are not already covered by other risk types.

Investment risk

The Deka Group defines investment risk as the risk of financial loss due to impairment of the portfolio of equity investments, insofar as they are not consolidated for accounting purposes and therefore already included under other types of risk. Internal capital is set aside for investment risk. Currently, however, this risk has only a minor influence on the Group's risk-bearing capacity.

Step-in risk

Step-in risk describes the risk of providing support, for reputational reasons or due to other considerations in connection with a stress scenario, to affiliated companies that are not fully consolidated for regulatory or accounting purposes and to business partners, despite the absence of a contractual obligation to do so.

The identification and evaluation process as part of the 2024 risk inventory showed no need for the Deka Group to maintain capital or liquidity in the reporting period to cover step-in risk, given the mitigation measures taken or the lack of plausibility.

Reputational risk
Reputational risk is defined as the risk that the standing of the Deka Group will be damaged. Every business activity that harms the credibility of the Deka Group's promise to its stakeholders (primarily shareholders, sales partners, customers, employees, financial and real estate markets and the public) can result in reduced profitability, capital or liquidity.

Reputational risks may arise directly or as a result of events connected to other risk types and manifest themselves through their effects on business and liquidity risk.

Model risk/model uncertainty
Risks arising from the deliberate selection, specification, calibration or use of models, or from the choice of parameters, are described as model uncertainty. In part, these risks are inherent in the models and thus unavoidable, as it is not normally possible for the chosen model to capture the situation with complete accuracy. Model uncertainties can lead to unforeseen financial losses and shortcomings in the ICAAP or ILAAP, and thus to flawed decisions or other damage. These risks do not represent a standalone risk type for the Deka Group but are examined in conjunction with the individual risk and valuation models.

Model risks in the narrower sense are distinguished from model uncertainties. They are defined as part of process risk, a sub-type of operational risk, and arise from errors in the implementation, use or application of valuation or risk models, or from the incorrect choice of parameters for these models.

Model uncertainties combined with model risks in the narrower sense (i.e. the totality of potential negative effects resulting from the use of models) is also summarised under the term model risk in the broader sense.

In the economic perspective, annual capital and risk planning uses a buffer when setting risk appetite in order to take account of uncertainties in the modelling of risks affecting profit and loss. In the context of liquidity risk, model uncertainties are taken into account via the liquidity buffer. In the normative perspective, model uncertainties from valuation models are deducted from Common Equity Tier 1 capital as part of the additional valuation adjustments under Article 34 CRR.

ESG risk
ESG risk describes the danger that business activities with climate and environmental, social or corporate governance implications lead to sustainability-related developments or events that result, either directly via the Deka Group's own business operations, or indirectly via customers and business partners, in a deterioration in capital or liquidity levels. ESG risks in connection with the climate and environment are also referred to as climate and environmental risks and include physical, transition and other (climate and environmental) risks. Physical climate and environmental risks comprise the impacts of individual extreme weather events and their consequences (acute) as well as long-term changes in climatic and environmental conditions (chronic), but also natural disasters not caused by the climate. Climate and environmental transition risks comprise impacts that may occur directly or indirectly as a result of the transition to a lower-emission, more environmentally sustainable economy. Other climate and environmental risks comprise impacts of climate- and environment-related events and developments that are not attributable to physical climate and environmental or transition risks. They include, for example, the loss of biodiversity or the spread of tropical diseases.

ESG risks act as drivers of relevant risk types that are material enough to warrant special attention. They are always viewed in the context of the relevant risk types rather than treated as a standalone risk type.

Risk concentrations

Risk concentrations describe those risks arising primarily from an uneven distribution of business partner relationships or an uneven sensitivity of the portfolio in relation to major risk factors which could subsequently lead to significant economic losses or a significant deterioration in the liquidity situation for the Deka Group.

Risk concentrations can occur both within the major risk types (intra-risk concentrations) as well as between different material types of risk (inter-risk concentrations). These are a focus of risk management and monitoring in terms of tools looking at specific types of risk as well as those that apply across risk types.

Risk profile of the Deka Group and its business divisions

To successfully realise its mission as a *Wertpapierhaus*, the Deka Group draws on the advantages of combining asset management and banking business. It focuses on services that are in demand with savings banks and their customers, that sustainably add value to the Deka Group, that involve limited risks and that match Deka's expertise. As part of the business strategy defined by the Board of Management and the risk strategy consistent with it, risk positions are entered into primarily in connection with customer transactions or associated services and products or when they serve risk management purposes. In addition, risks are incurred if they are conducive to liquidity management or if they are required to realise synergies along the Deka Group's value chain. Business activities in new products or new markets, and the establishment or acquisition of new business units, are undertaken only after a thorough risk evaluation has been performed.

These activities give rise principally to counterparty, market price, business and operational risks, as well as to liquidity risk (which does not directly affect the income statement). The Deka Group also consciously exposes itself to risk concentrations in the context of its business model. These include, for example, the regional focus on Germany, which is a result of the focus on German savings banks and their customers, and the concentration on certain groups of counterparties, for example in the savings banks segment or public sector, and on counterparties in the financial market. For market price risk, the business model results in a concentration in credit spread risk. Overall, an inter-risk concentration may therefore develop in relation to counterparty and market price risk from the business with savings banks and commercial banks, although this is unlikely in view of the exact risk profile. In addition, (general) interest rate risks from guarantee products make a significant contribution to the Deka Group's market price risk. Large positions in collateralised derivatives give rise to concentrations of liquidity risk, as high sensitivity to specific market movements can trigger liquidity outflows due to the provision of collateral. The Deka Group also makes use across the business divisions of global custodians and central counterparties, which involves a conscious exposure to concentrations, not least of counterparty risk. To conduct its business, the Group mainly uses established products and markets with adequate market liquidity and market depth due to their international acceptance. No business is conducted involving physical delivery of precious metals and goods.

The Deka Group's business activities are organised into five business divisions: Asset Management Securities, Asset Management Real Estate, Asset Management Services, Capital Markets and Financing. In addition to these, the Treasury corporate centre also exposes itself to risk in the course of its activities. In principle, this structure has a diversifying effect on business activities and the resulting risks for the overall portfolio. However, it is also associated in part with the pooling of certain business activities, resulting in different risk profiles in the individual divisions.

Asset Management Securities business division
In combining securities fund business with the provision of various asset management solutions for every market environment, this business division principally generates operational and business risks for the Deka Group. These may be exacerbated by reputational risks in connection with the “Deka” brand or by the fast pace of ESG-driven developments in customer behaviour and regulatory affairs. Counterparty and market price risks also arise, particularly in relation to the guarantee funds and pension products managed by the business division. These are fund-based guarantee products, where either the investment management companies themselves issue guarantees (with a letter of comfort from DekaBank for these liabilities) or DekaBank makes use of the investment management companies’ funds for its own guarantee products (Riester products). The division also faces investment risks.

Asset Management Real Estate business division
As with Asset Management Securities, the principal operational and business risks in this business division arise from the provision of fund products related to real estate or (real estate) financing. They may be exacerbated by reputational and ESG risks in view of customer expectations and tighter regulatory requirements. To a small extent, counterparty and market price risks also arise for the division from real estate funds in the Group’s own investment portfolio. The division also faces investment risks.

Asset Management Services business division
This business division, too, principally generates operational and business risks for the Deka Group. These result from the provision of banking services for asset management. Counterparty and market price risks also arise to a small degree from the operations of S Broker AG & Co. KG, which is included in this division. The counterparty risks primarily result from S Broker’s proprietary investments. The division also faces investment risks.

Capital Markets business division
Customer-led business activity in the Capital Markets business division gives rise in particular to counterparty and market price risks. These may be exacerbated by ESG risks, for instance through impairments on investments in industries affected by climate and environmental risks, but also by changes in customer preferences. Counterparty risks arise primarily from currency, securities lending, securities repurchase and derivatives transactions and from trading in financial instruments in all asset classes with financial institutions, savings banks, funds and companies. Proprietary trading not directly linked to customers takes place only for the purposes of managing risks from the customer business or for overall risk management purposes. In the course of the division’s business activities, credit spread risks, share price risks, general interest rate risks and to a lesser extent also currency and commodity risks, including associated risks arising from options, arise in relation to the market price risk. Whenever economically justified, risks are covered using hedging instruments. The rules for recognising hedging relationships in the balance sheet do not always correspond with the methods used for internal bank management purposes. It is therefore possible that differences may arise between the economic and accounting hedging relationships. Operational risks also arise. The provision of liquidity and liquidity management for the Deka funds and savings banks results in higher concentrations within counterparty risk (gross risk) in relation to individual business partners, primarily in relation to the world’s largest banks and to central counterparties. Risk concentrations also exist in relation to association partners. In addition, the collateral in securities lending transactions can give rise to risk concentrations in collateral, which are limited by the collateral policy.

Financing business division

The business activities of the Financing business division (essentially business with savings banks in Germany and financing of the public sector in Germany, infrastructure, transport, export and real estate financing) create corresponding focal points, primarily in counterparty risk. These may be exacerbated by ESG risk, resulting for example in a deterioration of borrowers' creditworthiness due to increased climate and environmental risks or in a loss in the value of collateral. In accordance with the business model, this also leads to regional concentrations of counterparty risk in Germany and Western Europe, as well as sector-based risk concentrations in relation to financing of real estate, infrastructure projects, savings banks and the public sector. This business division also generates operational risks to a small extent as well as facing investment risks.

Treasury

The Treasury corporate centre's various functions, especially management of the liquidity management portfolio (consisting of Strategic Investments, the liquidity buffer and other liquid assets), give rise to counterparty and market price risks. The securities that constitute the Strategic Investments are currently focused on investments in investment-grade bonds, including from public sector issuers, financial services providers and corporates. The liquidity buffer is invested primarily in bonds issued by German federal states, German development banks, German run-off institutions, German covered bonds (*Pfandbriefe*), supranational institutions and investment-grade corporate bonds. Given the strategic focus, risk is concentrated on the public sector and domestic counterparties. Market price risk chiefly involves spread risks, which are closely monitored and reduced if required through disposals or credit derivatives. General interest rate risks, currency risks and share price risks also arise to a limited extent. Operational risks exist to a small degree. The Treasury corporate centre is also potentially affected by ESG risks, which particularly exacerbate liquidity risk.

Organisation of risk management and control

Board of Management and Administrative Board

The Board of Management is responsible for the development, promotion and integration of an appropriate risk culture within the Deka Group and is clearly committed to risk-appropriate behaviour. It is also responsible for establishing, enhancing and monitoring the effectiveness of the risk management system. Within the risk management organisation, the Board of Management makes decisions on the Deka Group's strategy, including the nature and implementation of the risk appetite concept. It defines the amount of overall risk permitted at Group level and sets the capital allocations for the different types of risk and the business divisions, including the Treasury corporate centre. The Board also sets the thresholds used for internal management purposes for the Common Equity Tier 1 capital ratio, the Tier 1 capital ratio, the total capital ratio, the leverage ratio (LR), the Minimum Requirement for Own Funds and Eligible Liabilities (MREL ratios, RWA- and LRE-based), the subordinated MREL requirements (RWA- and LRE-based), the utilisation of the large exposure limit, the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR). It thereby takes decisions, in particular, on the governance framework for the internal processes used to assess the adequacy of internal capital and liquidity (ICAAP and ILAAP) and is responsible for implementing these processes. This includes setting limits at business division level for the individual risk types along with the strategic guidelines and framework for the management of ESG risks.

The Administrative Board is responsible for monitoring the Deka Group's risk management system. It has established committees – the Risk and Credit Committee and the Audit Committee – to support it in its duties. Prior to every meeting of the Administrative Board, the Risk and Credit Committee meets to discuss matters impacting the Group's risk exposure and risk management. It also reviews the Group's strategic direction with the Board of Management. The Risk and Credit Committee also acts as a credit approval body within the scope of the applicable authorisation guideline. The Audit Committee is an oversight body that concerns itself with the results of internal and external audits. It thereby contributes to ensuring the appropriateness and effectiveness of the Deka Group's monitoring, control and risk management arrangements.

Management committees
The Board of Management is supported in its management role by various management committees.

The role of the Risk Management Committee (*Managementkomitee Risiko* – MKR) is to address and analyse circumstances, developments and methodological issues that could have a material impact on the Deka Group's current or future total risk profile and/or profitability.

It helps the Board of Management to set the framework for managing capital and liquidity adequacy. The committee thus makes an important contribution to promoting a Group-wide risk culture. The meetings of the MKR are generally divided into the following parts: in part A, the risk round table on non-financial risks (NFR), the discussion centres on current NFR-related risk topics for each unit or business division. This usually takes place four times a year. In part B, the risk round table on financial risks, methods and models and current risk reporting, geopolitical risks and the economic environment, along with the regular reports from sub-committees in the context of financial risks, are presented to the committee and discussed. Part B, which usually takes place once a month, also discusses the handling of model risks. The permanent voting members of the MKR include the member of the Board of Management responsible for risk, the head of Non-Financial Risk (part A only), the head of the Risk Control department and, depending on responsibilities and the part of the meeting concerned, the heads of Credit Risk Management, Finance, and Risk Control Capital Market Funds, the COO for the Asset Management Securities division, the CRO & Asset Management Real Estate Management, the COO for the banking divisions & depositary, and the heads of Compliance, Legal, IT, Business Services, Treasury, Corporate Office & Communications, Strategy & HR, Sales/Product Management & Marketing, Digital Multichannel Management, Institutional Customer Sales, Organisational Development, Information Security Management, Capital Markets, Financing and Macro Research. The MKR is supported in this function by sub-committees, which each have individual core duties.

The Management Committee for Assets and Liabilities (*Managementkomitee Aktiv-Passiv* – MKAP) primarily drafts resolutions on matters relating to the management of interest rates, currency, liquidity and refinancing, as well as the capital and balance sheet structure (combined in part S of the MKAP) and fund-based guarantee products (combined in part G of the MKAP). It assists the Board of Management with the operational management of capital and liquidity adequacy. Measures to be taken in the event of a liquidity crisis are also confirmed in the course of the MKAP's regular review. Meetings of part S of the MKAP are usually held once a month. Those of part G of the MKAP take place every two months. The MKAP is supported by various sub-committees, including a Pricing Committee. Alongside the Board of Management members responsible for Treasury, Finance, Risk Control and Capital Markets (only part S), as well as Sales (only part G), the permanent voting members of the MKAP comprise, depending on responsibilities and the part of the meeting concerned, the heads of Treasury, Finance, Risk Control, Capital Markets, Sales, Product Management & Marketing, and Strategy & HR.

Sub-committees of the Risk Management Committee
The Stress Testing Committee supports the Board of Management in relation to the overall appraisal of the regular macroeconomic stress tests (covering all risk types) and risk type-specific stress tests. Stress tests form an integral part of the Deka Group's risk management. The duties of the Stress Testing Committee include in particular the assessment and appraisal of stress test results as well as general responsibility for stipulating stress test scenarios and processes.

The job of the Models Committee is to regularly analyse and address issues relating to DekaBank's valuation and risk models (in both the economic and normative perspective). This involves regular examination of their adequacy using model monitoring and assessment of current trends and validation issues. In this function, the Models Committee takes decisions within the scope of the authority granted to it or prepares decisions to be taken by the full Board of Management with the involvement of the MKR. The committee thus makes an important contribution to ensuring overarching consistency in the models employed. Furthermore, the Models Committee represents the central body for assessing model risks, with the aim of ensuring appropriate treatment of model risk.

See also: Counterparty risk: page 72 ff.

Additional committees that are relevant to counterparty risk management include the Country Risk Committee, which assesses and monitors country risk, the Monitoring Committee, which monitors and manages non-performing loans and loans on the watch list, the Risk Provisioning Committee, which performs regular analysis and examination of matters relating to the planning, monitoring and management of risk provisions as well as monitoring and managing restructuring and liquidation cases, and the Rating Committee for analysing and discussing the internal rating procedures (see counterparty risk).

The duties of the Risk Talk are to regularly analyse, discuss and make decisions regarding matters in connection with the risk management and monitoring processes in the Capital Markets business division's operational processes. The emphasis is on the assessment, in relation to market or counterparty risks, of matters that could significantly influence the risk profile and/or profitability of the Capital Markets business division.

The Non-Financial Risk Methodology Forum (NFR Methodology Forum) aims to take early, forward-looking action to address matters related to methodology for managing non-financial risks that could have a significant impact on the NFR profile or on processes at Group level.

Business divisions and corporate centres

All business divisions and the Treasury corporate centre operate within the scope of the strategic requirements. In addition, they operate within the framework set by the Board of Management on the basis of recommendations from the MKR and MKAP. On behalf of the Board of Management, the Treasury corporate centre also manages Group liquidity, Deka Group refinancing across all maturities, the liquidity management portfolio, market price risks in the banking book and counterparty risks in its own banking book, and is responsible for investing and structuring equity. The Equity Investments department in the Strategy & HR corporate centre has overall responsibility for the management of equity investments involving investment risk. This also includes monitoring in respect of compliance and other risks and liaising in this context with the relevant functions in the second line of defence.

The Risk Control and Finance corporate centres have particular responsibility for developing a standardised and self-contained system to quantify and monitor all material risks associated with the Deka Group's business activities. The two corporate centres each concentrate on different tasks as part of this work. Risk measurement procedures evolve on an ongoing basis in line with economic and regulatory requirements.

The Risk Control corporate centre, which is independent of the business divisions, is primarily responsible for the economic perspective and, across both perspectives, for coordinating and choosing the parameters for macroeconomic stress testing. It also monitors compliance with the limits approved by authorised decision makers, and immediately reports any limit breaches to them.

The Finance corporate centre is responsible for the normative perspective and also monitors compliance with the thresholds set for the regulatory ratios.

The Credit Risk Management corporate centre is primarily responsible for providing a second opinion independent of front office operations, setting limits for trading and capital market counterparties, and analysing, preparing and/or approving ratings (except for preparing transaction ratings in the case of new business in the Financing business division). Credit Risk Management is also responsible for ongoing management of exposures for certain financing, verifying and approving specific collateral, early-stage risk identification (acting as the administrative office), risk monitoring and the management of non-performing and troubled loans (work out).

The Non-Financial Risk corporate centre sets methodological standards for assessing non-financial risks for the Deka Group and monitors compliance with these overall guidelines. It is also responsible for aggregating and checking the plausibility of decentralised assessments and preparing the overall reporting on non-financial risks. The corporate centre is supported by Risk Control when it comes to validating the quantification model for operational risks. The functions of the Information Security Officer, the Business Continuity Management Officer, the Digital Operational Resilience Officer and the Outsourcing Officer are also assigned to this corporate centre. In this role as a central unit, Non-Financial Risk advises departments and Group companies on all issues related to the relevant risk (sub-)types and reputational risk.

On behalf of the Deka Group, the Compliance corporate centre covers the regulatory functions of the Compliance Officer as set out in the German Banking Act (*Kreditwesengesetz*, KWG), the German Securities Trading Act (*Wertpapierhandelsgesetz*, WpHG) and the KAGB. It also covers those functions assigned to the Money Laundering Officer under the German Money Laundering Act (*Geldwäschegesetz*, GwG) and to the "Central Office" under the KWG and ensures that there is the possibility to submit anonymous tip-offs to an external ombudsman. In addition to this, the Compliance corporate centre performs the functions of the officer for the safeguarding of client assets. Alongside the provision of training and advice on relevant issues, the corporate centre assesses the controls and procedures implemented by the operational units to determine whether they are appropriate and effective, with the aim of minimising compliance risk for the Deka Group.

The Internal Audit corporate centre is an independent unit that supports the Board of Management and other management levels in their control and monitoring functions. It examines and assesses all activities and processes on the basis of an annual audit plan that is drawn up with a risk-based approach, using a scoring model, and then approved by the Board of Management. One of the unit's most important tasks is to evaluate the business organisation with a focus on whether the internal control system and, in particular, risk management and monitoring are suitable and appropriate. Internal Audit also audits compliance with legal, regulatory and internal bank requirements. The Administrative Board is responsible for monitoring the internal audit system.

In addition, in all business divisions and corporate centres, the respective heads of department are responsible for ensuring that operational risks are identified, measured and managed on a decentralised basis. There are specialist functions for monitoring selected non-financial risks in the Compliance, Data Protection Officer, Strategy & HR, Organisational Development, Legal, Finance and Non-Financial Risk units.

In the case of reputational risk, too, responsibility for identifying, assessing and individually managing the risks lies with the business divisions and corporate centres in which the risks arise from their business activities or from events involving other risk types. The Corporate Office & Communications corporate centre has lead responsibility for managing chiefly communication-driven reputational issues and has an overarching management role. Together with the Non-Financial Risk corporate centre, it is represented in the reputational risk task force, which acts as an oversight body to ensure the completeness and adequacy of risk assessments. This applies to reputational risk management in relation to both new and past business activities. Finally, the Risk Control and Non-Financial Risk corporate centres are responsible for the overarching methodological standards, the quantification model and reporting for reputational risks.

Organisational structure of risk management in the Deka Group *(Fig. 19)*

		Counterparty risk	Market price risk	Operational risk	Business risk	Investment risk	Step-in risk	Liquidity risk	Reputational risk
Administrative Board									
Risk and Credit Committee	- Overview of current risk situation/risk management system - Discussion of strategic direction with Board of Management - Credit approval body	●	●	●	●	●	●	●	●
Audit Committee	- Reviews results of internal and external audits	●	●	●	●	●	●	●	●
Board of Management	- Determines strategic direction - Responsible for Group-wide risk management system - Defines risk appetite in the economic perspective and thresholds for regulatory ratios - Allocates risk capital to risk types and business divisions, incl. setting the limits for individual risk types at business division level	●	●	●	●	●	●	●	●
Management Committee for Risk (Managementkomitee Risiko – MKR)	- Assists the Board of Management in matters relating to material existing and prospective risks and in defining a framework for management in the context of the ICAAP and ILAAP - Supports the Board of Management with the evaluation of issues that have a significant effect on the overall risk profile - Prepares draft resolutions for the Board of Management and makes decisions within the scope of the authority granted to it - Supplemented by various sub-committees	●	●	●	●	●	●	●	●
Stress Testing Committee	- Assesses and appraises stress test results - Specifies stress testing scenarios and processes - Reports and makes recommendations for action to the Board of Management	●	●	●	●	●		●	●
Models Committee	- Assesses current trends and validation issues with regard to valuation and risk models - Central body for assessing model risks	●	●	●	●	●		●	●
Country Risk Committee	- Assesses and monitors country risks (including geopolitical risks) - Assesses and further develops the methodology for limiting country risks - Approves/sets country limits	●							
Monitoring Committee	- Defines, assesses and further develops the early warning indicators and classification criteria - Monitors and manages non-performing loans and loans on the watch list	●							
Ratings Committee	- Enhances and maintains internal rating procedures and rating processes - Responsible for approving policies and regulations relating to the internal rating procedures	●							
Risk Provisioning Committee	- Plans, manages and monitors risk provisions - Monitors and manages restructuring and liquidation cases	●							
Risk Talk	- Supports the MKR/Board of Management in connection with risk management and monitoring processes in the Capital Markets business division's operational processes - Emphasis on market price and counterparty risk	●	●						
Non-Financial Risk Methodology Forum (NFR Methodology Forum)	- Addresses methodology and processes for managing non-financial risks			●					●
Management Committee for Assets and Liabilities (Managementkomitee Aktiv-Passiv – MKAP)	- Supports the Board of Management in matters relating to interest rate and FX management, liquidity and funding management, the capital and balance sheet structure (part S of the MKAP) and fund-based guarantee products (part G of the MKAP) - Supports the Board of Management with operational ICAAP and ILAAP management - Evaluates the measures planned for liquidity crises - Prepares draft resolutions for the Board of Management - Has various sub-committees (including the Pricing Committee)	●	●	●	●	●	●	●	●

		Counterparty risk	Market price risk	Operational risk	Business risk	Investment risk	Step-in risk	Liquidity risk	Reputational risk
AM Securities business division	- Conducts transactions in line with strategic guidelines	●	●		●	●		●	
AM Real Estate business division	- Conducts transactions in line with strategic guidelines	●	●		●	●		●	
AM Services business division	- Conducts transactions in line with strategic guidelines	●	●		●	●		●	
Capital Markets business division	- Conducts transactions in line with strategic guidelines	●	●					●	
	- Makes decisions within the guidelines proposed by the MKAP and established by the Board of Management and sets limits within the division		●					●	
Financing business division	- Conducts transactions in line with strategic guidelines	●				●		●	
Treasury (Corporate Centre)	- Conducts transactions in line with strategic guidelines	●	●					●	
	- Makes decisions within the guidelines proposed by the MKAP and established by the Board of Management and sets limits within the corporate centre - Manages market price risks in the banking book, manages the liquidity and refinancing of the Deka Group		●					●	
Risk Control (Corporate Centre)	- Develops and updates system to quantify, analyse and monitor risks (economic perspective and both perspectives for the purposes of stress testing) - Reports to Board of Management and Administrative Board - Determines/monitors risk-bearing capacity - Monitors approved limits - Responsible for general controlling of operational risks and reputational risk	●	●	●	●	●	●	●	●
Finance (Corporate Centre)	- Develops and updates system to quantify, analyse and monitor risks (normative perspective based on actual situation) - Reports to Board of Management and Administrative Board - Determines regulatory ratios - Monitors thresholds in the normative perspective - Monitors selected NFR as a specialised function[1]	●	●	●	●	●	●	●	●
Credit Risk Management (Corporate Centre)	- Market-independent second recommendation - Sets limits for trading and capital market counterparties - Analyses, prepares and approves ratings - Verifies and approves certain collateral - Ongoing portfolio management for certain financing - Administrative office for early risk identification - Troubled loans (work out) - Loan administration - Responsible for lending-related processes[1]	●							●
Non-Financial Risk	- Methodological standards for assessing non-financial and reputational risks - Aggregation and plausibility checking of decentralised assessments and overall reporting on non-financial and reputational risks - ISM Officer, BCM Officer, Digital Operational Resilience Officer and Outsourcing Officer - Monitors selected NFR as a specialised function[1]			●			●		●
Compliance (Corporate Centre)	- Functions as Compliance Officer as set out in the KWG, WpHG and KAGB, as Money Laundering Officer pursuant to the GwG and KWG and as Central Office in line with the requirements of the KWG - Party responsible for processes under section 24c KWG - Independent body under sections 70, 85 KAGB - Single Officer under section 81 (5) WpHG - Monitors selected NFR as a specialised function[1]			●					●

		Counterparty risk	Market price risk	Operational risk	Business risk	Investment risk	Step-in risk	Liquidity risk	Reputational risk
Data Protection Officer (group reports directly to the Board of Management)	- Monitors selected NFR as a specialised function[1]			●					●
Strategy & HR (Corporate Centre)	- Manages equity investment portfolio - Monitors selected NFR as a specialised function[1]			●		●	●		●
Organisational Development (Corporate Centre)	- Monitors selected NFR as a specialised function[1]			●					●
Legal (Corporate Centre)	- Monitors selected NFR as a specialised function[1]			●					●
Corporate Office & Communications	- Monitors reputational risk as part of the corresponding task force (together with Non-Financial Risk)								●
Internal Audit (Corporate Centre)	- Audits and evaluates all activities/processes (especially risk management system)	●	●	●	●	●	●	●	●
All business divisions and Corporate Centres	- Identify, measure and manage operational risks on a decentralised basis - Identify, assess and manage reputational risks			●					●

[1] Monitoring of the assigned direct risk types (e.g. counterparty risk) also takes into account reputational risks that may potentially result. In this context, there is no second-line-of-defence function for reputational risk; this function is performed by the reputational risk task force.

Three Lines of Defence model

Risk management involves active management of the Deka Group's risk position. The distribution of risk-related activities and associated controls across several organisational units requires proper assignment and delineation of the respective responsibilities and functions. Ever greater significance is attributed to an effective and properly functioning risk management system across all organisational units, which has no control gaps, conflicts of interest or redundancy and takes into consideration the risk strategy of the Deka Group. This also promotes clear-cut governance.

The "Three Lines of Defence" model practised by the Deka Group is designed to ensure compliance with and verification of the risk framework stipulated by the risk strategy, including the regular review of ICAAP and ILAAP. The operational business units responsible for exposures are – as the first line of defence – responsible for identifying, assessing and managing the financial risks involved in any business conducted. This also includes transactions to minimise total risk at Group level in day-to-day operations. In terms of the non-financial risks that are inherent in the general business activities but not incurred in direct connection with individual transactions, each unit should be treated as part of the first line of defence. The controls forming the first line of defence are supplemented and enhanced by the independent downstream organisational units that carry out control functions as part of the second line of defence (e.g. the Risk Control, Credit Risk Management, Non-Financial Risk and Compliance corporate centres). These units monitor compliance with the requirements of corporate policy independently of front office and trading operations. For financial risks, the need for an independent monitoring function results from the conflict between responsibility for earnings and responsibility for risks. Translated to non-financial risks, it is therefore necessary to create a specialist function for at least those areas of risk in which the first line of defence can be assumed to have an incentive to accept higher risks with the goal of minimising costs.

In addition, an overarching function defines methodological standards that ensure the risks are assessed in a comparable way, reported consistently and taken fully into account in the capital adequacy assessment. The third line of defence is the Deka Group's Internal Audit department, which also exercises its functions independently.

It is ensured that the requisite personnel resources are available to carry out the control functions, both in terms of the staff capacity needed to assess and monitor risks and in terms of the sufficient capability of the staff concerned. The systems and equipment provided for all control functions ensure that the ongoing processing, management and monitoring requirements arising from the nature and scope of the business carried out are met.

Accounting-related internal control and risk management system

The Board of Management of the Deka Group has overall responsibility for the internal control and risk management system. The system is based on a Group-wide organisational and control structure. The Finance corporate centre is responsible for preparing and coordinating monthly, quarterly and annual financial statements. The units involved in the accounting process are appropriately staffed, in terms of both the number of personnel and their qualifications. Furthermore, a regular and cross-divisional exchange of information between the units makes an important contribution to minimising the risks associated with the preparation of financial statements.

In principle, risks exist in the accounting process as a result, for example, of inconsistent application of reporting and accounting standards, incorrect recognition of business transactions, and malfunctions and errors in the IT systems used for accounting purposes.

The Deka Group's internal control system ensures proper accounting in accordance with applicable statutory and legal provisions. Its key features are the rigorous integration of control activities and procedures into processes, in particular by applying the dual control principle, and risk-oriented segregation of duties in corporate centres. To this end, DekaBank performs automated routine checks and, when required, manual control and reconciliation procedures. The implementation of these activities and the procedures to be followed are documented in specialist and implementation plans.

Additional checks at DekaBank – for example in order to substantiate balance sheet items – are carried out at an aggregated level by "sub-position managers". These employees, who have in-depth product knowledge, are also responsible for regularly calculating results.

The accounting recognition of business transactions is governed centrally by a Group accounting policy. This policy describes key accounting requirements and documents the standard accounting processes that apply throughout the Group. This ensures, amongst other things, that the same business transaction is accounted for uniformly in different Deka Group units and companies in compliance with the applicable accounting standards.

Specific work instructions are used to implement Group policy at operational level in individual specialist departments. These instructions also describe the control mechanisms to be followed. Guidelines and authorisation procedures have been developed for the central systems that generate accounting information as part of the preparation of financial statements. Compliance with these guidelines and concepts is regularly monitored by Internal Audit.

The Deka Group mainly uses standard software for accounting. The systems are safeguarded against unauthorised access by external parties and are comprehensively backed-up to protect against data loss. The internal control system is regularly reviewed by Internal Audit.

Framework and tools for managing capital adequacy

The Deka Group has defined risk capacity and risk appetite as follows, depending on the perspective.

In the economic perspective, the risk capacity for profit-affecting risks is set in the course of the risk-bearing capacity analysis, while taking due account of risk concentration. It represents the upper limit of acceptable risk and corresponds to the Deka Group's total internal capital. The risk appetite for profit-affecting risks is defined in the economic perspective as part of the risk-bearing capacity analysis as the allocated risk capital (allocation) for the total risk at Group level. The maximum permissible risk appetite is equal to risk capacity less a management buffer and a buffer for climate and environmental risks.

In the normative perspective, thresholds are set that take into account the regulatory requirements. It is important that the chosen thresholds provide sufficient notice to allow for the preparation and initiation of management measures. Escalation and information processes are triggered for governance purposes when individual thresholds are hit. The thresholds are also reviewed and adjusted as necessary as part of an annual revision process. The maximum level of risk corresponds to the red threshold for the Common Equity Tier 1 capital ratio used for internal management purposes. In the current situation, this is based on the overall capital requirements (OCR) and the Pillar 2 Guidance (P2G) as part of the SREP process. For internal management purposes, there are also red thresholds for the Tier 1 capital ratio, the total capital ratio, the leverage ratio, the RWA- and LRE-based MREL ratios, the RWA- and LRE-based subordinated MREL requirements and utilisation of the large exposure limit.

In the normative perspective, the level of risk that the Deka Group is willing to accept in relation to profit-affecting risks is the amber threshold for the Common Equity Tier 1 capital ratio used for internal management purposes, which comprises the overall capital requirements (OCR), the Pillar 2 Guidance (P2G) and a management buffer (including a buffer for climate and environmental risks). For internal management purposes, there are also amber thresholds for the Tier 1 capital ratio, the total capital ratio, the leverage ratio, the RWA- and LRE-based MREL ratios and subordinated MREL requirements, and utilisation of the large exposure limit. The management buffer has been determined taking into account the ECB guide to the ICAAP and is essentially based on the results of the annual risk inventory and strategic considerations as to how to respond flexibly to potential business opportunities without jeopardising capital adequacy.

In order to take account of the particular features of non-financial risks, which are quantified as sub-types of operational risk, qualitative risk tolerance rules are also defined for these risks in addition to the quantitative risk appetite relating to the overall risk position. This also applies to reputational risk and ESG risk.

See also: Individual risk types: page 72 ff.

The Deka Group makes use of a variety of tools to manage the risks and risk concentrations resulting from its business activities and thereby ensure capital adequacy. In the course of the ICAAP, the Deka Group distinguishes here between tools that apply to all risk types at the level of strategic requirements and risk-specific tools for operational management, which are described for the economic perspective in the sections covering the individual risk types. Alongside the risk inventory, the tools used by the Deka Group for overall management and monitoring of the risks mainly comprise risk and capital planning, the economic perspective in the current situation with the monthly risk-bearing capacity and capital allocation, the normative perspective in the current situation with adherence to regulatory ratios, and macroeconomic stress testing, which covers both the economic and normative perspectives. Key performance indicators are integrated into both the recovery plan and the remuneration system.

Risk and capital planning
Medium-term planning involves an integrated planning process for profits, balance sheets, funding, capital and risk for the next three budget years, with account being taken of adverse developments. For profit-affecting risks, risk and capital planning in the economic perspective calculates risk-bearing capacity for the next three years. Based on the planned business activities and the risks associated with them, and taking into account the available risk capacity in this perspective, the Board of Management sets the risk appetite for operational activities. In accordance with the planning assumptions, certain items cannot be taken into account. Based on the risk appetite, the Board of Management also allocates capital to the individual risk types and business divisions and to Treasury. This process also allows potential risk concentrations to be effectively addressed at an early stage. Any adjustments needed during the year are adopted by a resolution of the Board of Management.

The regulatory ratios (Common Equity Tier 1 capital ratio, Tier 1 capital ratio, total capital ratio, leverage ratio, the RWA- and LRE-based MREL ratios and the RWA- and LRE-based subordinated MREL requirements) are determined for each year as part of the normative risk and capital planning.

The Common Equity Tier 1 capital ratio should exceed the target ratio or at least show medium to long-term adherence to the strategic target ratio. The strategic target ratio is determined based on the supervisory requirements (OCR and P2G) plus a strategic premium and is set annually as part of the planning work by the Board of Management. The lower limit is the amber threshold used for internal management purposes for the relevant year. This is calculated based on the OCR and P2G expected to apply in the relevant year plus a management buffer.

In addition to planning based on expected economic developments (baseline plan), appropriate scenarios are used to assess whether the regulatory ratios can be adhered to even under adverse circumstances within the planning horizon. To this end, the Board of Management sets its own annual thresholds that deviate from the baseline plan.

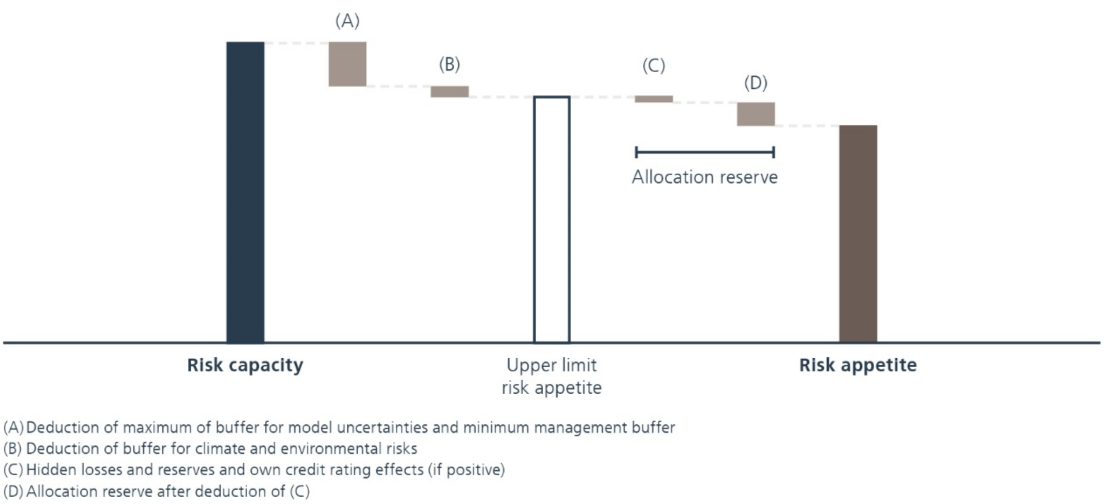
Economic perspective (current situation): Risk-bearing capacity and capital allocation
As a basic principle, internal capital is used to determine the maximum level of risk that can be incurred (impacting the income statement), taking into account risk concentrations. Risk capacity is analysed monthly. In the course of the risk-bearing capacity analysis, the risk capacity (in the form of internal capital) and the current risk level (current situation) are determined, and compliance with the guidelines and limits is monitored. The Deka Group’s total risk, as examined in the risk-bearing capacity analysis, includes as a minimum all material risk types with an impact on the income statement, and is determined by adding these together. Diversification effects between individual types of risk are not taken into account as part of this process. The total risk of the Deka Group is measured as an economic capital amount that is highly likely to be sufficient to cover the losses from all material risk positions at any time within one year.

DekaBank uses the value-at-risk approach (VaR) in order to quantify individual risks on a uniform basis and to aggregate them as an indicator for overall risk. The calculation of VaR for a one-year holding period is carried out for internal management purposes with a confidence level of 99.9%. This confidence level corresponds to the Deka Group’s target rating (stand-alone credit profile [SACP] level of “a-” [SACP based on the Standard & Poor’s scale]).

The total risk of the Deka Group that is derived from the individual types of risk is compared to the Group’s internal capital available to offset losses based on the going concern assumption. Internal capital, or risk capacity, essentially consists of equity under IFRS Accounting Standards and income components. Balance sheet items whose amounts do not reflect the concept of economic value are taken into account using corresponding correction items. Deductible items for risks from pension obligations and for reputational risk also directly reduce internal capital. This internal capital is available as risk capacity – in the sense of a formal total risk limit – to safeguard risk-bearing capacity as a whole.

Based on this risk capacity, a management buffer is set whose amount must at least correspond to the buffer for model uncertainties (depending on the risk models used). There is also a buffer for climate and environmental risks. It serves as a provision for future management with regard to potential medium to long-term impacts of climate and environmental risks. Risk appetite is the primary control parameter. In addition to the Group-level analysis, risk is also limited, based on the risk appetite, by business division (including the Treasury corporate centre) and risk type (including investment risk) in the form of allocated risk capital.

Risk capacity and risk appetite *(Fig. 20)*



The utilisation ratios for risk capacity and the risk appetite may not exceed 100%. For the utilisation of the risk appetite, an early warning threshold of 90% has also been established.

The results of the risk-bearing capacity analysis and the utilisation levels for the specified allocations are determined monthly and reported to the Board of Management. The Risk and Credit Committee and the Administrative Board are informed on a quarterly basis.

Normative perspective (current situation): Compliance with regulatory ratios

The regulatory ratios are calculated monthly or at the end of each quarter and also include forecast values. Adherence to the internal thresholds is ensured using an ongoing monitoring process, which additionally includes a monthly plan/actual comparison and a regular forecast process. The regulatory ratios are reported monthly to the Board of Management and quarterly to the Administrative Board. If the amber threshold is undercut in internal management, the Board of Management has to be informed using ad hoc reports as part of an agreed escalation process. The Board decides on measures to resolve this. If the red threshold is undercut in internal management (i.e. if the alarm threshold for the corresponding recovery plan indicator is reached), this triggers governance measures under the integrated recovery plan.

In addition to adhering to these internal thresholds, the business divisions and Treasury corporate centre are required, within the framework of this overall plan, not to exceed the RWA allocation target as a management guide (corresponds to the target RWAs specified in the medium-term planning at the start of the year) as a general rule. The allocation of RWAs to the business divisions and Treasury corporate centre can be adjusted throughout the year as required while adhering to the targeted capital ratios. In the event that individual business divisions or the Treasury corporate centre may conceivably exceed these targets, the affected business divisions and the Treasury and Finance corporate centres examine whether measures to reduce RWAs are required. From 2025 onwards, the partial use RWAs will be used for calculation and management purposes, including an output floor distribution across the business divisions and the Treasury corporate centre.

Macroeconomic stress tests (both perspectives)
Macroeconomic stress testing for all risk categories is used as an additional tool to manage capital adequacy along with the indicators for the current situation. Capital adequacy is regularly assessed by way of macroeconomic stress tests, which enable an estimate to be made of how it would be affected by extreme market developments. Macroeconomic stress tests enable action areas to be identified at an early stage as soon as crisis situations emerge.

The macroeconomic stress tests examine extraordinary but nonetheless plausible scenarios. These represent appropriate historical and hypothetical (adverse) events and events relating specifically to the Deka Group's business model and associated risk concentrations (standard stress scenarios). There are also scenarios for reputational and ESG risks (for example climate scenarios). When needed, the scenarios are supplemented with relevant ad hoc analyses. Reverse stress tests relate to specific manifestations of scenarios that would lead, in the economic perspective, to the risk capacity being reached, and in the normative perspective to a Common Equity Tier 1 capital ratio at the level of the red threshold.

The effects of the various macroeconomic stress scenarios are calculated for the economic perspective for all relevant risk and earnings figures and compared to the internal capital determined for each scenario. Similarly, in the normative perspective, the effects of the stress scenarios on regulatory own funds and RWAs, the resulting capital ratios and the leverage ratio, the RWA- and LRE-based MREL ratios, and the RWA- and LRE-based subordinated MREL requirements are calculated and compared to the regulatory requirements. Utilisation of the large exposure limit is also examined. The point in time for which the stress scenarios are calculated is generally a year in the future.

The results of the macroeconomic stress tests are usually determined quarterly, assessed by the Stress Testing Committee and reported to the Board of Management, the Risk and Credit Committee, and the Administrative Board. Selected scenarios that focus in greater depth on specific issues are assessed and reported annually, climate scenarios every six months.

The macroeconomic stress scenarios are subject to a regular annual review. In the light of current global economic and regulatory developments, the scenarios were updated and augmented in this process as necessary and the description and choice of parameters for the historical, hypothetical and institution-specific stress scenarios adjusted accordingly. As an example, the historical "terrorist attack" scenario was replaced by the "pandemic (COVID-19)" scenario. In the Deka Group's view, the scenarios examined continue to provide an appropriate reflection of all risks relevant to it.

The climate scenarios, too, were reviewed and refined. Two scenario narratives were added to the centrally coordinated (long-term) baseline scenario, which reflects what the Deka Group considers to be the most likely expected macroeconomic and sector-specific developments for the short-, medium- and long-term perspective. These two scenario narratives show adverse developments resulting between now and 2050 from the climate targets set and focus on the resulting physical and transition risks. Observation periods can vary depending on the scenario specifics. A medium-term shock scenario combining macroeconomic, transition and physical shocks was also used to assess climate-related risks.

Framework and tools for managing liquidity adequacy
Liquidity risk is managed and monitored as an independent risk category within the framework of the Deka Group's risk strategy. The liquidity risk strategy applies to all organisational units of the Deka Group and sets out the responsibilities for liquidity risk management and monitoring.

With the ECB's approval of the liquidity waiver for DekaBank and S Broker AG & Co. KG, the liquidity subgroup consisting of these companies has been monitored in addition to the Deka Group since April 2020.

Liquidity risk in the narrower sense (insolvency risk) is not an immediate risk to the Group's profit that can be cushioned with equity capital. Liquidity risk management therefore forms an additional management level outside the ICAAP. Like the latter, it is based on the results of the risk inventory and integrated with the recovery plan and remuneration system. The central objective of liquidity risk management is to prevent liquidity shortfalls and thus ensure that the overall solvency of the Deka Group is guaranteed on a continuous basis. In the economic perspective, the key risk measure used in the integrated quantification, management and monitoring of liquidity risk is the relevant funding matrix (FM) defined by the Board of Management. In the normative perspective, the key risk measure is the liquidity coverage ratio (LCR) for regulatory purposes and the net stable funding ratio (NSFR). The LCR is the ratio of the holdings of high-quality liquid assets (HQLA) to the total net outflows for the next 30 days, as calculated under a stress scenario. The NSFR expresses the amount of available stable funding on the liabilities side of the balance sheet in relation to the amount of assets for which stable funding is required.

For liquidity risk (insolvency risk), risk capacity is defined in the economic perspective as the amount of free liquidity that is in principle available. It thus corresponds to the positive liquidity balance of the FM for normal business operations. For liquidity risk, the Deka Group has defined its risk appetite in the economic perspective such that an indefinite survival horizon exists under a hypothetical stress scenario of a simultaneous institution-specific and market-wide stress event. This hypothetical stress scenario is illustrated in the "combined stress scenario" funding matrix. Permanent solvency and an unlimited survival horizon are achieved by setting a limit of 0 on the liquidity balances of all relevant maturity bands for periods of up to 20 years.

In the normative perspective, thresholds are set that take into account the regulatory requirements. It is important that the chosen thresholds provide sufficient notice to allow for the preparation and initiation of management measures. Escalation and information processes are triggered for governance purposes when the thresholds are hit. The thresholds are also reviewed and adjusted as necessary as part of an annual revision process. The maximum level of risk corresponds to the red thresholds for the LCR and NSFR used for internal management purposes. In the current situation, this threshold is based on the applicable regulatory requirement (currently 100%) plus a management buffer.

In the normative perspective, the liquidity risk that the Deka Group is prepared to accept is the amber thresholds for the LCR and NSFR used for internal management purposes. These comprise the red threshold used for internal management purposes plus a management buffer. The management buffer has been determined taking into account the ECB guide to the ILAAP and is essentially based on the results of the annual risk inventory and strategic considerations as to how to respond flexibly to potential business opportunities without jeopardising liquidity adequacy.

Risks impacting the income statement arising from refinancing gaps (liquidity maturity transformation risk) are currently not material because the limits placed on liquidity balances in the FM prohibit negative balances, meaning that maturity transformation is only possible to a very limited extent.

Market liquidity risk is reflected in the economic and normative perspective using discounts on the market value of liquid assets. A suitable stress scenario is used to monitor the market liquidity risk affecting the income statement as part of market price risk. As market liquidity risk is not considered material, it is not currently necessary to hold capital for the purposes of risk-bearing capacity.

Liquidity positions are managed by the Treasury corporate centre. Liquidity management involves managing and monitoring short-term and structural liquidity and offsetting liquidity costs and benefits. The Treasury corporate centre also ensures an ample liquidity buffer of central bank-eligible collateral and deposits with the Bundesbank. In addition, it is in charge of managing the Deka Group's liquidity buffer as well as controlling the level of liquidity ratios. Operational liquidity management across all maturity bands is also handled centrally by the Treasury corporate centre.

The liquidity position and compliance with risk appetite are analysed, for the economic perspective, across the entire Group by the Risk Control corporate centre and monitored independently from the front office units in organisational and procedural terms. The Finance corporate centre is responsible for determining the LCR and NSFR and monitoring compliance with the thresholds set.

In the event of a liquidity emergency, a crisis committee assembles. It may decide all measures judged necessary to ensure the short-term solvency of the Group and may instruct all units of the Deka Group to implement these measures. The Board of Management, as a permanent member with a voting right, is the core of this crisis committee. Continuous monitoring of market-wide and institution-specific early warning indicators and emergency triggers ensures that potential liquidity crises can be anticipated, so that appropriate countermeasures can be implemented quickly in the event of adverse developments.

Medium-term and funding planning

Medium-term planning involves an integrated planning process for profits, balance sheets, funding, capital and risk at Deka Group level for the next three years. This looks at liquidity adequacy in the economic and normative perspective for planning horizons, including under adverse scenarios.

Funding planning must sustainably fulfil the requirements relating to risk appetite, i.e. sustainably adhere to the limits of the combined stress scenario funding matrix and to the applicable regulatory ratios. In respect of the latter, both short-term (LCR) and medium-to-long-term (NSFR) liquidity adequacy are examined with a three-year planning horizon and under adverse scenarios. The liquidity subgroup is included in the Deka Group perspective.

Economic perspective: Funding matrices

Funding matrices (FMs) are the main measure of liquidity risk in the economic perspective. The purpose of the funding matrix is to show expected future cash flows across the portfolio as at the reporting date. The liquidity requirement (liquidity gap) or liquidity surplus is determined for each maturity range based on these flows. In addition, freely available financial resources, such as realisable assets in the form of securities, over-coverage in cover registers and other sources of funding, are identified as potential liquidity on an aggregated basis. The liquidity balance for each maturity band is determined from the sum of the cumulative liquidity gap and the cumulative liquidity potential.

The basis for the model is cash flows as indicated by legal maturities. This approach is based on the sum of all legal net cash flows per maturity band. Reconciliation between the amount from a legal perspective and expected cash flows is performed using modelling assumptions. Securities used for liquidity potential are allocated either to the liquidity buffer or to operational securities portfolios.

The liquidity buffer is used to cover possible stress-induced liquidity outflows as well as stochastic liquidity outflows that cannot be influenced by the Deka Group or can only be influenced to a limited extent (stochastic liquidity position). The liquidity buffer is the responsibility of the Treasury corporate centre. The minimum level required for the liquidity buffer is determined by Risk Control on a quarterly basis. The results are reported to the MKR and MKAP. The Treasury corporate centre may independently propose a higher liquidity buffer. The Board of Management sets the level of the liquidity buffer based on the MKAP's recommendation.

The operational securities portfolios comprise all freely available securities. These can be divided into securities that fall within the remit of the Capital Markets business division and portfolios that are allocated to the Treasury corporate centre and that do not form part of the liquidity buffer.

As well as being used for normal business operations (going concern), funding matrices are also analysed under different stress scenarios. This ensures that even under stressed market conditions, sufficiently liquid funds are maintained to cover any potential liquidity need.

The Deka Group primarily examines the "combined stress scenario" FM, which simulates the simultaneous occurrence of both the institution's own and market-wide stress factors. The MaRisk requirements for liquidity management, including under stress scenarios, are thus fully implemented. A traffic light system in the "combined stress scenario" FM, consisting of early warning thresholds and limits, is used to manage compliance with risk appetite – i.e. to ensure that the Group is solvent at all times with an indefinite survival horizon in a stress scenario that is both institution-specific and market-wide – and is monitored daily. The use of limits means that the liquidity balance must be positive for all the maturity bands monitored. In addition, individual stress scenarios are examined separately in special FMs for which different modelling assumptions are used. Among other factors, market liquidity risks arising from a reduction in the market value of the securities in the liquidity potential are taken into account in the stress scenarios.

Liquidity risks in foreign currency are monitored daily based on the "combined stress scenario" FM in the relevant foreign currency using materiality and alarm thresholds.

Normative perspective: Liquidity coverage ratios
The Finance corporate centre monitors the internal amber threshold as part of the daily calculation of the LCRs for DekaBank Deutsche Girozentrale (which, together with S Broker AG & Co. KG, forms the liquidity subgroup). This enables proactive management of the LCRs. An NSFR is calculated on a monthly basis at Group and subgroup level in the same way as for the LCR.

Tools for both perspectives
DekaBank has established a liquidity transfer pricing system (funds transfer pricing) for the source-specific internal allocation of liquidity costs, benefits and risks. The transfer prices calculated are taken into account in the management of risks and returns. The liquidity transfer pricing system is used to allocate economic costs on a source-specific basis, as well as the costs for maintaining the liquidity buffer and complying with regulatory requirements (e.g. LCR and NSFR). The use of a liquidity transfer pricing system for source-specific allocation allows liquidity to be proactively managed and efficiently allocated.

Macroeconomic stress testing for all risk categories is used to manage both capital and liquidity adequacy. For the economic perspective, the impact of the stress scenarios on liquidity balances is calculated and compared to the relevant funding matrix. Similarly, in the normative perspective, the effects of the stress scenarios on the LCR and NSFR are calculated and compared to the regulatory requirements.

The results of the macroeconomic stress tests in relation to liquidity adequacy, too, are determined quarterly, assessed by the Stress Testing Committee and reported to the Board of Management, the Risk and Credit Committee, and the Administrative Board.

Reporting

Appropriate and high-quality aggregation of risk data and reporting based on this provide the foundations for effectively monitoring and managing risk appetite within the framework of the risk strategy. Key instruments for risk reporting include the quarterly risk report in accordance with MaRisk to the Board of Management and the Risk and Credit Committee of the Administrative Board, as well as the monthly reporting on the economic risk situation and financial ratios to the Board of Management. The Board of Management also receives more extensive reports for individual risk types, which contain key information on the current risk situation. The Administrative Board receives a three-part quarterly report on the development of earnings, value drivers and risks at the Deka Group and in the individual business divisions (including the Treasury corporate centre).

Risk concentrations in relation to individual counterparties (cluster risks and analysis of shadow banking entities) are reported on monthly to the Board of Management and the key risk committees as part of the report on the economic risk situation. In addition, a detailed analysis of all individual counterparties classified as clusters and the associated segment concentrations in comparison to the guidelines set by the credit risk strategy is conducted on a quarterly basis as part of the quarterly risk report. If necessary, adjustments are made to the number and volume of the relevant counterparties.

With regard to climate and environmental risks, selected key risk indicators (KRIs), together with related developments and explanatory information, are presented in the risk report. The information is reported in the context of the relevant risk type.

Further overall reports also include the quarterly stress testing report, which particularly includes the results of macroeconomic stress tests and performs a crucial early warning function in this respect.

Besides these overall reports, there are also corresponding reports for every type of operational limit that is set. These reports are used to monitor compliance with the respective guidelines on a daily basis. Any breach is immediately brought to the attention of the authorised decision maker – and in the event of material breaches, also the Board of Management. If the liquidity balance exceeds the limit, the Board of Management is notified immediately. Moreover, the LCR is prepared daily and the NSFR monthly in the reporting system of the Finance corporate centre and provided to monitoring units.

Capital adequacy in financial year 2024

The Deka Group held adequate capital throughout the reporting period. In particular, the Common Equity Tier 1 capital ratio and utilisation of risk capacity and of the risk appetite remained at non-critical levels relative to the limits and early warning thresholds and to the internal thresholds and external minimum requirements throughout.

Economic perspective (current situation)

During the reporting year, the models employed by the Deka Group for economic risk management continued to reflect the corporate and market situation in an appropriate and timely manner, taking into account the changes applied. The Deka Group's total risk exposure (value-at-risk, VaR; confidence level 99.9%, holding period of one year) at the 2024 reporting date was €2,601m, a slight increase of €48m on the 2023 reporting date (€2,553m). This was mainly attributable to a substantial increase in market price risk. A marked drop in counterparty risk had the opposite effect to some degree.

At the same time, risk capacity recorded a considerable increase of €639m, taking it to €6,117m (year-end 2023: €5,478m). This was particularly due to the positive development in retained earnings and various correction and deduction items. As a result of the developments described, the utilisation of risk capacity fell moderately as against the end of 2023 (46.6%) to 42.5%, meaning that it remains at a non-critical level.

Utilisation of allocated risk capital was non-critical both at Deka Group level and in all business divisions. The risk appetite of €4,500m (increase compared to the end of 2023) was 57.8% utilised as at the 2024 reporting date (year-end 2023: 59.4%).

Change in Deka Group risk over the course of the year *€m (Fig. 21)*

	31 Dec 2024	31 Dec 2023	Change	
Counterparty risk	1,029	1,199	–170	–14.1%
Investment risk	28	26	2	5.8%
Market price risk	810	606	204	33.6%
Operational risk	478	458	19	4.2%
Business risk	256	263	–7	–2.7%
Total risk	**2,601**	**2,553**	48	1.9%

Normative perspective (current situation)

DekaBank made use of the exemption ("parent waiver") under Article 7 (3) CRR in conjunction with section 2a (5) KWG in the reporting year, opting not to meet the requirements laid down in Parts 2 to 5 CRR (Own Funds, Capital Requirements, Large Exposures, Exposures to Transferred Credit Risk) on an individual basis. The change in regulatory own funds at individual institution level is therefore not shown separately.

Capital adequacy is determined in accordance with the CRR. Alongside counterparty risk, market risk and operational risk, CVA risk is also taken into account. Settlement risk is not shown separately here as it is of minor significance. Instead, it is included in counterparty risk. As in the previous year, pursuant to Article 26 (2) CRR, the year-end profit less foreseeable charges and dividends was recognised in Common Equity Tier 1 capital within the same period as at 31 December 2024 (dynamic approach).

The Deka Group's regulatory own funds as of 31 December 2024 stood at €7,448m (year-end 2023: €7,230m).

Compared with the previous year, Common Equity Tier 1 capital increased by €256m from €5,848m to €6,104m. The increase was due to the inclusion of year-end effects from 2024 (mainly profit retention).

Additional Tier 1 capital was unchanged year on year. Compared with the previous year, Tier 2 capital was down by €38m to €746m. Subordinated capital of around €90m was newly issued in the reporting year. The reduced eligibility of Tier 2 capital under the CRR in the last five years before maturity had a reducing effect.

RWAs increased overall by €328 m from the year-end 2023 figure of €30,486m to €30,814m. This was driven mainly by higher market risk, which was offset to a degree by lower credit risk. Credit risk fell by €672m to €19,212m, primarily as a result of lower RWAs from funds. Market risk (€5,257m) increased over the year (year-end 2023: €4,347m). The increase can be traced back first and foremost to general market risk. RWAs from operational risk (€5,969m) also increased (year-end 2023: €5,727m). This was due to the updated assessment of various loss scenarios for tax law risks in the ex-ante perspective. CVA risk declined by €153m to €375m due to lower volumes of derivative transactions to be included.

The table below shows the development in capital components, RWAs and capital ratios.

Deka Group own funds in accordance with the CRR *in €m (Fig. 22)*

	31 Dec 2024	31 Dec 2023	Change	
Common Equity Tier 1 (CET 1) capital	6,104	5,848	256	4.4%
Additional Tier 1 (AT 1) capital	599	599	–	–
Tier 1 capital	**6,702**	**6,446**	256	4.0%
Tier 2 (T2) capital	746	784	–38	–4.8%
Own funds	**7,448**	**7,230**	218	3.0%
Credit risk	19,212	19,884	–672	–3.4%
Market risk	5,257	4,347	911	21.0%
Operational risk	5,969	5,727	242	4.2%
CVA risk	375	528	–153	–29.0%
Risk-weighted assets	**30,814**	**30,486**	328	1.1%
%				
Common Equity Tier 1 capital ratio	**19.8**	**19.2**		0.6%-points
Tier 1 capital ratio	**21.7**	**21.1**		0.6%-points
Total capital ratio	**24.2**	**23.7**		0.5%-points

Taking account of the requirements of the SREP, DekaBank had to comply at Group level with the following regulatory minimum capital requirements.

Regulatory minimum capital requirement as at 31 December 2024 *(Fig. 23)*

	Common Equity Tier 1 capital ratio	Tier 1 capital ratio	Total capital ratio
Regulatory minimum requirement (Art.92(1) CRR)	4.5%	6.0%	8.0%
Additional requirements in accordance with SREP (P2R)	0.84%	1.13%	1.50%
	5.34%	**7.13%**	**9.50%**
Capital conservation buffer (Section 10c KWG)	2.50%	2.50%	2.50%
Countercyclical capital buffer (Section 10d KWG)	0.72%	0.72%	0.72%
Capital buffer for systemic risks (Section 10e KWG)	0.09%	0.09%	0.09%
Capital buffer for other system relevance (Section 10g KWG)	0.25%	0.25%	0.25%
Total requirement	**8.90%**	**10.69%**	**13.06%**

The total requirement for the Common Equity Tier 1 capital ratio, the Tier 1 capital ratio and the total capital ratio was clearly exceeded at all times. The SREP Pillar 2 requirements (P2R) remain unchanged for 2025.

The leverage ratio, i.e. the ratio of Tier 1 capital to total assets adjusted in line with regulatory requirements (leverage ratio exposure), stood at 8.2% as at 31 December 2024 (year-end 2023: 9.2%). The drop was due to higher Tier 1 capital combined with a stronger increase in leverage ratio exposure. The applicable minimum leverage ratio of 3.0% was exceeded at all times.

The MREL requirements are calculated using an RWA- and LRE-based method in accordance with supervisory requirements. The total of own funds and MREL-eligible liabilities is expressed in relation to RWA and LRE. As at the reporting date, the MREL ratio in line with the RWA-based approach amounted to 53.2% (year-end 2023: 54.1%), while the figure under the LRE-based approach came to 20.0% (year-end 2023: 23.5%). Both ratios were well above the applicable minimum ratios. As at 31 December 2024, own funds and MREL-eligible liabilities came to €16.4bn. As at the reporting date, this figure was composed of own funds of €7.4bn, senior non-preferred issues of €4.8bn, senior preferred issues of €4.8bn and unsecured subordinated liabilities of €0.1bn. The repurchases recently approved in accordance with the CRR were deducted for the calculation of the MREL ratios.

The subordinated MREL requirements are also calculated using an RWA- and LRE-based method in accordance with supervisory requirements. Eligible or total own funds and all subordinated liabilities eligible based on statutory requirements are added together and expressed in relation to RWA and LRE. The repurchases recently approved in accordance with the CRR were deducted for the calculation of the subordinated MREL requirements. As at year-end 2024, the subordinated MREL requirements in line with the RWA-based approach came to 37.5% (year-end 2023: 37.7%), while the figure under the LRE-based approach was 14.1% (year-end 2023: 17.9%). Both ratios were well above the applicable minimum ratios.

Macroeconomic stress tests

The in-depth analysis of the results of the regular macroeconomic standard stress scenarios in both perspectives also takes into account the probability of occurrence and lead time of the scenarios, calculated each quarter, as well as the possible mitigation measures available if necessary. Under this approach, the internal thresholds were complied with at all times during the reporting period and at the reporting date in all the scenarios examined, and no immediate action was required in relation to capital adequacy. The same applies to the results of the climate scenarios calculated most recently as at the 30 September 2024 reporting date.

Liquidity adequacy in financial year 2024

DekaBank had access to ample liquidity on the money and capital markets throughout the year. The Deka Group had sufficient liquidity, measured using the liquidity balances and normative indicators, throughout the reporting period. There were no breaches of the internal limits and emergency triggers or the external minimum LCR and NSFR at any time.

Economic perspective

There were clear positive liquidity balances in all relevant maturity bands of the “combined stress scenario” funding matrix for periods of up to 20 years. This was also the case for the alternative stress scenarios. Limits were complied with throughout the 2024 financial year, at both Deka Group and liquidity subgroup level.

As at 31 December 2024, the accumulated liquidity balance of the Deka Group’s “combined stress scenario” funding matrix in the short-term range (up to one week) stood at €6.7bn (year-end 2023: €7.8bn). In the maturity band of up to one month, the liquidity surplus totalled €11.7bn (year-end 2023: €9.4bn), and in the medium-term range (three months) it amounted to €10.7bn (year-end 2023: €10.2bn).

As in previous years, a substantial part of the Group’s liquidity generation and provision was attributable to business with savings banks and funds. In relation to the net cash flows of approximately €9.0bn on day 1, the Deka Group has a high liquidity potential (around €17.1bn) that is readily convertible at short notice. The Group had access to a large portfolio of liquid securities which are eligible as collateral for central bank borrowings, as well as to available surplus cover in the cover pool and corresponding repo transactions. The strict requirements concerning the liquidity potential ensure that the securities used for this purpose can generate liquidity even in a stressed market environment.

"Combined stress scenario" funding matrix of Deka Group as at 31 December 2024 *€m (Fig. 24)*

	D1	>D1 to D5	>D5 to 1M	>1M to 3M	>3M to 12M	>12M to 5Y	>5Y to 20Y	>20Y
Liquidity potential (accumulated)	17,070	17,492	17,779	9,157	–13	–783	–117	–7
Net cash flows from derivatives (accumulated)[1]	–173	–181	2,570	3,958	5,459	6,857	6,668	6,663
Net cash flows from other products (accumulated)	–8,784	–10,635	–8,646	–2,424	5,352	6,479	–1,612	–5,874
Liquidity balance (accumulated)	**8,114**	**6,675**	**11,703**	**10,690**	**10,797**	**12,553**	**4,938**	**783**
For information purposes:								
Net cash flows from derivatives by legal maturity (accumulated) [1]	–173	–184	–270	–317	–3	930	2,767	6,764
Net cash flows from other products by legal maturity (accumulated)	–24,814	–26,495	–26,252	–24,845	–27,641	–9,588	–8,066	–5,877
Net cash flows by legal maturity (accumulated)	**–24,987**	**–26,679**	**–26,521**	**–25,162**	**–27,644**	**–8,658**	**–5,299**	**887**

[1] Including lending substitute transactions and issued CLNs

As at 31 December 2024, 56.8% (year-end 2023: 51.4%) of total refinancing related to repo transactions, daily and time deposits and other money market products. The remainder of the refinancing concerned capital market products, primarily with longer maturity profiles. Structured issues made up 67% of total capital market issues. In a year-on-year comparison, the volume of commercial paper issued was built up in full to €5.3bn. The refinancing profile for lending business was well balanced, given the maturity structure.

Money market refinancing remained broadly diversified across a range of investor groups. Most of the investors in money market refinancing are financial service providers such as clearing houses, stock exchanges and funds, or large banks and savings banks. The proportion of money market refinancing attributable to funds stood at 45.0% (year-end 2023: 44.9%), while other financial institutions accounted for 9.5% (year-end 2023: 13.5%) and savings banks for 8.9% (year-end 2023: 12.6%). No funds were borrowed from the central bank (year-end 2023: 0.0%).

Some 53.1% of total refinancing was obtained in Germany and other eurozone countries. Approximately 42.4% of total refinancing was accounted for by issues of bearer securities that cannot be attributed to any buyer country.

Normative perspective

Together with a subsidiary, DekaBank uses a liquidity waiver in accordance with Article 8 CRR. With the ECB's approval of the liquidity waiver for DekaBank and the S Broker AG & Co. KG at individual institution level, the liquidity subgroup consisting of these companies is monitored in addition to the Deka Group.

The regulatory LCR requirements were met throughout the period under review. The LCR as at year-end 2024 stood at 192.0% (year-end 2023: 209.0%). Net cash outflows increased more strongly in percentage terms relative to holdings of high-quality, liquid assets. This was the main reason behind a reduction in the LCR at Deka Group level compared to 31 December 2023. The average LCR for the reporting year was 164.8% (previous year's average: 153.8%). The LCR fluctuated within a range from 148.3% to 192.0%. It was thus always significantly above the applicable minimum limit of 100%.

The net stable funding ratio (NSFR) came to 117.9% (year-end 2023: 120.9%) at the end of December 2024 and was thus significantly above the applicable minimum limit of 100%. The drop in the NSFR is mainly due to the fact that required stable funding increased more strongly in percentage terms compared with available stable funding.

Both perspectives (macroeconomic stress tests)
The internal thresholds in the normative perspective were complied with, even in the macroeconomic stress testing. In the economic perspective, there is a sufficient balance in the first few months, which are particularly important for liquidity management, meaning that there is no acute need for action.

Individual risk types

Counterparty risk

Strategic framework and responsibilities
The Deka Group's credit risk strategy is based on its business strategy and overarching risk strategy. The Deka Group is committed to sustainable corporate governance and organises its lending business accordingly. The credit risk strategy stipulates the parameters for all Deka Group transactions that involve counterparty risk, and provides details on risk culture. The credit risk strategy defines, in particular, the counterparty risk principles for loans within the meaning of section 19 (1) KWG and describes the counterparty risks of the business divisions and segments, including the specific risk determinants and minimum standards to be adhered to. The credit risk strategy also distinguishes between the relevant customers, markets, products and types of business in the individual segments, risk concentrations in relation to individual counterparties (cluster risks) and the handling of cluster risks, as well as tools to manage counterparty risk and related risk concentrations.

The requirements set out in the credit risk strategy are designed to ensure that loans are only issued to borrowers who are able to fulfil the terms of the credit agreement, that loans are secured as required by adequate and appropriate collateral and that lending is in line with DekaBank's risk appetite. ESG risks, i.e. climate-related, environmental, social and governance-related factors (ESG factors), are also taken into account. In addition, a blacklist is used in line with the credit risk strategy to avoid undesirable lending business that could involve reputational risks or an increased level of risk, or that does not meet the defined sustainability requirements.

The credit risk strategy is to be taken into account in all lending decisions, i.e. when limits are set, increased and extended for borrowers or borrower units (except in restructuring and liquidation cases), as well as in the event of subsequent deviations from the blacklist. Counterparty risks are monitored and managed in accordance with standard principles, regardless of whether the risks stem from trading or non-trading transactions.

There must be a functional separation in the lending business between the "front office" and the "back office" that extends to the responsible member of the Board of Management. Specific tasks are performed outside the "front office", including monitoring risks at the borrower and portfolio level, reporting, reviewing specific items of collateral and making decisions regarding loan-loss provisioning for major exposures. Responsibility for applying risk classification procedures and for establishing, reviewing and monitoring those procedures is classified as a back office function, as is management of non-performing and troubled loans.

Authority levels for lending decisions are based on the net total limit and the gross limit or gross amount. The approval of the Board of Management – and potentially the additional consent of the Risk and Credit Committee – may be necessary, depending on the amount and the rating limits.

Management committees have been established with responsibility for strategically managing and monitoring counterparty risks and their risk concentrations across all risk types. They include the Management Committee for Assets and Liabilities (*Managementkomitee Aktiv-Passiv* – MKAP) and the Risk Management Committee (*Managementkomitee Risiko* – MKR). A number of sub-committees have been assigned to the MKR to deal with counterparty risk. The Rating Committee regularly analyses and assesses the internal rating procedures employed for measuring risk and, where relevant, their inclusion in the pooling system developed in joint projects with Rating Service Unit GmbH (RSU) and S-Rating und Risikosysteme GmbH (SR). The Monitoring Committee is responsible for regularly analysing and discussing matters in connection with the methods and procedures employed for early risk identification as well as for monitoring and managing exposures with increased counterparty risk (non-performing loans and those on the watch list). The duties of the Risk

Provisioning Committee include regularly analysing and discussing matters in connection with the planning, monitoring and management of risk provisions for loan losses, and also monitoring and managing defaulted exposures (restructuring and liquidation cases) in the lending business as well as in the securities portfolios not recognised at fair value through profit or loss. Responsibilities for the assessment and monitoring of country risks (including geopolitical risks) are consolidated in the Country Risk Committee. Among other things, it is responsible for discussing country ratings on both a regular and ad hoc basis, defining country limits within its scope of authority, identifying countries to be excluded (blacklist for high-risk countries) and determining measures to reduce overruns of country limits as well as other risk-reducing measures.

Managing, limiting and monitoring risk

The Deka Group uses different tools to manage and monitor its counterparty risk: overall analysis at the total portfolio level and a multi-level system of volume-based limits.

Capital allocation for counterparty risks

The starting point for the strategic analysis of counterparty risk is the allocation of capital, which is derived from the Deka Group's risk and capital planning. It is the foundation for the limitation and monthly monitoring of counterparty risk at total portfolio level and at the level of individual business divisions, including the Treasury corporate centre, in the context of the risk-bearing capacity analysis. The allocation is quantified based on the Deka Group's credit portfolio model, which is used to determine the portfolio's risk of loss in the form of a credit value-at-risk (CVaR) metric for a one-year holding period and at a confidence level of 99.9%, in line with DekaBank's target rating. Risk concentrations are taken into account directly through this model: portfolios that have a strong concentration on individual groups of counterparties, regions or sectors involve a higher economic capital commitment than those that are more diversified. The individual risk ratios are reviewed on a monthly basis to provide a foundation for overall management decisions.

Operating management limits

The key instrument for daily operational management of counterparty risk is a system of fixed, complementary volume-based limits. In light of the concentration on specific groups of counterparties, regions and sectors that results from the Group's business model, the limitation of both unsecured volume (net limitation) and the total volume (gross limitation) plays a central role in this process. The amount of the limits is primarily oriented towards the internal rating of the corresponding counterparties, as well as collateralisation and maturities, and is subject to continuous monitoring. In order to limit concentration, additional targets have been set for the maximum permitted amount per counterparty (gross limit €3.5bn/net total limit €1.5bn). Particularly important counterparties from a business policy perspective (clusters) are also subject to separate monitoring and assessment above a specific amount.

Further minimum requirements for the quality of collateral received apply to particularly significant repo lending transactions. These requirements are contained in the collateral policy. Furthermore, liquidation risks from securities financing associated with repo lending transactions are further limited by the application of supplementary limits in order to take into account potential fluctuations in the value of the underlying securities.

Alongside counterparty, transaction and collateral-specific limits or requirements, the Deka Group has also put an explicit limit in place for shadow banking entities. In addition to limits at individual counterparty level, the overall risk vis-à-vis shadow banking entities is also limited. The Deka Group distinguishes between transparent shadow banking entities (principal approach) and less transparent shadow banking entities (fallback approach). Country risks are also subject to limits. While Deka consciously accepts its geographical focus on Germany and core Europe, the system is designed primarily to set effective limits for exposures in countries with a higher risk weighting.

In S Broker AG & Co. KG's Lombard lending business for private customers, counterparty risks are limited by the provision of collateral.

Loans that involve specific project, ESG or reputational risks are not entered into. Detailed risk determinants and minimum standards have also been established for the individual financing categories.

Quantification of counterparty risk

Market prices are generally used to determine gross counterparty risk. In the case of products for which there is no observable market value, the net present value is used. The outstanding receivable amount is used for advance performance risk and open items. The adjusted gross position is then calculated by deducting specific insolvency-proof collateral. The overall net position is arrived at by deducting additional collateral and positions that reduce risk, with valuation of collateral following the internal regulations that apply in each case.

In order to achieve consistency between the strategy system, management tools and risk reporting, the concepts of volume used in risk reporting – gross or net loan volume – are closely aligned with the metrics used for limit-setting, namely adjusted gross position and overall net position. Gross and net loan volumes referred to below relate to the adjusted figures.

The assessment of counterparty risks for individual borrowers includes the use of internal rating systems. Borrowers are assigned to an internal rating class with corresponding estimates of the probability of default (PD).

The internal rating systems currently used are tailored to different risk segments, including corporates, banks, governments, funds and specialised financing. The rating systems include conventional scorecard models and models in which the probability of default is estimated using simulated macro and micro scenarios for risk drivers and expected cash flows. The regulator has approved the rating systems for the foundation internal ratings-based approach (IRBA). The return of IRBA approval has been approved for the models for public authorities outside Germany, the DSGV joint liability scheme, insurance companies and ships, meaning that, since the end of September 2024, permanent partial use has been applied for the purposes of calculating RWA in accordance with Article 150 CRR.

When measuring the transfer risk on payment obligations that are denominated in a foreign currency from the borrower’s perspective, the borrower rating is influenced by the country rating.

All of the rating modules in use are calibrated to a one-year probability of default. The rating classes are uniformly assigned according to the probability of default based on the master scale of the German Savings Banks Association (*Deutsche Sparkassen- und Giroverband* – DSGV). This scale serves as a standard reference for a differentiated creditworthiness assessment. The DSGV master scale provides for a total of 21 rating classes for non-defaulting borrowers and three for defaulting borrowers.

Counterparty risks from a portfolio perspective are assessed with the help of an internally developed credit portfolio model. The portfolio model is largely based on a credit metrics approach. In addition to default risks, the risks arising from a change in ratings are also taken into consideration. The probability distribution for changes in the value of the loan portfolio is generated using a Monte Carlo simulation.

The CVaR and, for information purposes, the expected shortfall (ES) are key figures for management decisions and are both determined with a holding period of 250 trading days and a confidence level of 99.9%. Risk concentrations are taken into account by considering the dependency structure of risk factors. In particular, the modelling approach selected considers dependencies between crisis events. In addition to the CVaR from the credit portfolio model, the CVaR for fund units in the Group’s own investment portfolio and the liquidation risk are also taken into account.

Risk models are validated on both a regular and ad-hoc basis, and the results play an important role in assessing whether the models are adequate. Accordingly, any requirements for further development that arise from the validation procedure are then integrated into the process for identifying and quantifying risks. Overall, the validation exercises carried out confirm that the credit portfolio model is appropriate.

The standard risk costs incorporated into the calculation of the expected return on equity are based on an expected-loss approach and relate to the probability of default, the loss rate and the maturity of the transactions. The cost of equity is determined using risk amounts differentiated by individual transaction and corresponding sector and regional allocations. Risk concentrations are included for individual counterparties (clusters), regions and sectors by taking into account the cost of equity in the structuring of loan terms.

Management and monitoring of counterparty risks
The Deka Group's counterparty risk, as determined by CVaR, is directly compared with allocated risk capital. Credit risks are thus monitored based on a redistribution of the CVaR to individual transactions and reaggregation to the business divisions.

Daily management and monitoring of counterparty risk uses a volume-based limitation of the net position and the adjusted gross position.

As a supplement to its volume-based limits, the Deka Group uses thresholds for risk concentrations in connection with individual counterparties, known as clusters. This entails further precautionary procedures for large exposures and monitoring routines for risk concentrations as appropriate. Thresholds for sectors are not meaningful due to the Deka Group's specific business model and are thus not taken into account.

The Risk Control corporate centre monitors the limits using a centralised limit monitoring system at both the borrower-unit level and the borrower level. A qualitative, quantitative and market-based early warning system ensures that the individual counterparties subject to limits are monitored so that, in the event of extraordinary developments, countermeasures can be taken at an early stage. At a portfolio level, an analysis of the most significant borrowers, regions and sectors is also carried out, based on CVaR. Maximum country limits are derived from a limit matrix, which is calculated based on a foreign currency (FC) country rating and the gross domestic product. Individual country limits within the limit matrix are approved by the Country Risk Committee. The Risk Control corporate centre monitors compliance with the respective country limits. Overruns are reported on the same day to the members of the Country Risk Committee and to the Capital Markets Credit Risk Management unit. This unit acts as the central administrative office for country limits.

In addition to requirements concerning the liquidity and issuing characteristics of the securities, the additional investment criteria for the liquidity management portfolio managed by the Treasury corporate centre include, in particular, stipulations regarding issuers, credit rating and portfolio diversification. Compliance with these rules is monitored daily by the Risk Management unit, which is independent of trading operations. Any breaches are reported on the same day. In addition, reporting takes place monthly to the MKR and MKAP. This includes an analysis of the holdings in the portfolios and the portfolio structure.

The Deka Group has issued extensive processing and valuation guidelines for collateral obtained in lending and trading transactions. The procedures for verifying valuation of collateral received in the course of lending business, including guarantees, sureties, charges on commercial and residential property, registered liens and the assignment of receivables, are applied on an annual basis. Valuation of collateral and of any discounts applied to it in accordance with the RSU's loss given default models is primarily based, for guarantees and sureties, on the creditworthiness of the party providing the guarantee, or in the case of asset collateral, on the market value or fair value of the financed property.

Management and monitoring activities also focus on financial collateral provided in the form of securities and obtained as part of repo lending transactions. Due to the business model, this comprises by far the largest share of the collateral portfolio as compared to the lending business.

The Group's collateral policy sets minimum requirements for securities borrowed by counterparties or received as collateral in repo lending transactions and OTC/CCP derivatives transactions. In addition, risk concentrations are restricted using category-specific concentration limits for equities and bonds, as well as a concentration limit (volume restriction) for each counterparty that applies across all categories.

The Capital Markets business division is responsible for compliance with the requirements of the collateral policy. It is supported operationally in this regard by the Collateral Management unit. A review independent of trading is performed daily by the Risk Management unit. Market- and counterparty-specific matters that could significantly affect the risk profile or profitability of the Capital Markets business division are analysed in the Risk Talk. In addition, an analysis of collateral received is reported to the Risk Talk.

Performance of stress tests

In addition to the macroeconomic stress tests performed across all risk types, counterparty-specific stress tests are conducted regularly. Scenarios include, for example, a rating downgrade of all ratings included in the calculation by one notch or the ineligibility of physical collateral. The results of the stress tests are determined quarterly and reported to the Stress Testing Committee, the Board of Management, the Risk and Credit Committee and the Administrative Board. They therefore enable the Group to identify areas for action as early as possible if crisis situations start to unfold.

Default monitoring

The Monitoring Committee is operationally responsible for monitoring and managing non-performing loans and those on the watch list. In particular, this includes specifying early warning indicators and criteria to allocate exposures to different monitoring levels.

Operational responsibility for identifying defaults and monitoring and managing restructuring and liquidation cases lies with the Risk Provisioning Committee. The latter is also responsible for regularly analysing and discussing matters in connection with planning, monitoring and managing risk provisions.

DekaBank determines risk provisions and provisions for off-balance sheet lending business in accordance with the expected credit loss model under IFRS 9. Details of this methodology can be found in the notes to the IFRS consolidated financial statements.

Current risk situation

The counterparty risk determined on the basis of the credit value-at-risk (CVaR), with a confidence level of 99.9% and a holding period of one year, decreased significantly in the reporting year to €1,029m (year-end 2023: €1,199m). Risk capital allocated to counterparty risk stood at €1,535m (year-end 2023: €1,505m) and was 67.1% utilised (year-end 2023: 79.7%). The level of risk capacity utilisation was therefore non-critical.

The drop in risk is due primarily to lower market-driven migration risks over the course of the year, which were offset slightly by an increase in exposures in the liquidity management portfolio.

The assessment of the risk position of the cluster portfolio resulted in a significant increase compared with the previous year. The relative share of the cluster portfolio in the overall portfolio also rose. Risk concentration nevertheless remained in line with the Deka Group’s credit risk strategy.

Gross loan volume increased by €5.5bn from the end of 2023 to reach €126.2bn. The commercial banks risk segment made the largest contribution to this increase due to higher volumes of repo lending and bond transactions. In the public sector risk segment, the gross loan volume increased owing to a bigger bond portfolio. A larger volume of securities led to an increase in the industrial sector risk segment. The gross loan volume in the funds risk segment also rose as a result of an increase in securities issued as collateral for borrowing transactions and in guarantee fund exposures. In the other financial institutions risk segment, lower lending volumes and changes in the value of derivative hedging instruments had a risk-mitigating effect. The gross loan volume also fell in the savings banks risk segment, primarily as a result of money market transactions and leases. Despite a higher bond volume, the gross loan volume fell in the state-affiliated and supranational institutions risk segment due to lower deposits with Deutsche Bundesbank. The lending business volume (particularly in the renewable energies risk segment) was down on the figure for year-end 2023. The ship portfolio accounted for 1.0% of gross loan volume at the end of 2024 (year-end 2023: 1.1%). The aviation segment had a share of 1.6% (year-end 2023: 1.7%). Real estate financing (excluding real estate funds) accounted for 6.3% of gross loan volume at the end of 2024 (year-end 2023: 6.9%).

Gross loan volume *€m (Fig. 25)*

	31 Dec 2024	31 Dec 2023
Commercial banks	28,247	20,110
Other financial institutions	26,723	28,740
Savings banks	9,110	13,699
Insurance companies	1,264	949
Industrial sector	6,096	4,233
Service sector	2,667	1,733
Public sector	9,338	7,047
State-affiliated and supranational institutions	8,714	11,611
Transport sector	3,433	3,445
Renewable energies	1,041	1,471
Conventional energies and infrastructure	4,600	4,337
Real estate sector (including real estate funds)	11,200	11,355
Retail sector	37	60
Funds (transactions and units)	13,753	11,943
Total	**126,223**	**120,731**

Net loan volume fell by 3.0% as against the end of 2023 (€65.7bn) to €63.7bn. Collateralisation meant that the changes in gross loan volume observed for repo lending transactions (especially in the commercial banks, other financial institutions and funds segments) had relatively small effects on net loan volume. A risk-reducing effect in net loan volume resulted especially from lower deposits with Deutsche Bundesbank in the state-affiliated and supranational institutions risk segment, as well as lower volumes at savings banks. By contrast, a larger bond volume in the commercial banks and public sector risk segments, together with increased Deka fund exposures in the funds risk segment, had a risk-increasing effect. The share of real estate financing (excluding real estate funds) in net loan volume rose to 0.8% at the end of 2024 (year-end 2023: 0.7%), not least due to reduced collateral value for real estate.

Net loan volume *€m (Fig. 26)*

	31 Dec 2024	31 Dec 2023
Commercial banks	11,934	9,511
Other financial institutions	5,515	5,704
Savings banks	8,715	13,278
Insurance companies	292	231
Industrial sector	2,585	2,093
Service sector	1,234	1,048
Public sector	6,326	4,929
State-affiliated and supranational institutions	8,473	11,154
Transport sector	690	656
Renewable energies	1,041	1,471
Conventional energies and infrastructure	3,456	3,280
Real estate sector (including real estate funds)	3,360	3,163
Retail sector	37	60
Funds (transactions and units)	10,039	9,113
Total	**63,697**	**65,689**

The gross loan volume in the eurozone rose by a total of €1.7bn. This was due to an increase in repo lending transactions with counterparties in France and Spain as well as increased securities volumes with Dutch, French and Spanish counterparties. Reduced deposits with Deutsche Bundesbank and lower volumes with savings banks, coupled with a decline in repo transactions with counterparties in Germany, had a risk-reducing effect. As a result, and together with a higher gross loan volume overall, the eurozone's share of gross loan volume declined by 2.1 percentage points to 76.2% at the end of 2024. The volume movements in America resulted primarily from increased exposure to repo lending business and securities volumes with US counterparties.

Gross loan volume by region *€m (Fig. 27)*

	31 Dec 2024	31 Dec 2023
Eurozone	96,148	94,477
Europe excluding eurozone	14,038	12,861
America	12,460	9,752
Asia	2,109	2,419
Other countries	1,467	1,222
Total	**126,223**	**120,731**

The gross loan volume attributable to Germany fell by €4.6bn to €53.2bn and equated to 42.1% of the overall portfolio at year-end. In the eurozone, €15.1bn or 11.9% of the gross loan volume was attributable to counterparties in France. Counterparties in Luxembourg accounted for 11.0% of the gross loan volume, and counterparties in Belgium accounted for 3.5%. The gross loan volume relating to borrowers in Spain and Italy increased to €4.2bn, from €1.4bn at the end of 2023.

Gross and net loan volume: regional concentration as at 31 December 2024 *in €m (Fig. 28)*

	Gross loan volume	Percentage of Gross loan volume	Net loan volume	Percentage of Net loan volume
Germany	53,171	42.1%	37,251	58.5%
France	15,077	11.9%	5,219	8.2%
Luxembourg	13,858	11.0%	4,397	6.9%
United Kingdom	10,187	8.1%	3,320	5.2%
United States	9,671	7.7%	2,650	4.2%
Other	24,260	19.2%	10,859	17.0%
Total	**126,223**	**100.0%**	**63,697**	**100.0%**

In terms of countries of geopolitical interest, counterparties in China accounted for an unchanged 0.2% of gross loan volume and counterparties in Hong Kong for 0.1%. Counterparties in Israel accounted for an unchanged 0.1%. In all three cases, the counterparties were mostly in the transport sector. There was no gross loan volume attributable to counterparties in Taiwan. Thanks to full repayment of an energy supply loan after an indemnity payment was made by an Italian credit insurer, there was no gross loan volume for counterparties in Russia at the end of 2024. There remained no gross loan volume attributable to counterparties in Ukraine or Belarus at year-end 2024 and no country limit.

Gross loan volume by risk segment for selected countries as at 31 December 2024 *€m (Fig. 29)*

	Germany	Luxembourg	UnitedKingdom	United States	France
Commercial banks	8,667	809	439	2,168	7,913
Other financial institutions	2,048	8,365	7,200	2,175	2,840
Savings banks	9,110	-	-	-	-
Insurance companies	192	-	7	-	1,040
Industrial sector	2,799	9	364	580	434
Service sector	607	32	272	751	249
Public sector	5,706	-	90	407	574
State-affiliated and supranational institutions	7,603	0	-	-	343
Transport sector	634	-	211	615	130
Renewable energies	116	-	100	-	50
Conventional energies and infrastructure	2,333	123	150	113	406
Real estate sector (including real estate funds)	4,225	2	1,353	2,719	1,098
Retail sector	37	0	-	-	-
Funds (transactions and units)	9,094	4,517	-	143	-
Total	**53,171**	**13,858**	**10,187**	**9,671**	**15,077**
Change vs. previous year					
Commercial banks	2,460	32	–370	833	1,913
Other financial institutions	–3,041	–1,474	891	1,745	824
Savings banks	–4,589	-	-	-	-
Insurance companies	–8	-	0	-	321
Industrial sector	606	–4	–23	129	134
Service sector	501	32	–6	198	–115
Public sector	1,010	-	36	112	–66
State-affiliated and supranational institutions	–3,444	0	-	-	191
Transport sector	274	–37	–31	–56	14
Renewable energies	–14	-	–4	-	–125
Conventional energies and infrastructure	348	–18	–12	10	137
Real estate sector (including real estate funds)	126	2	–215	92	–93
Retail sector	–23	0	-	-	-
Funds (transactions and units)	1,152	516	-	143	-
Total	**–4,643**	**–951**	**268**	**3,206**	**3,136**

The gross loan volume remained focused primarily on the short-term segment at the end of 2024. The proportion of transactions with a time to maturity of less than one year was 42.5% (year-end 2023: 44.0%). The proportion of maturities longer than ten years was 4.0%, compared with 4.8% at 31 December 2023. Maturities longer than 20 years consisted primarily of financing in the public sector and conventional energies & infrastructure risk segments, as well as collateralised bonds in the public sector risk segment. The average legal residual term of gross lending was 2.8 years (year-end 2023: 2.9 years).

Gross loan volume by maturity *€m (Fig. 30)*

	31 Dec 2024	31 Dec 2023
Up to 1 year	53,643	53,100
1 to 2 years	15,707	13,395
2 to 5 years	22,292	18,935
5 to 10 years	10,871	10,030
10 to 15 years	1,810	2,418
15 to 20 years	1,016	1,027
>20 years	2,255	2,367
No maturity	18,629	19,458
Total	**126,223**	**120,731**

The level of risk concentration in the loan portfolio increased during the year. As at 31 December 2024, 19.7% (year-end 2023: 12.8%) of total gross loan volume was attributable to borrower units with a gross limit of at least €2.5bn or an overall net limit of at least €1.0bn (counterparty clusters). The number of counterparty clusters reduced by one to 23 compared to the previous year. Counterparties in the public sector, savings banks and state-affiliated and supranational institutions accounted for 26.5% of the total volume of the cluster portfolio. A total of 14.9% of net loan volume related to counterparty clusters (year-end 2023: 8.2%).

The Deka Group also limits the shadow banking entity portfolio in accordance with EBA requirements. Shadow banking entities include, among others, money market funds, credit funds and inadequately regulated credit institutions. In addition to the overall limits imposed on shadow banking entities, limits are imposed based on the principal and fallback approaches. This does not affect the limits at the level of individual counterparties. As was already the case at the end of 2023, shadow banking entities under the principal approach (limit utilisation of total net risk position: 8%) accounted for less than 1% of the net loan volume as at the 31 December 2024 reporting date. The average rating for shadow banking entities under the fallback approach cannot be determined given the lack of limit utilisation as at the end of 2024. The levels of utilisation are considered acceptable. The shadow banking entities had an average rating of 7 on the DSGV master scale (corresponds to BB on the S&P scale).

Gross and net loan volume by rating grade as at 31 December 2024 *€m (Fig. 31)*

	AAA	AA+ to AA–	A+ to A–	2 to 3	4 to 5	6 to 7	8 to 15	16 to 18	No rating
Gross loan volume	30,457	26,410	43,831	14,250	4,613	1,458	3,921	945	339
Net loan volume	27,645	9,685	14,793	8,828	1,150	266	744	427	159

The average rating for the gross loan volume remained constant at a score of 4 on the DSGV master scale (S&P: BBB–). The average probability of default as at 31 December 2024 was 29 basis points (bps) (year-end 2023: 31 bps), partly due to improved ratings for ECA-backed export loans and ECA-backed financing of cruise ships in the United States. This was offset by rating downgrades for various real estate financing counterparties, out of which two US counterparties defaulted in the reporting period. The average rating for the net loan volume remained at a score of 3 (S&P: BBB) with a changed probability of default of 18 bps (year-end 2023: 19 bps). 82% of net loan volume remained in the same grouping (determined by rating grade) compared with the end of 2023. The target rating under the credit risk strategy was achieved without difficulty for both the gross and net loan volumes.

Net loan volume by risk segment and rating *€m (Fig. 32)*

	Avera ge PD in bps	Average rating 31 Dec 2024	31 Dec 2024	Average PD in bps	Average rating 31 Dec 2023	31 Dec 2023
Commercial banks	3	AA	11,934	3	AA	9,511
Other financial institutions	7	A	5,515	6	A	5,704
Savings banks	1	AAA	8,715	1	AAA	13,278
Insurance companies	6	A	292	14	2	231
Industrial sector	46	5	2,585	30	4	2,093
Service sector	12	2	1,234	14	2	1,048
Public sector	2	AA+	6,326	4	AA–	4,929
State-affiliated and supranational institutions	1	AAA	8,473	1	AAA	11,154
Transport sector	39	5	690	105	7	656
Renewable energies	570	12	1,041	436	11	1,471
Conventional energies and infrastructure	21	4	3,456	24	4	3,280
Real estate sector (including real estate funds)	48	6	3,360	52	6	3,163
Retail sector	N/A	N/A	37	N/A	N/A	60
Funds (transactions and units)	12	2	10,039	14	3	9,113
Total	**18**	**3**	**63,697**	**19**	**3**	**65,689**

Market price risk

Strategic framework and responsibilities

The Deka Group's market price risk strategy, based on the Group's overall risk strategy, stipulates parameters for risk management in all organisational units regarding all positions in the trading and banking book that are exposed to market price risk. It sets objectives, priorities and responsibilities for market price risk management and, together with the liquidity risk strategy, governs the business focus of trading activities (trading strategy).

Market price risks need to be considered in the Asset Management divisions, in the Capital Markets business division and in the Treasury corporate centre. Market price risks in the Financing business division are passed on to the Treasury corporate centre.

The Deka Group's investment management companies are generally not subject to any market price risks beyond those associated with the investment funds. However, market price risks can arise for the Deka Group if products are provided with a guarantee. Market price risks from guarantee products are incorporated into the analysis of risk-bearing capacity and attributed to the Asset Management Securities business division. Market price risk from guarantee products is managed by the Board of Management with the support of the Treasury corporate centre.

Within the risk management organisation, the Board of Management decides the market price risk limits for the Group as a whole, as well as at the level of the business divisions, including the Treasury corporate centre. It also decides on limits for interest rate and spread risk in the banking book. The relevant department heads are responsible, in consultation with the head of Risk Control, for reallocating existing limits below the level of the Capital Markets business division and Treasury where appropriate. The allocation of limits reflects the organisational structure. In addition to this, the Risk Talk sets sensitivity limits for the Capital Markets business division.

The MKR and MKAP generally make recommendations with respect to the definition of the framework for the management of strategic market price risk positions to the Board of Management, which then adopts resolutions accordingly. The MKR issues recommendations on thresholds for the Common Equity Tier 1 capital ratio in the normative perspective and on limiting interest rate risks in the banking book, and also provides a framework for monitoring credit spread risk in the banking book. The MKAP gives recommendations on the operational management of interest rate risks in the banking book in the earnings-based perspective and on management measures in relation to the risks assumed on guarantee products. The latter is the role of part G of the MKAP, which focuses specifically on guarantee products. In its capacity as a sub-committee, the Risk Talk supports the MKR and the Board of Management in relation to the Capital Markets business division's operational processes for managing and monitoring market price risk. To do so, it conducts in-depth analyses focusing on a market and counterparty risk-specific evaluation of matters that could materially influence the Capital Markets business division's risk profile or profitability. These committees facilitate communication between the departments responsible for the control and monitoring of market price risks.

Execution of transactions and recording exposures are the responsibility of the operating units. In terms of market price risks, they are solely responsible for the implementation of strategic guidelines and operational management within the prescribed risk limits.

Managing, limiting and monitoring risk

In the economic market price risk calculation, risk ratios are calculated on a net-present-value basis using the value-at-risk approach and with scenario analyses. The basis for daily market price risk monitoring (including interest rate risk and spread risk in the banking book) is a system of operational limits that is consistent with the Group's overall risk-bearing capacity. This system defines limits in line with the business model for the various portfolio levels and risk categories. It also takes into account the focal areas of the portfolio determined by the business model. In addition, limits are set based on operating metrics such as sensitivities. These are primarily used for operational management of the capital markets business in order to monitor adherence to the risk strategy on an ongoing basis. The Group defines a stop-loss limit as another effective management tool for limiting losses. There are also separate monitoring processes for interest rate and credit spread risks in the banking book covered by the EBA Guidelines on the management of interest rate risk and credit spread risk arising from banking book activities (EBA/GL/2022/14). Within this framework, limits are defined for interest rate risks in the banking book and an analysis threshold is set for credit spread risk in the banking book.

Value-at-Risk (VaR)

VaR is calculated with a confidence level of 99.9% and a holding period of one year when analysing risk-bearing capacity; when determining the utilisation of operating limits, DekaBank calculates VaR for a holding period of ten days and a confidence level of 99.0%.

The operating VaR therefore corresponds to the maximum loss on a position held over a period of ten trading days, with a probability of 99.0%.

VaR key ratios are determined on a daily basis for all relevant risk categories and portfolios and are compared with the associated portfolio-specific limits.

To determine VaR, a sensitivity-based Monte Carlo simulation is used across all portfolios, including the banking book. This simulation ensures that all market price risks, particularly non-linear risks, are identified in an integrated manner. The selection of risk factors is based on business activities and on the focal areas of the portfolio determined by the business model. Risk factors particularly include issuer-specific spread risk curves along with sector curves for various country/industry/rating combinations, spread curves for credit derivatives, reference curves for various fixed-rate periods (tenor-specific), individual stocks, exchange rates and implicit interest rate, equity and currency volatilities. Appropriate consideration is given to basis risk.

Market price risks that result from granting guarantees are measured using an approach specifically developed for this purpose and geared towards risk-bearing capacity, which does not take into account diversification effects with regard to other market price risks.

Sensitivity-based management metrics
The input parameters for this risk model are the sensitivity metrics delta, gamma and vega. These first and second ranking sensitivities express the price sensitivity of financial instruments to changes in underlying risk factors and are used to determine overall risk. They are also available as additional management metrics for risk assessment purposes.

Sensitivity analyses are defined as absolute or relative shifts in the different risk factors for interest rate, credit spread, share price and exchange rate movements. The sensitivity analyses are used to support the operational management of the risks from trading and treasury positions. They can also be used to manage risk concentrations, for example where risk factors are highly correlated.

Scenario considerations and stress analyses
The limit system is supplemented with regular market price risk-specific stress tests. Using these tests, the sensitivity of the portfolio is constantly tested with regard to a wide variety of trends in the various risk factors. Once again, the focus is on risks that are particularly relevant, using separate, portfolio-specific analyses.

Market price risk-specific stress tests take place both at overall portfolio level and for the banking book in isolation.

Market price risks are also an important component of the analysis of significant macroeconomic scenarios across all risk types.

Interest rate and credit spread risks in the banking book
In accordance with the EBA guidelines (EBA/GL/2022/14), interest rate risk in the banking book (IRRBB) and credit spread risk in the banking book (CSRBB) are measured using scenarios from a net present value and earnings perspective. For IRRBB, the scenarios to be calculated include various shifts in the reference yield curve, which are used consistently for each currency in the two approaches. There are also scenarios for tenor basis risk. For CSRBB, the scenarios reflect rating-dependent shifts in market credit/market liquidity spreads.

In the net present value perspective (EVE), the sensitivity of the portfolio to changes in the risk factors affected by the respective scenario is calculated. In the earnings perspective, the impact of changes in interest rates and credit spreads on net interest income (NII) is calculated along with changes in market value. The scenarios for NII look at the three years following the date on which the calculation is based. The changes in market value are calculated for the first year, and the overall result for the earnings perspective corresponds to the change in net interest income for year one plus the changes in market value.

In the net present value perspective (EVE) for IRRBB, the limits defined for the scenario results are monitored on a monthly basis. In addition, the defined limits are monitored quarterly in the earnings perspective for IRRBB. In this perspective, there are rules for the results of the change in net interest income (NII) in each of the three years and rules for changes in market value of financial instruments measured at fair value in the IFRS consolidated accounts (including guarantee products and pension obligations). The combination of the two limits thus also limits total income. The limits defined at Group level apply for every scenario. A dedicated escalation process must be adhered to in the event of any limit breaches.

The results for CSRBB in both perspectives are also regularly evaluated in a synchronised way.

Backtesting of VaR risk ratios and validation
Various steps are taken to test the quality of the VaR forecast, including regular backtesting for various portfolio levels. In this process, the daily results that are theoretically achieved assuming unchanged positions on the basis of the market developments observed on the following day are compared with the forecast value-at-risk figures for the previous day (clean backtesting). In addition, dirty backtesting regarding the actual change in value is also carried out, taking trading activities into account. The backtesting findings are also used to enhance the risk model. The results are reported on a quarterly basis. Overall, the backtesting results confirm the suitability of the market price risk measurement at both the bank level and at the level of subordinate organisational units. In addition, the approximation error of the delta-gamma approximation is reviewed on a monthly basis by carrying out a full valuation of the portfolio.

Risk models are validated on both a regular and ad-hoc basis, and the results play an important role in assessing whether the models are adequate. Accordingly, any requirements for further development that arise from the validation procedure are then integrated into the process for identifying and quantifying risks. Overall, the validation exercises carried out confirm that the market risk model is appropriate.

Current risk situation
In the context of risk-bearing capacity, market price risk at the Deka Group (value-at-risk, confidence level 99.9%, holding period of one year) as at the reporting date stood at €810m. The increase versus the end of 2023 (€606m) was mainly attributable to significantly increased credit spread risks. The risk development was influenced chiefly by changes in positions.

Utilisation of the allocated risk capital for market price risk in the amount of €1,910m (year-end 2023: €1,730m) is considered to be very comfortable at 42,4%. In setting allocated risk capital, it was taken into account that guarantee products make a major contribution to market price risk and are highly sensitive to market movements. At the end of 2024, market price risk from guarantee products totalled €89.4m (year-end 2023: €85.3m). The increase was due to a further increase in exposures due to savings, as well as to fund maturity effects.

With a confidence level of 99.0% and a holding period of ten days, market price risk (value-at-risk), excluding risks from guarantee products, stood at €108.6m as at the reporting date (year-end 2023: €78.5m). Utilisation of the operational management limit at Deka Group level (excluding guarantees) amounting to €156.5m (year-end 2023: €117.5m) stood at 69% and was therefore non-critical.

Deka Group value-at-risk excluding risks from guarantee products[1] (confidence level 99%, holding period ten days) *in €m (Fig. 33)*

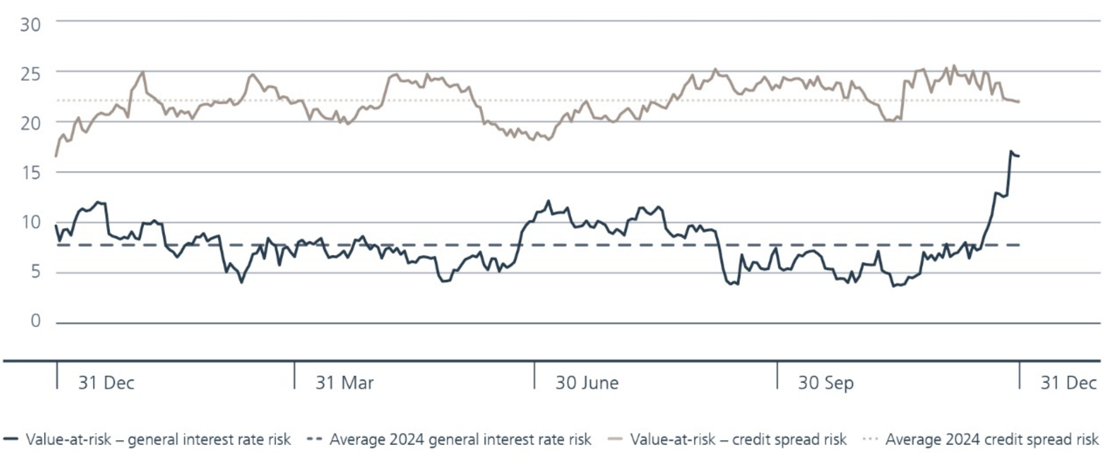
	31 Dec 2024						
Category	**Asset Management Securities business division**	**Asset Management Real Estate business division**	**Asset Management Services business division**	**Capital Markets business division**	**Treasury**	**Deka Group excluding guarantees**	Change in risk vs previous year
Interest rate risk	2.0	0.0	10.8	23.7	92.0	109.6	35.8%
Interest rate – general	0.2	0.0	10.7	16.6	11.6	18.6	8.9%
Credit spread	2.0	0.0	7.8	22.0	87.4	113.4	42.4%
Share price risk	0.5	0.5	0.9	6.1	9.7	13.0	93.3%
Currency risk	0.6	0.0	0.0	0.6	2.8	2.6	–29.2%
Commodity risk	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Total risk	**2.1**	**0.5**	**10.8**	**24.1**	**91.6**	**108.6**	38.3%

[1] Risk ratios for interest rate risk and total risk taking account of diversification. Includes issue-specific credit spread risk.

At the end of 2024, the VaR for credit spread risk totalled €113.4m, which was higher than the level at year-end 2023 (€79.7m). The higher figure was due to an increase in exposures. Credit spread risk continues to substantially affect market price risk at Group level. In line with the business model, the largest risk drivers are variable and fixed-rate bonds issued by the public sector, financial institutions and corporates in Germany, Western Europe and North America. Risk concentration for spread risk was consistent with the Deka Group's market price risk strategy.

The VaR for general interest rate risk (excluding risks on guarantee products) rose from €17.1m at year-end 2023 to €18.6m. In the Capital Markets business division, the increase is due to sustained high demand in the interest rate certificates business. This was offset by a decline in risk in the Treasury corporate centre due to lower interest rates and lower risk for long maturities.

Value-at-risk – General interest rate risk and credit spread risk in the Capital Markets trading book over the course of 2024 *€m (Fig. 34)*

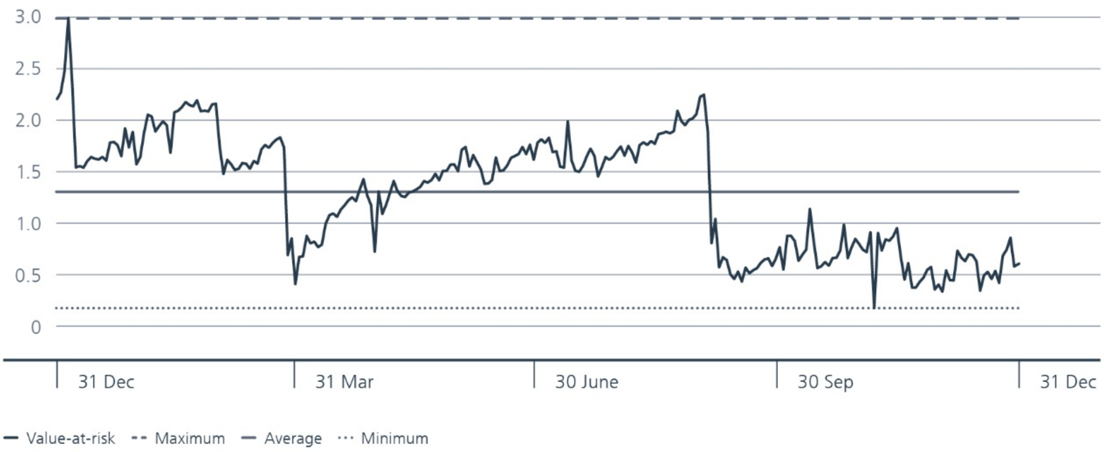


Share price risk was up compared with the end of 2023 (€6.7m) and stood at €13.0m at year-end 2024. The conclusion of new macro hedges in the Treasury corporate centre at the year-end contributed to a marked increase. Share price risk remains of low significance at Group level. Share price risk in the Capital Markets business division trading book amounted to €6.1m (year-end 2023: €6.6m).

Value-at-risk – Share price risk in the Capital Markets trading book over the course of 2024 *€m (Fig. 35)*

Currency risk, which mainly resulted from positions in Canadian dollars, sterling and US dollars, fell to €2.6m (year-end 2023: €3.7m), largely due to market-related factors, and thus continued to be of minor significance. Currency risk in the Capital Markets business division trading book stood at €0.6m (year-end 2023: €1.5m).

Value-at-risk – Currency risk in the Capital Markets trading book over the course of 2024 *€m (Fig. 36)*



In market price risk, a new VaR limit for commodity risk was introduced in the Capital Markets business division in early June for the possibility of trading of European Emission Allowance (EUA) CO_2 certificates. There was no such trading in the reporting period.

Operational risk

Strategic framework and responsibilities

The strategy for dealing with operational risks (OR strategy) is based on the Deka Group's overarching risk strategy. It sets out the Deka Group's basic approach to operational risks (OR) and guidelines for managing and controlling these risks. It defines the framework for the Group-wide establishment and operation of a standard system for identifying, assessing, managing and monitoring all operational risks. The OR strategy applies to all organisational units within the Deka Group.

OR management is based on coordinated collaboration between different units as part of the Deka Group's established Three Lines of Defence model. The Board of Management has overall responsibility for appropriate and consistent handling of OR and is supported by recommendations from the Risk Management Committee (*Managementkomitee Risiko* – MKR).

Decentralised approach to risk measurement and management by the first line of defence

The Three Lines of Defence model takes a decentralised approach to risk management. This means that each unit is responsible in principle, as part of the first line of defence, for assessing and managing future risks and documenting loss events in its area of responsibility.

Units such as IT, whose role is to centrally provide infrastructure or processes, are a special case and are also responsible for assessing risks related to their services across the Group.

Centralised monitoring and reporting by the second line of defence
The second line of defence sets out relevant guidelines and monitors adherence to them, thereby helping the units in the first line of defence to take only appropriate risks. The overarching view of the Operational Risk unit within Non-Financial Risk is complemented by specialist functions for the individual risk sub-types in the Compliance (compliance risk), Data Protection Officer (data protection risk), Finance (tax law and tax compliance risk), Legal (legal risk), Information Security Management (ICT, security and service provider risk), Strategy & HR (personnel risk) and Organisational Development (process and project risk) units.

The central functions specialising in risk sub-types set specific objectives and guidelines for the design of processes and controls for the relevant risk sub-type and monitor adherence to these. They also support the units in the first line of defence with risk type-specific methods for identifying, assessing and managing the relevant risk sub-type.

The Operational Risk unit defines and monitors the Group-wide, methodological guidelines and common methods of OR management. In addition, it aggregates the information collected locally and reports this to the heads of department and the Board of Management.

Independent review by the third line of defence
The third line of defence is the Deka Group's Internal Audit department. It supports the Board of Management and the oversight bodies (Administrative Board, Audit Committee) with its objective and independent assessment of the appropriateness and effectiveness of risk management, of the controls put in place and of the management processes at the Deka Group.

Objectives and guidelines
Maintaining a complete and up-to-date operational risk profile for the Deka Group is key to the handling of operational risks in order to ensure adequate capital and proper consideration of these risks in decision making. To minimise risks for the Deka Group and its stakeholders and make the best possible use of its resources, the Deka Group aims for appropriate management based on common principles. The common methods of OR management defined for this purpose and the minimum requirements for non-financial risks provide binding guidance and ensure the achievement of these objectives.

Integration into the concept of risk appetite
In the context of risk-bearing capacity, operational risks are limited by allocating risk capital (risk appetite) both overall and at business division level. The basis for this is a quantification model, which has been approved as an advanced measurement approach (AMA) and is used to calculate value-at-risk based on risk assessments and loss documentation. Value-at-risk is also incorporated into the regulatory capital requirement. The allocation of risk capital for OR to the business divisions (including Treasury) is primarily based on the number of employees and observed loss events in defined categories for the scale of losses.

Methods used
The Deka Group uses various methods for the management and control of operational risk. These complement each other and, taken together, enable a comprehensive management process for these risks. These include methods with a forward-looking (ex-ante) perspective, such as self-assessment and scenario analysis, as well as a backward-looking (ex-post) perspective, such as Group-wide loss documentation.

Alongside the common methods described below, the specialist functions in the second line of defence also use their own methods to monitor non-financial risks.

The self-assessment is based on OR loss scenarios and is performed at least once a year. As well as describing and assessing risks with regard to their loss potential and the frequency with which they occur, the self-assessment process also identifies suitable measures to mitigate risk.

The scenario analysis serves as an investigation and assessment of potentially serious loss events from operational risks, which, due to their cross-unit nature and extremely high maximum loss potential, cannot be adequately identified or quantified via the self-assessment process. As part of this process, regularly-updated risk factors relating to both the Group's internal controls and its business environment are incorporated into the assessment of scenarios. These factors therefore increase the sensitivity of the scenarios to risk and help to identify developments and determine management actions in a timely manner.

OR loss events are recorded in a structured manner with the help of a central loss database starting from a minimum gross limit of €5,000 at the Deka Group level. As well as providing a description of the loss, the database includes documentation that covers the causes of the loss and suitable measures to avoid similar cases in the future. The results of the loss documentation are also used to support the ex-post plausibility check on the risk assessments in the course of the self-assessment.

To determine the economic capital requirement for operational risks, the Deka Group uses an advanced measurement approach (AMA) that has been approved by regulatory authorities. This approach quantifies the Bank's operational risk based on a loss distribution approach, using the common methods described and external loss data to supplement the internal loss database.

Risk models are validated on both a regular and ad-hoc basis, and the results play an important role in assessing whether the models are adequate. Accordingly, any requirements for further development that arise from the validation procedure are then integrated into the process for identifying and quantifying risks. Overall, the validation exercises carried out confirm that the operational risk model is appropriate.

In addition to the macroeconomic stress tests, which cover all types of risk, specific stress scenarios are examined for operational risk. These involve, for example, a sharp deterioration in the reliability of IT infrastructure, the occurrence of serious fraud involving an internal employee or the failure of critical control processes due to a shortage of staff. Sensitivities to isolated stress factors are also analysed and the OR scenarios with the highest contribution to risk are examined. The results of the stress tests are determined quarterly and reported to the Stress Testing Committee, the Board of Management, the Risk and Credit Committee and the Administrative Board.

Current risk situation

The VaR for operational risk (confidence level of 99.9%, holding period of one year) increased moderately from €458m at year-end 2023 to €478m. This development was mainly due to the updated assessment of various loss scenarios for tax law risks in the ex-ante perspective. On the other hand, although the total losses from operational risks were comparatively high in the ex-post perspective in the reporting period, the number of newly occurring material loss events was lower than in the previous year, meaning that there were hardly any risk-increasing effects. In the breakdown of VaR by business division (including the Treasury corporate centre), which is used for internal management purposes, these developments in loss events led to a shift towards the Asset Management Real Estate and Asset Management Services business divisions.

Following the increase in allocated risk capital for operational risks to €585m at the end of 2024 (year-end 2023: €550m), its utilisation stood at 81.6% and therefore remained non-critical.

Value-at-Risk *€m (Fig. 37)*

	2022	2023	2024
Asset Management Securities business division	119	169	166
Asset Management Real Estate business division	60	84	94
Asset Management Services business division	78	109	119
Capital Markets business division	52	65	66
Financing business division	14	19	19
Treasury Corporate Centre	9	12	13
Total	**331**	**458**	**478**

At €90m, the OR loss potential identified in the Group-wide risk inventory was also higher than the figure for year-end 2023 (€83m). Along with the updated scenario analysis for tax law risks, this was due in particular to the inclusion of the specific legal risk from an ongoing legal dispute connected to the incorrect handling of a capital measure by a service provider. In contrast to VaR, which is an upper limit for losses with a specific probability that the limit will not be exceeded, loss potential is an expected value that results from the estimated frequency of occurrence and scale of losses of all OR scenarios in the Deka Group.

Loss potential *€m (Fig. 38)*

	2022	2023	2024
Asset Management Securities business division	10	10	11
Asset Management Real Estate business division	9	8	9
Asset Management Services business division	6	6	10
Capital Markets business division	14	16	20
Financing business division	3	3	3
Treasury Corporate Centre	1	1	1
Savings Banks Sales & Marketing	3	3	3
Corporate Centres	33	35	34
Total	**79**	**83**	**90**

In the loss documentation, a total of seven major loss events, each with a loss amount of at least €100 thousand, were newly recorded in 2024. In terms of both the total losses and the number of cases, process risk accounted for the largest share but was spread across different organisational units of the Deka Group. This took the form of reimbursements to investment funds in the Asset Management business divisions, for example, or subsequent commission payments to sales partners. At the same time, significant changes were recorded for a total of ten loss events already identified in previous years. One key factor with regard to total losses was the tax law risk that materialised, resulting in the inclusion of interest effects from the tax back-payments made in connection with share trades transacted around the dividend record date.

On 15 July 2021, a revised Federal Ministry of Finance (BMF) circular dated 9 July 2021 was published on the tax treatment of share trades transacted around the dividend record date. Compared to the original BMF circular dated 17 July 2017, this BMF circular sets out more specific details regarding the requirements for relief from capital yields tax (*Kapitalertragsteuer*), as well as with regard to the legal consequences in the event of a refusal by tax authorities to allow relief for share trades transacted around the dividend record date. Based on the revised BMF circular of 9 July 2021 on the tax treatment of share trades transacted around the dividend record date, tax risks exist in connection with relief from capital yields tax on share transactions made around the dividend record date in the years 2013 to 2015. In December 2023, the tax authority issued tax assessment notices for the period from 2013 to 2017 that refused to allow any relief from capital yields tax relating to share trades around the dividend record date for these years. Corresponding tax assessment notices for 2018 were issued in November 2024.

In the context of these assessment notices, the tax authority pointed out that the content of the share trades could not be reviewed, and that changes to the tax relief amounts could be made in the future (subject to a review). An appeal has been lodged in each case. DekaBank paid all of the stipulated amounts, including interest, in 2024.

DekaBank's risk assessment regarding an ultimate victory in fiscal court proceedings has not changed. This is consistent with the view of its tax adviser. All matters are reported in the management report and consolidated financial statements as at 31 December 2024 in accordance with DekaBank's interpretation of the relevant tax regulations and accounting standards.

In the past, transactions were concluded with business partners in connection with share trades transacted around the dividend record date, for which the tax office refused in full or in part to allow the relief from capital yields tax (*Kapitalertragsteuer*) claimed by these business partners. Corresponding agreements were reached with some of the business partners in 2022 to settle the matter. An agreement was reached with a further business partner at the end of 2023. Such agreements may in principle be reached with other affected business partners, which may result in further payments of approximately €27m. This amount could not be reported in the annual financial statements as at 31 December 2024, as the preconditions for recognition have still not been met.

In addition, DekaBank began voluntary investigations to ascertain whether its involvement enabled third parties to conduct share trades around the dividend record date and make use of abusive tax structures or whether it was otherwise involved in such structures. In light of ongoing investigations in relation to share trades transacted around the dividend record date, the Bank, in principle, faces the risk of a fine under section 30 of the Administrative Offences Act (*Ordnungswidrigkeitengesetz*, OWiG) and confiscation of potential proceeds related to these trades. Based on the findings of these investigations available to it, DekaBank considers it unlikely that the tax authority will be able to make a claim in relation to these matters beyond what has been recognised in the financial statements as at 31 December 2024 or that a fine or confiscation of proceeds will apply. The official search of DekaBank's premises in June 2022, the additional information obtained as part of the search and further voluntary investigations carried out on this basis do not change the assessment at the present time. The situation is being constantly reviewed.

Business risk

The business risk strategy set by the Board of Management sets out the Deka Group's guidelines for dealing with business risk and the requirements for risk management and control. It provides the necessary framework for the creation and operation of a Group-wide standardised system for identifying, monitoring and managing business risks and incorporating them into the risk-bearing capacity analysis. Various mutually complementary tools are used for this purpose.

In the Asset Management Securities, Asset Management Real Estate and Asset Management Services business divisions, value-at-risk is calculated based on the potential negative deviation in the business risk-relevant components of the economic result (i.e. a large part of net commission income and expenses) from the proportionate contribution to annual profit for the following year. The contribution to annual profit is based on the economic result expected for the next twelve months but with a focus on earnings components that are achievable on an economically sustainable basis. This means that business risk is driven to a large extent by the fund business.

Commission depends in particular on the asset management volume (for the Asset Management Securities business division and Asset Management Real Estate business division) or assets under custody (for the depositary in the Asset Management Services business division), which are also the elementary risk factors. Both the risk factors and net commission income depend on the behaviour of customers or sales partners as well as on changes in market conditions, legal requirements or competitive conditions.

Business risks in the Capital Markets and Financing banking divisions and in the Treasury corporate centre are currently not material and are therefore not included in the quantification of business risk.

Overall, the validation exercises carried out confirmed that the business risk model is appropriate.

In addition to regular risk measurement, risk type-specific stress tests are performed for business risk to examine its sensitivity in relation to changes in the behaviour of customers or sales partners, the economic and regulatory environment and competitive conditions. In addition to hypothetical equity stress, the hypothetical scenarios also analyse the effects of concentrations and adverse conditions on the real estate market. A combined scenario additionally takes account of concentrations and stress affecting margins and expenses. Alongside the hypothetical scenarios, the stress tests also continue to involve historical scenarios including market crashes akin to those seen after the terrorist attacks in 2001 or during the financial crisis in 2008, as well as during the coronavirus pandemic. The results of the stress tests are determined quarterly and the impacts examined. They serve primarily to identify areas for action.

In the year under review, the VaR for business risk dropped marginally to €256m (year-end 2023: €263m). The reduction in this risk was due in particular to the increased asset management volume in the Asset Management Securities and Asset Management Services business divisions. This was offset, with a risk-increasing effect, by the change in methodology used to estimate expenses as a whole, as mentioned above, and the higher expected economic result in the Asset Management Securities business division. The allocated risk capital, which was reduced to €425m (year-end 2023: €475m) was 60.3% utilised, meaning that it remains at a non-critical level. Should further geopolitical events increase market volatility or a return to higher interest rates result in shifts to lower-margin products, an increase in business risk would not be ruled out.

Reputational risk

The Deka Group Board of Management has defined guidelines, in the form of specific measures and processes, for the management of reputational risk. For example, as part of the holistic approach to reputational risks, proactive reputational risk management processes, which are designed to facilitate the handling of reputational risk for relevant business processes, are complemented by portfolio-oriented reputational risk management. The latter aims to ensure transparency along with adequate capital and liquidity backing. Qualitative assessment of reputational risks as a basis for managing them takes place in both proactive and portfolio-oriented reputational risk management. It is performed by the risk-owning units in the first line of defence in accordance with standard, Group-wide criteria based on the risk appetite set, the potential losses and the probability of occurrence. If proactive reputational risk management identifies a critical level of risk, the first line of defence must obtain a second opinion on the activity from the second line of defence. In case of doubt, however, the first line of defence is also free to obtain a second opinion for less critical risks.

Reputational risks may arise directly from the business activity or as a result of events connected to other risk types and manifest themselves through their effect on business and liquidity risk.

Irrespective of its cause, reputational risk has an impact on the drivers of business risk and particularly on customer behaviour and sales performance.

Appropriate scenarios are used to describe chains of reputational effects, which may affect the relevant risk drivers. To transparently illustrate reputational risks, which may arise from all business activities and have a potentially adverse impact on stakeholders, these risks are separately quantified in a scenario-based approach.

Overall, the validation exercises carried out confirmed that the reputational risk model is appropriate.

The VaR of reputational risk was €214m at the end of 2024, up on the level at the end of the previous year (year-end 2023: €203m). The moderate increase in risk was due in particular to the higher reference figures used for reputational risk, and therefore higher expected income. The parameterisation of the reputational risk scenarios by the assessors in the business divisions, sales units and corporate centres was updated as at 31 December 2024 in accordance with the annual cycle. The scenarios considered most relevant in this context are associated with the perception of stakeholders in relation to inadequate controls, deliberate management decisions and insufficiently attractive products.

Other risks and risks not treated as standalone risk types

Investment risk

Equity investments include all direct and indirect holdings of the Deka Group in other companies, regardless of their legal form. Equity investments held as credit substitute transactions fall under counterparty risk. In principle, the Deka Group pursues strategic interests when taking an equity interest. There is no intention to achieve short-term profit.

The basis for determining the investment risk position is the IFRS carrying value of the (unconsolidated) equity investment. The risk is measured on the basis of the volatility of a benchmark index from the equity market.

Overall, the validation exercises carried out confirmed that the investment risk model is appropriate.

The VaR of investment risk was €28m at the end of 2024. This represented a moderate increase from the level at the end of the previous year (year-end 2023: €26m). The moderate relative risk increase was due primarily to increases in the IFRS carrying values of individual equity investments as part of the regular remeasurement of equity investments. Risk capital allocated to investment risk increased to €45m (year-end 2023: €40m). Utilisation of this amount at year-end was 62.1%.

ESG risk

ESG risks are identified and measured as part of the annual risk inventory by analysing their significance. The results of this analysis are used to improve the suitability of the existing management framework, which includes limits, monitoring approaches, procedural guidelines and mitigation measures. The results also serve to create transparency surrounding the potential impacts of climate and environmental risks on the business divisions, allowing them to review their strategic orientation. Overall, this review, and the management implications identified on this basis, follow the principle of materiality. The aim is to incorporate climate and environmental risks, particularly those that have significant impacts, into management and monitoring.

In a comparison with the previous year, the assessment was confirmed that climate and environmental risks are significant drivers for each risk type over at least one horizon. In the long-term perspective (more than five years), climate and environmental risks are a significant driver for all of the main risk types. This is often due to second-round effects assumed in the climate scenarios (covering different risk types) examined in the reporting year (for example, macroeconomic upheaval resulting in reduced market values). However, they can also be linked to higher probability of default or reduced value of collateral. With respect to liquidity risk, climate and environmental risks are classified as particularly significant in the short term, especially with regard to transition and other climate and environmental risks. By way of example, the experience of the coronavirus pandemic has shown that pandemics can lead to turmoil on global money and capital markets, significantly impacting liquidity risk.

Climate and environmental risks are being gradually integrated into risk management tools on this basis. Given the specific mechanisms of each risk type, we use risk type-specific approaches to risk management alongside the requirements and guidelines that apply to all risk types. In counterparty risk, for example, climate and environmental risks are limited by qualitative guard rails such as the blacklist and minimum standards for financing. ESG scorecards are used as part of the lending approval process to identify and measure borrower-specific ESG risks. In addition, with respect to climate and environmental risks as drivers of market price risk, measures include a sustainability filter for proprietary investments and exclusion criteria as part of the collateral policy.

A review of management tools conducted in the reporting year also involved a systematic review of the relevant indicators related to climate and environmental risk context. This resulted in limits or upper thresholds being set by the Board of Management for all risk indicators (KRIs) this year and in corresponding management processes being put in place. The selected KRIs relate to aspects such as the results of the ESG scorecard, the scope of legal disputes and customer complaints related to ESG, as well as the impact of climate scenarios. The indicators are part of regular risk reporting.

Sustainability report

General information

The structure and content of the following DekaBank Sustainability Report (non-financial statement in accordance with sections 289b ff. HGB) matches that of the Deka Group's Group Sustainability Report. Sustainability management and sustainability reporting are geared towards the Deka Group, thereby incorporating all business divisions and legal entities including DekaBank in its capacity as an individual institution.

The following sections of the Sustainability Report relate primarily to DekaBank:

ESRS 2 – General disclosures

- GOV-1 – The role of the administrative, management and supervisory bodies
- GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

ESRS E1 – Banking business – Climate change (Banking business (banking divisions and Treasury corporate centre))

ESRS S2 – Workers in the value chain:

- Information on the German Act on Corporate Due Diligence Obligations in Supply Chains (*Lieferkettensorgfaltspflichtengesetz*, LkSG) and the human rights officer

Reporting in accordance with Article 8 of the Taxonomy Regulation is prepared on a consolidated basis in the Group Sustainability Report.

ESRS 2 – General disclosures

The subject of sustainability, with its many aspects, has become a key concern for companies and other organisations over recent years. This is being driven by market developments, new scientific insights and regulatory requirements imposed by the European Union (EU) and the German government. The financial sector has been given a central role here, not least by the EU's action plan on financing sustainable growth. To meaningfully address sustainability and related issues, companies must report on their processes, actions and plans transparently and on a comparable basis.

The Deka Group is taking this opportunity to report in detail on the challenges of sustainability. This comprehensive report outlines the sustainability activities of DekaBank and its subsidiaries, including targets set, ESG standards already implemented, actions taken and targets achieved.

The Deka Group pursues sustainability in its own business activities by offering investors products with sustainability characteristics, while also setting demanding requirements for financing partners and issuers. This report covers the corresponding ESG targets, which are a core component of the Deka Group's strategic orientation.

In this report, the Deka Group sets out the sustainability topics that are material to it and details the specific actions it has taken to meet its responsibilities to improve its environmental footprint, reinforce social responsibility in its business processes and embed good governance practices in its business conduct.

On 24 July 2024, the German Federal Cabinet presented a government draft of legislation transposing the Corporate Sustainability Reporting Directive (CSRD) into national law. The CSRD was due to replace the previous EU directive, the Non-Financial Reporting Directive (NFRD), as the basis for reports for the period ending 31 December 2024. However, the collapse of Germany's governing coalition meant that it was no longer possible in 2024 to make the legislative amendments required by the CSRD and the EU Accounting and Transparency Directive. As a result, the provisions of the German CSR Directive Implementing Act, which transposed the NFRD, continue to apply.

This sustainability report (consolidated sustainability statement) is the first that the Deka Group has prepared in full compliance with the ESRS and presented as a separate section in the Group management report.

The sustainability reporting also complies with the requirements relating to the consolidated non-financial statement set out in sections 315b and 315c of the German Commercial Code (*Handelsgesetzbuch*, HGB).

The numbering used in the sustainability reporting corresponds to the disclosure requirements in the ESRS.

BP-1 – General basis for preparation of the sustainability reporting
Scope of consolidation of the Deka Group
5 (a) For the 2024 financial year, the Deka Group has for the first time prepared its full sustainability report on a consolidated basis using the framework provided by the Corporate Sustainability Reporting Directive (CSRD) (see Directive 2022/2464, Article 29a).

5 (b) The scope of consolidation for the Deka Group's sustainability report is the same as that for the consolidated financial statements. Accordingly, the Group's regulatory sustainability reporting covers DekaBank as parent company and the subsidiaries (affiliated companies and structured entities) included in the consolidated financial statements; see "List of shareholdings" in the notes to the consolidated financial statements.

- DekaBank
  - DekaBank Deutsche Girozentrale, Frankfurt/Main

- Asset Management Real Estate
  - Deka Beteiligungs GmbH, Frankfurt/Main
  - Deka Far East Pte. Ltd., Singapore
  - Deka Immobilien Investment GmbH, Frankfurt/Main
  - Deka Real Estate International GmbH, Frankfurt/Main
  - Deka Real Estate Service USA Inc., New York
  - Deka Vermögensverwaltungs GmbH, Frankfurt/Main
  - WestInvest Gesellschaft für Investmentfonds mbH, Düsseldorf
  - WIV GmbH & Co. Beteiligungs KG, Frankfurt/Main

- Asset Management Securities
  - Deka International S.A., Luxembourg
  - Deka Investment GmbH, Frankfurt/Main
  - Deka Vermögensmanagement GmbH, Frankfurt/Main
  - Deka Verwaltungsgesellschaft Luxembourg S.A., Luxembourg
  - IQAM Invest GmbH, Salzburg
  - IQAM Partner GmbH, Vienna

- Asset Management Services
  - bevestor GmbH, Frankfurt/Main
  - S Broker Management AG, Wiesbaden
  - S Broker AG & Co. KG, Wiesbaden
  - S Broker 1 Fonds, Frankfurt/Main

In the Deka Group's sustainability reporting, the name of a company including its corporate form is used if the information disclosed relates to that individual company. If a disclosure covers several companies, they are grouped together as follows:

"WestInvest": WestInvest Gesellschaft für Investmentfonds mbH and WIV GmbH & Co. Beteiligungs KG

"S Broker": S Broker Management AG and S Broker AG & Co. KG

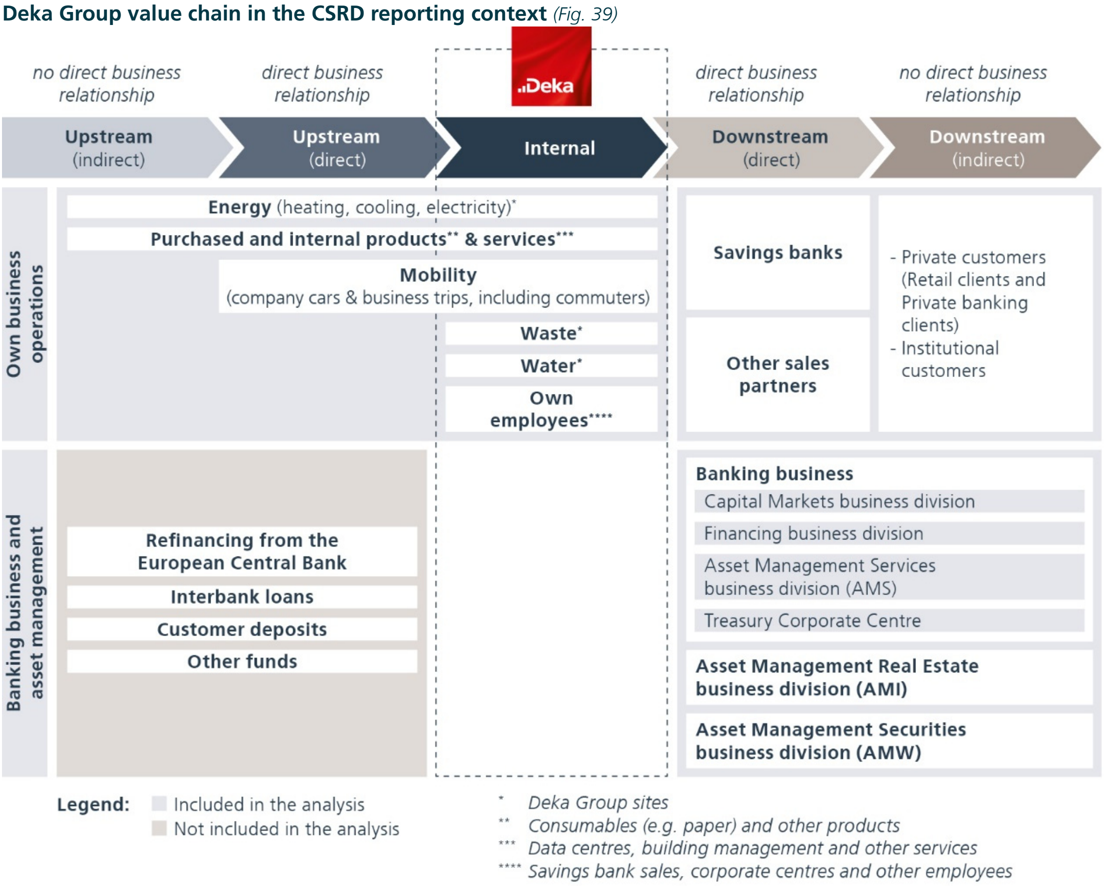
"IQAM Invest": IQAM Invest GmbH and IQAM Partner GmbH

The Deka Group's value chain

5 (c) The basis for determining the value chain of the Deka Group in accordance with the CSRD is the consolidated financial statements including the segment reporting as required by IFRS 8 (see "Segmentation by operating business division" in the notes to the consolidated financial statements). The description of the Deka Group's value chain and its underlying principles is presented outside the sustainability reporting under "Business model as the *Wertpapierhaus* for the savings banks" and "Business divisions, sales units and corporate centres" in the "Information about the Deka Group" section of the Group management report.

Alongside its own operations, the Deka Group divides its activities into the Asset Management Securities and Asset Management Real Estate business divisions and the three banking business divisions: Capital Markets, Financing and Asset Management Services. The Treasury corporate centre takes an integrated approach and operates Group-wide. The internal Savings Banks Sales unit interfaces directly with the savings banks and other sales partners, which are also part of the value chain.

Deka Group value chain in the CSRD reporting context *(Fig. 39)*



For sustainability reporting purposes, the business activities of the Deka Group in the value chain are segmented as follows:

- Own operations
  - Own operations of the companies in the consolidated group
- Banking business
  - Capital Markets banking business division
  - Financing banking business division
  - Asset Management Services banking business division
  - Treasury corporate centre
- Asset Management Real Estate business division
  - Activities relating to real estate asset management
- Asset Management Securities business division
  - Activities relating to securities asset management

AR 1 (a) The Deka Group's sustainability reporting covers the upstream and downstream value chain for the assessment of material impacts, risks and opportunities (IROs) and its main features as follows:

- Own operations (own operations of companies in the consolidated group)

The assessment of the materiality of impacts, risks and opportunities extends to the entirety of the value chain of the Deka Group's own operations.

Own operations comprise the business operations of the companies in the consolidated group. Activities in the direct and indirect upstream value chain are those which facilitate day-to-day operations (e.g. the purchasing of products, services and energy). Activities in the direct and indirect downstream value chain relate to the sale of products and services (e.g. sales via savings banks and other sales channels).

The topics of energy, purchasing, mobility, waste, water and own employees in the upstream and internal value chain are categorised under own operations and are considered from an internal perspective. Responsibility for these topics lies with DekaBank's environmental management function in the Sustainability Management unit.

The savings banks and other sales partners (such as S Broker and bevestor GmbH) are included in the direct downstream value chain, reflecting the strategic alignment of the Deka Group (see the "Information about the Deka Group" section of the Group management report under "Business model as the *Wertpapierhaus* for the savings banks" and "Position and mission in the *Sparkassen-Finanzgruppe*").

For the Deka Group as the securities service provider (*Wertpapierhaus*) to the savings banks, the most important feature of the downstream value chain is the collaboration with the savings banks and sales partners. The Deka Group supports the savings banks, their customers and institutional investors throughout the entire securities-related investment and advisory process. This relationship is represented as follows in the value chain: Savings Banks Sales interfaces with the savings banks as sales partners. The savings banks and their employees are classified as part of the indirect downstream value chain. This means that Savings Banks Sales is the link between the Deka Group and the savings banks, and thus also an indirect link to the savings banks' customers. Because of this indirect link between the Deka Group and the customers of the savings banks, those customers are included in the indirect downstream value chain (see "Business divisions, sales units and corporate centres" in the "Information about the Deka Group" section of the Group management report).

- Banking business (banking business divisions and Treasury corporate centre)

The assessment of the materiality of impacts, risks and opportunities in the banking business extends to the downstream value chain only. Downstream activities comprise products and corresponding carrying values reported in the balance sheet assets of the Deka Group in the banking book and trading book.

When assessing the balance sheet assets in the Deka Group's banking book and trading book, the banking business divisions (Capital Markets, Financing and Asset Management Services) and the Treasury corporate centre are considered together. In the following, they are referred to collectively as "banking business".

For the material standard ESRS E1, the assets held for trading by the Capital Markets business division are to be disregarded because they are not covered by the Partnership for Carbon Accounting Financials (PCAF) standard "Part A – Financed Emissions".

As a result of the Deka Group's internal operating structure, the banking book is divided into two categories: financing and proprietary investments. Responsibility for collection of data lies with the relevant front office units as regards financing, and with the Treasury corporate centre as regards proprietary investments. The relevant front office units and the Treasury corporate centre are supported in this by the Credit Risk Management back office unit.

For the purposes of material standard ESRS E1, the banking business (banking business divisions and Treasury corporate centre) in the downstream value chain is thus subdivided into:

– Financing (lending exposures in the banking book, comprising the real estate financing and specialised financing business, including refinancing of the savings banks)
– Proprietary investments (financial assets in the banking book usually held until maturity)

The value chain upstream from the banking business includes refinancing, i.e. the inflow of capital. The majority of inflows comprise refinancing from the European Central Bank (ECB), interbank loans, customer deposits and other funds (such as interest and fee income). As impacts on people and the environment result from where the funds are used rather than from where funds are sourced, this part of the value chain is not considered in the CSRD materiality assessment. Opportunities and risks relating to particular funding sources in the context of the Deka Group's compliance function (concerning e.g. bribery and corruption) are evaluated as part of the CSRD materiality assessment carried out under ESRS G1.

- Asset Management Real Estate business division

The assessment of the materiality of impacts, risks and opportunities in the Asset Management Real Estate business division extends to the volumes of the investment management companies' investment funds. The activities of the Asset Management Real Estate business division are focused on fund products and advisory services relating to real estate, infrastructure and real estate financing for the customer and proprietary business of the savings banks and other institutional investors. The business division's offering also includes the purchase, sale and management of real estate and all other real estate services.

- Asset Management Securities business division

The assessment of the materiality of impacts, risks and opportunities in the Asset Management Securities business division extends to the volumes of the investment management companies' investment funds. The activities of the Asset Management Services business division have a particular focus on fund-based products and advisory services.

Disclosure on metrics within the value chain
AR 1 (b) Where policies, actions and targets are listed under the topical standards, they relate to the part of the value chain described in the relevant minimum disclosure requirements.

AR 1 (c) Upstream and/or downstream value chain data is included when disclosing on metrics. If a primary data source is not available, estimates are used.

5 (d) The Deka Group has not used the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation.

5 (e) The Deka Group has not used the exemption from disclosure of impending developments or matters in the course of negotiation, as provided for in Articles 19a (3) and 29a (3) of Directive 2013/34/EU (Accounting and Transparency Directive).

BP-2 – Disclosures in relation to specific circumstances

Time horizons
9 (a) For the purpose of identifying climate and environmental risks, the bank has defined the following three time horizons which are used inter alia in the assessment of material risks.

- Short-term time horizon: up to one year
- Medium-term time horizon: between one and five years
- Long-term time horizon: more than five years up to 2050

These time horizons are consistent with the European Sustainability Reporting Standards (ESRS 1 – General requirements) and are applied uniformly across the Group, for example in the business environment analysis and the significance analysis of climate and environmental risks.

Value chain estimation
10 (a), 10 (b), 10 (c), 10 (d) Metrics relating to the upstream and downstream value chain which were determined using sector-average data or proxies are identified as such in the sustainability reporting. The basis for preparation of the proxies, the resulting level of accuracy and where applicable the planned actions to improve data quality in future are all stated. This information is provided together with the disclosure of the relevant metrics.

11 (a), 11 (b) No metrics or monetary amounts have been identified that are subject to a high degree of measurement uncertainty as referred to in ESRS 1.87 to 1.92, beyond the disclosures under paragraph 10.

15. This ESRS sustainability reporting complies with the requirements applicable to consolidated sustainability statements prepared in accordance with section 315b and c HGB in conjunction with section 289b et seq. HGB.

To fulfil our reporting obligations under the HGB, we declare the following: For the first time, the ESRS have been relied on in full as a framework in accordance with section 315c (3) in conjunction with section 289 HGB. This is because of their importance as the sustainability reporting standards adopted by the European Commission.

There are no material risks arising from our own business activities or from business relationships, products and services that are highly likely to cause serious adverse impacts on the non-financial aspects set out in section 289c HGB.

As part of the environmental information disclosed in this sustainability report, the disclosures for the Deka Group required by Article 8 of Regulation 2020/852 (EU Taxonomy Regulation) appear in the section entitled "Reporting under Article 8 of the Taxonomy Regulation: Taxonomy alignment report 2024".

Incorporation by reference

16. Some information relating to required datapoints is incorporated into this sustainability report by reference. These references are identified by the words "presented outside the sustainability reporting" in the referring text. All other references in the sustainability reporting are provided purely for information. They are not compliant with the requirements of ESRS 2.16 and have not been reviewed by the auditor.

Information is incorporated by reference in accordance with ESRS 2.16 for the following ESRS disclosure requirements:

- ESRS 2 BP-1 5 (c):
  The description of the Deka Group's value chain is located in "Business model as the *Wertpapierhaus* for the savings banks" and "Business divisions, sales units and corporate centres" in the "Information about the Deka Group" section of the Group management report
- ESRS 2 SBM-1 40 (a) i., 40 (a) ii., AR 14 (a), AR 14 (b), AR 14 (c):
  The description of significant products and services offered and significant markets and customer groups served by the Deka Group is incorporated by reference to the section entitled "Deka Group profile and strategy" in the "Information about the Deka Group" section of the Group management report

Use of phase-in provisions in accordance with Appendix C of ESRS 1

17. In accordance with ESRS 1.136 and ESRS 1.137, some disclosure requirements are phased in over the initial years of an undertaking's reporting. Appendix C of ESRS 1 contains a list of those ESRS disclosure requirements and datapoints which may be omitted or which are not applicable in the first year(s) of preparation of sustainability reporting. Accordingly, the Deka Group is not reporting on the following disclosure requirements for the first year of preparation of this sustainability report:

- ESRS 2 SBM-3 48 (e) Anticipated financial effects
- ESRS E1-9 chapter Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
- ESRS S1-7 chapter Characteristics of non-employees in the undertaking's own workforce
- ESRS S1-11 chapter Social protection

The ESRS standards E2, E3, E4, E5 and S3 were assessed as not material (see ESRS 2 IRO-2 56). Phase-in provisions relating to these standards are therefore inapplicable.

GOV-1 – The role of the administrative, management and supervisory bodies

General information about the role of the administrative, management and supervisory bodies

19. The Deka Group is managed collectively by the Board of Management of DekaBank. It steers and leads the entire Deka Group in an integrated manner, taking into account strategic direction and risks. The Board is divided into divisions, each under the responsibility of a designated member. The activities of the Board of Management are governed by rules of procedure. The CEO of DekaBank has overall strategic responsibility for ESG.

Composition and structure of the management bodies

21 (a), 21 (b) The Board of Management currently has six members with responsibilities as follows (see "Corporate management and supervision" in the "Information about the Deka Group" section of the Group management report):

- CEO: Dr Georg Stocker
- Deputy CEO & Asset Management: Dr Matthias Danne
- Risk (CRO): Birgit Dietl-Benzin
- Finance (CFO) & Operations (COO): Daniel Kapffer
- Sales: Torsten Knapmeyer
- Banking business: Martin K. Müller

The Administrative Board performs a supervisory role. It evaluates and oversees the Board of Management and the bank's business. It also discusses strategies and risks and passes resolutions relating to the annual financial statements, planning matters and the Board of Management, among other topics.

The Administrative Board has established the following committees from among its members to advise and support it in its activities: a General and Nominating Committee, an Audit Committee, a Risk and Credit Committee and a Remuneration Supervision Committee. The activities of the Administrative Board and its committees are governed by rules of procedure. (see "Information about the Deka Group" and "Risk report" in the Group management report)

The Administrative Board of DekaBank has 28 members:

- The President of the German Savings Banks Association (*Deutscher Sparkassen- und Giroverband*, DSGV ö.K.) (Chairman)
- The Federal Chairman of the Savings Banks
- Nineteen members elected by the Shareholders' Meeting upon the proposal of the voting shareholders
- Two further members elected by the Shareholders' Meeting
- Two employees appointed by the Staff Committee of DekaBank
- Three (advisory) members appointed by the Federal Organisation of Central Municipal Organisations (*Bundesvereinigung der kommunalen Spitzenverbände*)

DekaBank has various policies governing the composition of the Board of Management and Administrative Board and procedures for selection and appointment of their members, including a fit and proper policy for the Administrative Board, a policy on succession planning for members of the Administrative Board and Board of Management, a policy on promoting diversity on the Administrative Board and Board of Management, and a conflicts of interest and independence policy for the Administrative Board.

The Administrative Board reviews its own composition and that of the Board of Management at least once a year. This is usually done via a survey which conforms to the relevant recommendations in the European Banking Authority (EBA) guidelines on the suitability of management body members and key function holders. The focus is on assessing collective knowledge, skills and experience as well as the cooperation within and between the two boards. Based on the results of this survey, the Administrative Board makes recommendations regarding the future composition of both boards, actions relating to any areas for development identified, and new appointments.

21 (c) Care is taken in the selection process to ensure that each Administrative Board member brings specific expertise relevant to the sectors, products and geographic locations of the Deka Group. This includes knowledge of the Deka Group's business model and associated risks, asset management, capital markets business, lending business, accounting, risk management, compliance, auditing, IT/IT security, the regulatory environment, sales, digitalisation in the banking sector, ESG and management. The aim is to ensure that the composition of the Administrative Board is balanced and the range of expertise represented as broad as possible. This diversity of knowledge and expertise is intended to ensure that the Administrative Board is able to provide constructive support and criticism to the Board of Management. The annual evaluation of the Administrative Board and Board of Management includes a review of the extent to which this has been achieved.

21 (d) The policy on promoting diversity in the Administrative Board and Board of Management of DekaBank specifies that at least 25% of the members of the Administrative Board should be women. The deadline for achieving this quota was set for the end of 2028. At 31 May 2024, women made up 17.9% of Administrative Board members. This is below the 25% target for the end of 2028.

The target for the Board of Management is that it must comprise at least one female and one male member. This target was met as at the reporting date. One of the six Board of Management positions is held by a woman, equating to 16.7% of the Board.

21 (e) Based on the criteria set out in the EBA Guidelines on the assessment of the suitability of members of the management body and key function holders (EBA/GL/2021/06), all members of the Administrative Board, not taking into account employee representatives, are regarded as independent. This corresponds to 92.9% of Administrative Board members.

Sustainability-related responsibilities of the management bodies

22 (a) Responsibilities for oversight of sustainability-related impacts, risks and opportunities are distributed among the Board of Management of the Deka Group as follows: The sustainability strategy is part of the business strategy, which is decided by the full Board of Management. The Chairman has overall responsibility within the Board of Management. The Strategy unit, in which the strategic ESG management function is housed, is part of the Strategy & HR corporate centre, which is within the remit of the CEO.

Within the Board of Management, risk oversight is primarily the responsibility of the CRO. The Management Committee for Risk with its subcommittees is a cross-cutting body which attends to matters including management and monitoring of ESG risks.

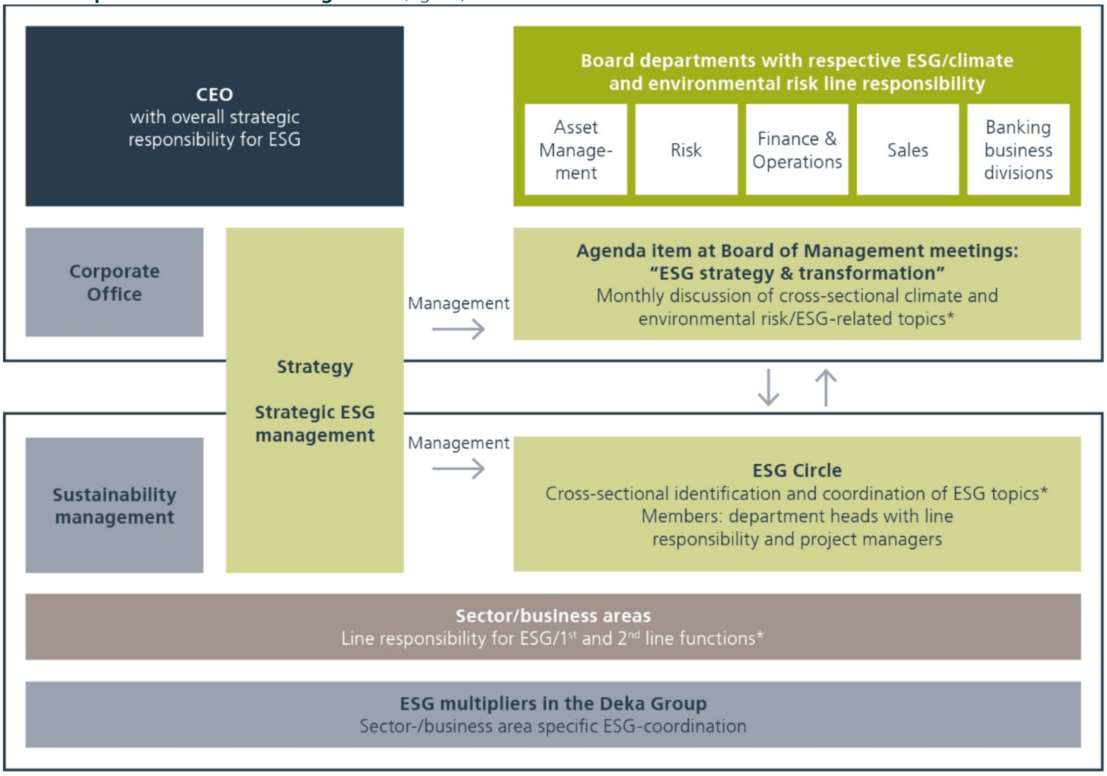
Operational responsibility for management and monitoring of sustainability-related matters falls within the Board of Management remits, see ESRS 2 GOV-2 22 (b).

At Administrative Board level, oversight of ESG-related topics is primarily a matter for the Risk and Credit Committee (risk strategies, risk management, risk culture) and the Audit Committee (internal governance, compliance, corporate culture and values).

22 (b) The responsibilities of the individual bodies described above are documented in the rules of procedure of both the Administrative Board and the Board of Management and in the schedule of responsibilities for the members of the Board of Management. Responsibility for managing the Deka Group’s impacts on the economy, environment and people is discharged within the framework of defined, decentralised line responsibilities and role allocations. Responsibility for climate and environmental risks, ESG risks in the broader sense and their development is allocated in line with the remits of individual Board members. Alongside this, decentralised operational responsibilities support the approach of systematically embedding ESG issues in the corporate culture.

The vision for ESG governance was established at the organisational and operational level for the entire Deka Group and documented in an ESG Governance Framework. The focus is on clearly assigning ESG-related responsibilities within the organisation and on establishing cross-cutting coordination and control processes. This includes involving the full Board of Management, as the company’s top management body, in material ESG issues. ESG issues material for the Board of Management are by definition strategic issues of economic significance. When implementing ESG governance policies, all units within the Deka Group are guided by unified rules structured across defined dimensions. These include development of the ESG strategy and ESG-related processes and ensuring the availability of the necessary ESG data.

ESG – responsibilities and management *(Fig. 40)*



* Further bodies/committees for ESG/climate and environmental risks, responsibilities within the business divisions and corporate centres (Risk Management Committee, Sustainable Risk Committee, Green Bond Committee)

Since 2022, the ESG Circle has become established as a cross-divisional format for information and participation in relation to ESG topics in the Deka Group. It ensures that ESG issues are addressed across divisions and in coordination with the "ESG strategy and transformation" agenda item at regular Board of Management meetings. Alongside managers and project managers, the ESG Circle includes multipliers from the corporate centres, who share information on current ESG-related topics with their corporate centres and proactively raise issues encountered in their corporate centres with the ESG Circle.

Strategic and cross-cutting issues requiring coordination across the Group as a whole are steered centrally by the Strategic ESG Management function within the Strategy unit in the Strategy & HR corporate centre. Implementation of strategic objectives is carried out locally in the individual corporate centres and organisational units. The Sustainability Management unit is responsible for operational ESG management. Its activities include coordinating and carrying out various sustainability reporting activities, preparing opinions on reputational risks, supporting ESG rating agencies and maintaining relationships with other external stakeholders such as NGOs and climate change and environmental organisations. The Chief Human Rights Officer (see ESRS S2-1 17 (b)) is situated in the Sustainability Management unit.

ESG-related issues raised from outside the organisation are recorded in a structured format by the complaints management function in the Sustainability Management unit and forwarded for response depending on their nature. Internal controversies relating to ESG can be escalated to top management as necessary via the responsible line units, established project reporting processes or management committees, or can be included for discussion at a meeting of the Board of Management under the agenda item "ESG strategy and transformation".

Alongside these channels, there is also a whistleblowing procedure, which was introduced when implementing the German Act on Corporate Due Diligence Obligations in Supply Chains (*Lieferkettensorgfaltspflichtengesetz*, LkSG). This procedure enables whistleblowers to anonymously report human rights concerns relating to Deka's own operations or to its supply chain or procurement management.

Roles of management in relation to sustainability

22 (c) DekaBank's administrative and management bodies play a central role in the procedures, controls and operations relating to monitoring and management of the impacts, risks and opportunities identified in this sustainability report.

22 (c) i. Once a month, the agenda for the Board of Management meeting includes the item "ESG strategy and transformation", which covers ESG-related matters in the Deka Group such as status reports on fulfilment of supervisory requirements, progress towards targets, and voluntary commitments and the publication of ESG-related reports. Matters of this kind are also discussed at Board of Management meetings outside this regular agenda item as required.

22 (c) ii. ESG-related matters are also included in regular management reports and decision briefs. The reports (such as the risk report) monitor relevant metrics, with information presented as a comparison between current and target status, and check compliance with targets and limits. Decision briefs include discussions of ESG-related matters such as ESG scores. As a result, the DekaBank Board of Management has ESG-related information available to it when making financing decisions. The Board of Management is also involved at an early stage in decisions relating to the implementation and direction of project activities.

The Administrative Board and its committees receive regular quarterly reports which include ESG-related issues. One notable example is the risk report, which is considered in detail by the Risk and Credit Committee. If necessary, the Risk and Credit Committee also considers ESG issues such as climate and environmental risks separately.

22 (c) iii. The DekaBank Board of Management reviews the business and risk strategy at least once a year and at other times as necessary to ensure that it is consistent, complete, sustainable and up to date. A systematic strategy and planning process exists for this purpose, in which the Board of Management is supported by the relevant organisational units.

The Board of Management has established responsibilities for targeted management of risks, including climate and environmental risks, for both the Board of Management as a whole and the individual remits within the Board of Management along with the business divisions and corporate centres. This includes control functions in accordance with the Three Lines of Defence Model (see "Three Lines of Defence Model" in the "Risk profile of the Deka Group and its business divisions" section of the Group management report.

Involvement of management bodies in the setting of ESG-related targets

22 (d) Targets are set in the various areas of functional responsibility within the Board of Management in line with the Deka Group's schedule of responsibilities. The Board of Management receives regular information about the targets and progress towards them via the aforementioned management reports such as the risk report. The ESG dashboard is another internal reporting tool which gives the Board of Management an overview of the various sustainability-related topics, associated metrics, and status in relation to the targets.

The metrics in the ESG dashboard are organised as follows:

- Environment: metrics directly relating to climate and the environment are grouped under "Environment". They include the greenhouse gas (GHG) emissions of the Deka Group's banking business and own operations, for example.
- Social: the "Social" dimension distinguishes between the internal and external perspective. Metrics relating to internal stakeholders include items such as employee satisfaction and the proportion of women in management positions. External stakeholder metrics examine items such as the number of ESG-related customer complaints.
- Governance: the "Governance" dimension comprises ESG-related governance metrics.
- Market: the "Market" dimension contains metrics relating to sustainable business volumes, market changes and, for example, Deka's offering of products with sustainability characteristics.

The contents of the dashboard are regularly modified by the organisational units responsible for the individual metrics in line with regulatory requirements and the strategic development of ambitions and targets.

Access to expertise on sustainability matters
23 (a) When carrying out the evaluation described (see ESRS 2 GOV-1 21 (b) and (c)), the Administrative Board reviews the composition of the Administrative Board and the Board of Management to determine how well individual areas of knowledge are covered by the expertise and experience of the boards' existing members. This includes ESG topics.

The Administrative Board organises training events to develop this expertise. These events cover requirements such as statutory rules and regulatory expectations and explain how the Deka Group complies with or implements these requirements.

23 (b) In evaluating the Board of Management's composition, the Administrative Board focuses on topics and areas which are central to the business and sustainable success of the Deka Group. Material sustainability issues are thus among the topics covered.

The role of the administrative, management and supervisory bodies related to business conduct (ESRS G1)
G1 GOV-1 5 (a) The Board of Management is required to perform its duties in such a way as to safeguard the integrity of the market and further the interests of customers. It is directly involved in issues relating to governance and business conduct such as compliance with the Code of Ethics. in performing this fundamentally important control function for market integrity and good governance, it is overseen by the Administrative Board as a supervisory body.

G1 GOV-1 5 (b) The professional qualifications and trustworthiness of potential appointees to the Board of Management are assessed by reviewing the application documents submitted. Under section 25c of the German Banking Act (*Gesetz über das Kreditwesen*, KWG), management board members of an institution must have the necessary professional qualifications, be trustworthy, and be able to dedicate sufficient time to performing their functions. Members must meet these requirements not only at the time of their appointment, but also for the duration of their service as a board member.

Members of the managing bodies (Board of Management of DekaBank and the boards of management of the subsidiaries) must undergo compliance training at least every two years for as long as they remain in post. In addition, members of the management bodies receive a compliance report, usually once a quarter, which covers the topics of anti-financial crime, capital market compliance and corporate compliance. Ad hoc reports can be issued in urgent cases. At least once a year, the Administrative Board of DekaBank receives a compliance report detailing the activities of the Compliance function.

GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

26 (a) The Board of Management is informed about ESG-related matters in quarterly – and in some cases annual – management reports and briefing documents. These reports (such as the risk report and the ESG dashboard) monitor relevant metrics and check compliance with targets or limits by comparing current and target status. The quarterly risk report discusses operational incidents and assesses potential reputational risks. Other quarterly reports produced by the control units (e.g. Internal Audit, Compliance, Data Protection) provide information about the outcome of audit activities carried out, findings and corrective actions. The Board of Management is notified annually of the outcome of the Deka Group's CSRD materiality assessment in relation to the E, S and G sustainability dimensions. Following receipt of the rating report prepared by the ESG rating agencies, usually on an annual basis, the Sustainability Management unit carries out a rating and benchmark analysis to evaluate the outcome of the rating process and identify actions needed to consolidate or improve the rating achieved. The rating and benchmark analysis is usually presented to a meeting of the Board of Management under the regular ESG agenda item.

26 (b) The involvement of the Board of Management also includes considering impacts, risks and opportunities connected with the business and risk strategy and associated decisions on major transactions. Decision briefs contain ESG-related information (particularly ESG scores, physical climate risks) to be considered in decision making. Alignment with the credit risk strategy, including with regard to ESG topics, is documented and presented to the full Board of Management for decision. Counterparty exposure limits for capital markets business and Treasury are submitted to the Board of Management once a year for extension. Any deviations from the credit risk strategy are made transparent. The results of the screening of counterparties with regard to ESG and physical climate risks are also reported on. Any elevated risks associated with individual counterparties are explained. The Administrative Board and the relevant Administrative Board committees receive the submitted reports and discuss them at their meetings. This applies particularly to the Risk and Credit Committee, which focuses on the risk report. If the committee acts as a loan approval body, it makes its decisions using the materials submitted to the Board of Management.

26 (c) The Board of Management and the Administrative Board of DekaBank are kept informed of sustainability-related matters through the processes and reporting formats described.

In 2024, the Board of Management noted and discussed the outcome of the CSRD materiality assessment. As part of its regular discussions on ESG topics, the Board of Management also considered material impacts, risks and opportunities in the following areas:

- Impacts of climate and environmental risks in the context of climate scenarios
- Progress towards compliance with the requirements arising from the ECB Guide on climate-related and environmental risks
- Requirements arising from the EBA Guidelines on the management of ESG risks
- Strategic model for calculation and provision of ESG metrics
- ESG scorecards: evaluation of environmental, labour and human rights criteria and business conduct issues in the lending, limit-setting and monitoring process
- Results of the annual UN Principles for Responsible Investment (PRI) assessment
- Approval for publication of the annual principal adverse impacts (PAI) statement
- Publication of the sustainability report for 2023

As well as discussing the impacts of climate and environmental risks and sustainability-related publications, in 2024 the Administrative Board also considered the policy on promoting diversity in the Administrative Board and the Board of Management of DekaBank, the HR report, and the remuneration and remuneration supervision report.

GOV-3 – Integration of sustainability-related performance in incentive schemes
General information about incentive schemes with regard to sustainability matters
29 (a) Linking variable remuneration of the members of the Deka Group's management bodies with sustainability topics creates additional incentives to drive sustainability within the business. The Deka Group's remuneration systems are designed to support achievement of its strategic business objectives and to provide incentives for responsible, risk-conscious, sustainable and customer-oriented business conduct among employees. This creates a results-oriented corporate culture. The remuneration system for members of DekaBank's Board of Management is modelled on the remuneration system for risk takers in accordance with the German Remuneration Ordinance for Institutions (*Institutsvergütungsverordnung*, InstitutsVergV) and is consistent with the Deka Group's remuneration principles.

Key factors in the Deka Group's remuneration philosophy are sustainability, gender neutrality and a risk-oriented approach. These factors have become increasingly important in recent years as the level of regulation has increased and the supervisory environment has become more complex. Variable remuneration is a cornerstone of the remuneration systems. Key elements of individual variable remuneration are the individual bonus for achievement of targets (the "orientation bonus") and the success of the company, business division or corporate centre and individual. A new variable remuneration system for employees and managers focusing on the jointly achieved success of the Deka Group was introduced during the reporting year.

29 (b) In the Management Agenda, an ongoing strategic action programme, the Board of Management of DekaBank has identified four areas of action, one of which is sustainability. To ensure successful implementation of the Management Agenda, the performance of the Board of Management members over the reporting year is evaluated against a number of ESG criteria. These include further integrating ESG matters into the business model of the Deka Group, addressing targets relating to climate and environmental risks set out in the business and risk strategy, ensuring ESG governance within the Deka Group and promoting diversity Group-wide. The sustainability principles embedded in the Deka Group Code of Ethics also apply. The Code includes non-negotiable values such as integrity and respect, which touch on social sustainability risks.

29 (c) The various ESG matters are included in the objectives agreed with the members of the Board of Management as qualitative requirements and are therefore collectively reflected in remuneration. They are drawn from the Deka Group's ESG principles. The Deka Group's targets are also applied accordingly to the management boards of the subsidiaries.

Targets have a central role in determining the amount of individual variable remuneration. They are agreed at the beginning of the financial year and align with the Deka Group's business and risk strategy. Care is taken to ensure that individual targets make an effective and sustainable contribution to achievement of corporate objectives and do not incentivise excessive risk-taking.

The remuneration strategy makes it possible for Board of Management members and selected managers at the subsidiaries to receive variable remuneration based on compliance with the sustainability metrics mentioned under paragraph 29 (b), which are defined in the target agreements.

The way in which sustainability matters are included in remuneration was revised during the reporting year in light of changing market perspectives and regulatory requirements. The objective is to develop reliable ESG metrics which will enable additional employee categories to participate alongside the boards of management of DekaBank and the subsidiaries in a consistent, cascading system of ESG-related targets.

As an integral part of the Deka Group's corporate culture, the Code of Ethics provides a binding framework for ethically and morally correct conduct and sustainable and environmentally aware behaviour for employees and managers in the Deka Group (see ESRS G1-1, MDR-P table entitled "Policies adopted to manage material sustainability matters"). It includes non-negotiable values such as integrity, compliance and respect, which touch on ESG risks in the social dimension and are explicitly reflected in remuneration. The Code of Ethics is the basis for the annual conduct appraisal. Any breaches identified may result in bonuses being reduced or cancelled altogether.

29 (d) For members of the Board of Management, the proportion of variable remuneration dependent on sustainability-related targets and/or impacts varies within a range. Between 7.5% and 15% of the variable remuneration of individual members is dependent on ESG-related elements.

29 (e) The remuneration systems for employees of the Deka Group are set by the DekaBank Board of Management. The Strategy & HR corporate centre, the control functions within their various responsibilities, the Remuneration Officer and the Remuneration Committee (Management Committee on Remuneration) are all involved in this process.

DekaBank's Administrative Board is responsible for agreeing the specifics of the remuneration system for the Board of Management in line with the regulatory requirements. The Board of Management is supported in its decision making by the Remuneration Supervision Committee and the General and Nominating Committee.

Integration of climate-related performance in incentive schemes (ESRS E1)

E1 GOV-3 13) The Deka Group is currently looking into including specific remuneration mechanisms relating to climate-related considerations or linking GHG emission reduction targets with performance evaluation of management bodies. This will be developed over the coming years and application is likely to be tailored to the specific Board of Management remits.

GOV-4 – Statement on due diligence

32. The CSRD materiality assessment is used to identify, assess and prioritise the information in the sustainability reporting, based on the legal requirements. Internal stakeholders and experts representing the interests of the company's stakeholder groups are involved in this process. Existing business relationships and communications channels are analysed to identify and delineate affected internal and external stakeholders. To address the specific features of financial institutions and to identify overlaps and material sustainability matters, the individual sectors to which the Deka Group offers its banking products or which are represented in the Deka Group's investment products are taken into account. Experts from the organisational units are also involved in relation to matters concerning own operations.

The Deka Group addresses the main aspects of due diligence when designing its sustainability reporting.

Overview of core elements of due diligence *(Fig. 41)*

a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2 para. 26, ESRS 2 SBM-3 para. 27 and para. 48
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 SBM-2 para. AR 16, ESRS 2 IRO-1 para. 53, all MDR-P tables in topical chapters E1, S1, S2, S4 and G1
c) Identifying and assessing adverse impacts	ESRS 2 SBM-3 para. 48, ESRS 2 IRO-1 para. 53
d) Taking actions to address those adverse impacts	MDR-A tables in topical chapters E1, S1, S2, S4 and description of actions in G1-1 para. 10 (a), G1-3 para. 18, 21 (a) and (b), G1-4 para. 33
e) Tracking the effectiveness of these efforts and communicating	MDR-M tables in topical chapters E1, S1 and G1 MDR-T tables in chapters E1, S1, S2 and S4

GOV-5 – Risk management and internal controls over sustainability reporting

36 (a) The sustainability reporting for the Deka Group appearing in the Group management report for 2024 is the first to be prepared in accordance with the framework provided by the ESRS. The Finance corporate centre is responsible for coordination. The internal control and risk management system was implemented and expanded as needed for sustainability reporting purposes.

The sustainability report is prepared from contributions submitted to the Finance corporate centre by the organisational units as set out in lists specifying what the contributions should contain and who is responsible for them. The disclosures are reviewed for completeness and factual correctness by the organisational units supplying them using the double verification principle. The Finance corporate centre, assisted by internal experts as needed, coordinates the various subject-specific submissions, checks them for plausibility and compiles them to create the sustainability report appearing in the Group management report. The Finance corporate centre monitors the timely submission of contributions and escalates as necessary to ensure that the report is completed on schedule.

36 (b) The Deka Group's internal control system ensures that sustainability reporting is carried out properly and in accordance with the applicable statutory provisions. The key feature of this system is the rigorous integration of control activities, particularly the double verification principle, into processes. The Deka Group has put in place policies specifically relating to implementation of sustainability reporting requirements and has expanded existing written rules to include CSRD-related content. The assessment of risks in the sustainability report preparation process begins with identifying and analysing the statutory provisions and associated interpretive guidance. The risks are then prioritised based on the level of urgency and the significance of the regulatory requirements.

36 (c) Risks in the process of preparing the sustainability report relate to the inconsistent application of sustainability reporting rules across the Group, incorrect or inadequate recording of ESG data, and errors in the IT systems used in sustainability reporting activities.

Regular, cross-functional communication between the Deka Group units supplying the relevant information and the Finance corporate centre (in its coordinating role), with the support of the Group ESG Reporting project team responsible for implementation, contributes significantly to minimising risks during preparation of the sustainability report.

36 (d) The findings of the Deka Group's risk assessment and internal controls as regards the sustainability reporting process are integrated into the existing external financial reporting processes and functions. The procedures and controls relating to sustainability reporting are also regularly reviewed by Internal Audit.

36 (e) The Board of Management and the Administrative Board are informed at least annually about audits carried out by Internal Audit, including the review of the sustainability report.

37 (a) The Deka Group's business and risk strategies form the framework for its business model and business activities. These strategies contain statements regarding the sustainability strategy and encompass environmental and social issues and matters relating to responsible business conduct. The Deka Group uses various approaches to systematically identify climate-related and environmental impacts on the business model and risk landscape. The two most important of these are, for the business model, the business environment analysis and, for the risk profile, the climate and environmental risk significance analysis.

SBM-1 – Strategy, business model and value chain

ESG management tools

38. Each of the Deka Group’s business divisions have their own tools for incorporating sustainability into its business activities. They use a range of internal mechanisms and instruments which vary in terms of their workings and applications.

- Own operations (own operations of companies in the consolidated group)

With regard to selection of suppliers and service providers, DekaBank has defined various sustainability-related requirements concerning both the quality of products and services purchased and the business conduct of suppliers and service providers. These are reviewed as part of the annual risk assessment carried out in accordance with the LkSG. The key requirements are set out in the Purchasing Sustainability Statement. The largest suppliers and service providers sign this statement before entering into a business relationship with DekaBank. It contains commitments to comply with the core labour standards of the International Labour Organization (ILO) and rules relating to the LkSG.

During the reporting year, the Sustainability Statement was signed by 391 suppliers and service providers representing around 85% of the Strategic Purchasing unit’s procurement spend. The remaining 15% relates to smaller consultancy and software companies. After weighing up the potential sustainability impacts and the administrative burden involved, it was decided not to seek signatures from these organisations. During the reporting year, a total of 51 suppliers and service providers to the Consultancy, HR and IT units signed the Purchasing Sustainability Statements for the first time. If, during a supplier audit or business partner risk evaluation, DekaBank finds that an organisation it does business with has breached the requirements set out in this statement, the organisation is first given an opportunity to remedy the situation. If it does not do so, or if DekaBank considers its response to be inadequate, a multi-stage process is set in train which can ultimately result in termination of the contractual relationship. In the year under review, no business relationships were ended due to violations of human rights or sustainability commitments.

An annual risk assessment of suppliers and service providers, examining country and sector risks for the purposes of the LkSG, is carried out via an ESG platform. Suppliers and service providers found to pose a high or moderate risk are asked to provide further information on various topic areas to enable DekaBank to make an informed assessment of the facts.

- Banking business (banking business divisions and Treasury corporate centre)
  - Financing and Capital Markets banking business divisions and Treasury corporate centre

DekaBank uses various ESG tools to integrate sustainability into its business activities. There are three main ESG tools: (1) The positive list (part of the business strategy) and negative list (part of the credit risk strategy), (2) ESG scorecards and (3) the sustainability filter (Treasury).

To take account of ESG criteria as defined in the “Guidelines on loan origination and monitoring” (EBA-GLOM) issued by the European Banking Authority (EBA), ESG scorecards have been developed for all lending business segments and have been an integral part of the lending and loan monitoring process since July 2021. This means that the Deka Group also fulfils the requirements regarding consideration of ESG criteria in lending, which were defined in the year under review as part of the 7th amendment to the Minimum Requirements for Risk Management (MaRisk).

The ESG scorecards enable DekaBank to assess the risks associated with ESG factors for both the borrower and the specific financing arrangement each time a limit is established, increased or extended and also when monitoring existing business. The ESG scorecards consider climate-related physical and transition risks, labour and human rights criteria and governance aspects on a segment-specific basis. A traffic light system is used to categorise the risk of the financing arrangement or borrower from low to high. Transactions receiving a “high” risk classification are generally declined.

Since July 2014, DekaBank has also used a sustainability filter to evaluate its new proprietary investments. Based on the UN Global Compact, the sustainability filter includes a catalogue of exclusion criteria and controversies, particularly in the areas of armaments, ILO core labour standards, corruption, and climate and the environment. For each new investment, issuers are assessed against the extensive set of criteria in this sustainability filter for proprietary investments. This is in addition to the sustainability assessment that is already performed centrally using the ESG scorecards when limits are set up, increased or extended.

Both the ESG scorecards and the sustainability filter are refined over time, reviewed regularly for suitability and adjusted as necessary by the relevant organisational units.

Positive list

The Deka Group aims to increase the focus of its financing portfolio on transactions which make a positive environmental or sustainability contribution. The positive list adopted by the Board of Management sets out investment areas in which the Deka Group aims to acquire more sustainable financing business or support growth. The guiding principle applied when defining these investment areas is the potential contribution of the financing to fulfilment of the UN Sustainable Development Goals (SDGs). The version of the list presented here took effect on 1 January 2025:

- The Deka Group supports financing aimed at producing electricity from renewable energy and transporting or storing that electricity.
- The Deka Group also seeks to provide financing aimed at modernising production facilities accompanied by a significant reduction in CO_2 from production (the target is 30% or more).
- The Deka Group seeks increasingly to finance ships that minimise pollutant emissions in accordance with the latest technical standards and which are already or will demonstrably be in a position to comply with the International Maritime Organization’s 2020 rules on the reduction of sulphur emissions (DekaBank’s accession to the “Poseidon Principles”, a global voluntary commitment to climate-aligned ship finance in line with the Paris Agreement goals in 2022). It finances ships only if they are equipped in accordance with the International Maritime Organisation’s Ballast Water Management Convention concluded in 2004 to prevent the introduction of invasive species into foreign ecosystems.
- The Deka Group seeks increasingly to finance vessels with technology which contributes to reducing waste in the world’s oceans.
- The Deka Group seeks to finance aircraft whose production and operation meet the highest possible environmental standards.
- The Deka Group supports financing for modernisation and expansion of freight and passenger rail transport.
- The Deka Group supports financing for basic utilities providers, municipal utilities companies and network operators (for the supply and disposal of energy, heat, water, waste, etc.) and their projects to maintain or expand infrastructure.
- The Deka Group supports financing to promote the energy transition, digital transformation and mobility transition, as well as the associated infrastructure.
- The Deka Group supports real estate financing for green buildings that have a net-zero energy footprint (zero-energy buildings) or that fulfil the cradle-to-cradle approach.
- The Deka Group is continuously advancing its sustainability efforts. If, in the context of syndicated financing, third-party lenders agree on special sustainability filters or sustainability requirements going beyond those of DekaBank for the projects, assets, or investments that are being financed, DekaBank will consider introducing them.
- The Deka Group also provides financing to support customers who are transforming their business model to effectively address climate-related risks and contribute to implementation of the goals of the Paris Agreement on climate change (“transformation financing”). This includes initiatives that support the strategy of the parties involved (especially the operators of the financed assets) on the path towards greater sustainability with regard to environmental, social or governance matters.

Negative list
In order to avoid reputational risks, the Deka Group has categorised the following transactions as undesirable and/or high-risk. These transactions may only be executed with the special permission of the Board of Management:

- Transactions where public reports (on matters including socio-cultural, ethical, or sustainability aspects) concerning the financing itself, a business partner, business practices, or the country (country of domicile or risk) may have a lasting negative impact on public confidence in or the reputation of the Deka Group, particularly if
  - the borrowers have an overall "brown" or "red" score on the ESG scorecard ("brown" is the worst of three levels in the first iteration of the ESG scorecard and "red" is the worst of five levels in the second iteration)
  - in the case of proprietary investments, the issuer is affected by an exclusion criterion relating to the environment, armaments, human rights or corruption in the sustainability filter for proprietary investments
  - the reputational risk (resulting from e.g. climate and environmental risks) is internally assessed as "orange" or "red"

- Transactions with or borrowers in a country that is on the negative list for high-risk countries
- Business with companies
  - that generate more than 15% of their revenue from coal mining and/or more than 25% from coal-fired power generation, unless the undertaking presents a plausible climate strategy for phasing out coal-fired electricity generation
  - that are significantly involved in mining in controversial contexts
  - whose business purpose comprises, in significant part, the exploitation of tar/oil sands, fracking or drilling for the purpose of oil and gas extraction in the Arctic (Arctic drilling)
  - that operate in the pornography industry or similar industries (adult entertainment)
  - that operate games of chance (betting shops, gambling halls, etc.)
  - that recognisably contribute to a significant impairment of biodiversity or species diversity especially in areas of high nature conservation value
  - whose production activities generate high volumes of waste
  - which violate internationally recognised principles in the areas of human and labour rights and corporate governance and conduct (such as the ILO Declaration on Fundamental Principles and Rights at Work, provisions of the UN Global Compact, and the OECD Guidelines for Multinational Enterprises)
  - without proven experience and/or operating in new markets that are not comparable to home markets. This does not apply to transformation financing that supports the development of an undertaking/industry to implement sustainability with regard to environmental, social or governance matters.

- Transactions connected with weapons prohibited under international law and/or fully autonomous weapons (weapons prohibited under international law include anti-personnel mines, cluster munitions, chemical weapons, biological weapons, nuclear warheads, incendiary weapons, undetectable fragments, blinding laser weapons and white phosphorus weapons (except for obscurant systems); fully autonomous weapons are weapons systems which are autonomous in their critical functions and which firstly are able to select targets without human intervention, i.e. search, detect, identify, track and finally select them, and secondly can attack them without human control, i.e. use force, neutralise, damage or destroy them.)
- Transactions
  - that are directly associated with illegal logging
  - where protected forest areas are destroyed without simultaneously providing ecological added value
- Transactions of a speculative nature or which carry very unusual risk (particularly loans as defined in the ECB Guidance on leveraged transactions)
- Financing arrangements that pose significant risks to the environment or society per se, e.g.
  - uranium mining
  - exploration and extraction of minerals from conflict-affected and high-risk areas
  - exploration, mining and transport of rough diamonds
  - related to mountaintop removal mining (guidance is provided by the OECD environmental guidelines)
  - development, construction and operation of nuclear/coal-fired power plants

  - hydropower plants in recognised conservation areas (nature conservation and Natura 2000 areas) in Germany; international dam projects may be financed only if the borrower can produce a positive assessment report on the project demonstrating compliance with the recommendations of the World Commission on Dams produced by an expert accredited by the United Nations Framework Convention on Climate Change (UNFCCC)
  - extraction and production of palm oil
- Financing directly related to the production/distribution of tobacco
- Financing of river cruise ships, ocean-going cruise vessels and ferries
- Project financing that does not meet the requirements of the Equator Principles
- Financing of speculative transactions with foodstuffs
- Venture capital financing
- New securitisation transactions (especially ABS, MBS, CLO, CDO) for proprietary investment purposes

The criteria in the positive and negative lists are regularly reviewed and refined when the lists are updated. New versions of both lists took effect on 1 January 2025.

As part of the lending process, all exposures awaiting a decision are reviewed for possible sustainability-related reputational risks. Lending business which is not aligned with the Deka Group's credit risk strategy can only proceed with the special permission of the Board of Management.

An additional approval relating to reputational risk must be obtained if the organisational unit responsible identifies a critically elevated reputational risk. In these cases the Board of Management decides on the transaction.

- Asset Management Services banking business division

The subsidiaries S Broker and bevestor are also involved in driving the integration of sustainability factors into the asset management services and other offerings of the Deka Group that promote responsible investment. S Broker and bevestor make a contribution to sustainable development by offering solutions for customers who prefer sustainable investments.

Customers can purchase the full range of the Deka Group's sustainably labelled funds and hold them in their securities account via S Broker. Customers can also use S Broker to view all sustainability characteristics reported by the issuer. These include recognised sustainability labels or a product's classification under the Sustainable Finance Disclosure Regulation (SFDR). A list of other sustainable products and of ESG and sustainable ETFs is also provided.

The subsidiary bevestor arranges professional asset management services for its clients via its "Select" investment concept. It offers two variants: classic and sustainability-oriented. Assets are managed by Deka Vermögensmanagement GmbH. The classic variant takes sustainability risks into account but does not pursue any specific ESG investment objectives. As such, it is not categorised as a sustainable asset management product under the EU regulations. The sustainability-oriented variant *Select Nachhaltigkeit* qualifies as an asset management product with sustainability characteristics. Environmental and social characteristics are taken into account and, in this context, sustainability risks are analysed and evaluated in the investment process. Investments are selected in accordance with ESG criteria, and particular funds are excluded.

Both products take account of negative sustainability impacts within the principle adverse impact (PAI) framework in order to minimise negative environmental, social and governance impacts. The Deka Group has put in place systematic procedures for assessing and managing PAIs and an exclusion mechanism prevents investments in controversial business areas.

- Asset Management Real Estate business division

The Asset Management Real Estate business division uses a sustainability filter provided by Moody's ESG Solutions for fund liquidity of all mutual funds and special funds of Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH. This sustainability filter, like that used for DekaBank's proprietary investments, is based on the principles of the UN Global Compact and excludes arms companies from investment. Issuers that generate more than 10% of their revenue from coal mining or more than 30% of their revenue from coal-fired power generation are also excluded (see ESRS E1-1 Asset Management Real Estate 22).

- Asset Management Securities business division

The sustainability targets of the mutual funds, special funds and mandates are integrated into the business division's investment process and system landscape using tools and criteria that are often used in combination. They are described below.

– Application of exclusion criteria: Sustainability criteria which result in exclusion from the portfolio are established on a fund-specific basis. These criteria are then used to develop positive and negative lists for the investment universe.
– Application of thresholds for adverse sustainability impacts: In light of the investment volumes it manages, the Asset Management Securities business division naturally takes the adverse impacts of investments in terms of the environmental, social and governance sustainability factors into account in its investment decisions as part of its due diligence obligations. Accordingly, the Deka Group has incorporated PAIs, which it is required to consider in accordance with the SFDR, into its investment decision-making processes for investment funds and asset management. The most significant adverse sustainability impacts are taken into account for each investment decision, provided meaningful data on these impacts is available. This ensures that investment objectives are not achieved at the cost of adverse impacts. During the investment decision process, possible investments are screened for compliance with thresholds for adverse sustainability impacts. If these thresholds are exceeded, the assets concerned may be excluded. This ensures that the business division does not invest in financial instruments of issuers with particularly serious adverse sustainability impacts and that issuers are excluded from the investment universe if their adverse impacts become more serious.
– Application of risk level model: To supplement the data supplied by external providers, ESG experts in the Sustainability and Corporate Governance unit have developed a proprietary data model to further drive ESG integration. The "ESG risk level model" is a cascade model comprising six risk categories (A–F) which enables actual and potential ESG risks, controversies and opportunities to be recorded dynamically at company level. Information supplied by the ESG data providers is considered alongside ESG risks and controversies which come to light through analysis of individual undertakings, voting at shareholders' meetings and shareholder engagement such as direct contact with companies, and this information is then evaluated and rated by the sustainability experts. Each risk rating is associated with a sustainability strategy/filtering system and/or products. The rating determines whether a company will remain investable or be excluded as an investment. Companies which are rated F, for example, have the most serious ESG violations and are not investable for any Deka Investment GmbH, Deka International S.A., Deka Vermögensmanagement GmbH or IQAM Invest GmbH products – regardless of whether the products are classified as sustainable. E-rated companies have serious ESG violations and are not investable for any mutual funds with the exception of ETFs and outsourcing mandates. Because of the far-reaching consequences of an E or F rating, a selected team of experts, the Sustainability Risk Committee (SRC), meets on a regular basis – and ad hoc in particularly urgent cases – to verify issuer ratings and approve them on a case-by-case basis. In addition to ESG risks and controversies, the sustainability analysis also takes into account, for example, whether issuers generate a proportion of their revenue in business areas that are assessed as problematic or fail to comply with international standards, or whether governments disregard democratic principles. The universe adjusted for the excluded issuers and those classified as controversial under the risk level model is made available to the portfolio managers as the investable universe. Together with the research analysts specialised in ESG criteria, the portfolio

managers are responsible for effective integration of ESG into the investment process. In addition, Deka Investment GmbH and Deka Vermögensmanagement GmbH have incorporated specific sustainability criteria for target fund investments into their investment process and are continuously working to further advance ESG integration. To that end, analysts evaluate external sustainability analyses, ESG questionnaires, and publicly available ESG information.

– Net-zero strategy: Deka Investment GmbH and Deka Vermögensmanagement GmbH are members of the Net Zero Asset Managers initiative and have made a voluntary commitment to reduce CO_2 emissions to net zero by 2050. By 2050, the proportion of assets managed in line with net zero will rise to 100%. Decarbonisation targets are managed via a proprietary dashboard showing all important CO_2 emissions metrics for all assets under management. For detailed information about the net-zero strategy, see ESRS E1-1 Own operations 22 ff., ESRS E1-1 Banking business 22 ff., ESRS E1-1 Asset Management Real Estate 22 ff. and ESRS E1-1 Asset Management Securities 22 ff.

Key elements of the general ESG strategy

40 (a) i., 40 (a) ii., AR 14 (a), AR 14 (b), AR 14 (c) The description of significant products and services offered and significant markets and customer groups served by the Deka Group is presented outside the sustainability reporting in "Deka Group profile and strategy" in the "Information about the Deka Group" section of the Group management report.

40 (a) iii. Regarding employee headcount by geographical area, please refer to chapter ESRS S1 – Own workforce, see ESRS S1-6 50 (a) iv. Germany is the relevant market for the Deka Group. No material products and services offered by the Deka Group are banned in that market.

40 (b) As the EU has not yet published its own ESRS sector classification list, it is not currently possible to provide a breakdown of total revenue by significant ESRS sectors.

40 (c) As the EU has not yet published its ESRS sector list, it is not possible to provide a list of sectors beyond the significant ESRS sectors.

40 (d) The disclosure of revenues from the fossil fuel sector, the production of specific chemicals, controversial weapons or the cultivation and production of tobacco relates to own activities and consolidated fixed assets. As the Deka Group has no own activities and no consolidated fixed assets in the sectors specified, the related disclosure obligations are not applicable.

40 (e) Sustainability matters are an integral part of the business strategy of the Deka Group and thus a key component of the Group's business policy direction. The Group aims to offer its various customer groups a competitive range of investment solutions with sustainability characteristics, from capital market- and real estate-based investment products to financing solutions. ESG is increasingly a fully integrated component across all product value chains.

With its product range, Deka Group helps customers achieve their ambition of financing and investing in a climate-friendly and sustainable way. Due to its close ties with the *Sparkassen-Finanzgruppe* and the focus on private and institutional customers in Germany, the Deka Group's business activity is concentrated on the German domestic market. Information about quantitative targets and specific actions relating to the Deka Group's product offering can be found in the topical chapters.

In addition to its customers and employees, the Deka Group also takes other external stakeholder groups into account. Direct dialogue with issuers at investor meetings and engagement at shareholders' meetings frequently cover sustainability topics. The subject of ESG also entails regular discussion with ESG rating agencies and non-governmental organisations (NGOs). Through membership of associations and other organisations, the Deka Group actively seeks to advance ESG in the financial sector in the interests of its investors and customers.

40 (f) Capital market and real estate funds are the most significant product group in terms of achievement of the Deka Group's sustainability targets and are supported by services within the Deka Group. Financing in selected sectors is also significant in this regard.

The most significant market for the Deka Group's products is Germany. However, the Deka Group's products and financing often involve investments worldwide, meaning that achievement of the sustainability targets is dependent on these other markets and sectors. The main customer groups – private and institutional customers – have different requirements that are significant for the implementation of the Group's sustainability targets and strategy. It is expected that regulatory disclosure and transparency rules will increasingly lead institutional customers to include ESG in their investment processes in the future.

Sustainability principles of the Deka Group

40 (g) The sustainability principles of the Deka Group are embedded in the Group's business strategy and encompass environmental, social and corporate governance aspects. They are consistent with the sustainability strategy of the *Sparkassen-Finanzgruppe*.

The Deka Group

- (1) … constantly reflects on external market conditions, internal activities and aspects of corporate culture in the context of sustainability, in order to align itself with them early and holistically, thereby making a significant contribution to the competitiveness and future viability of the *Wertpapierhaus*.
- (2) … offers its customers a broad, competitive and innovative range of investment solutions with sustainability features, both in asset management and in the capital markets business.
- (3) … supports its customers – the savings banks and their customers, institutional investors and borrowers – in achieving their individual goals and meeting their needs for sustainable action.
- (4) … supports the savings banks with comprehensive analysis, consulting and services in the sustainable orientation of customer business and proprietary business management.
- (5) … supports financing that enables sustainable growth through targeted lending. This includes financing which supports customers in transforming their business model.
- (6) … is continuing on its chosen path of reducing its greenhouse gas footprint, both in its internal operations and in its external business activities.
- (7) … integrates sustainability consistently into structures and processes across the relevant internal value chains, which also contributes to fulfilment of voluntary commitments.
- (8) … consistently demands compliance with ESG criteria from partners and service providers for its own operations.
- (9) … supports its own employees in acting sustainably and ensures that its remuneration policies and practices promote behaviour that is compatible with Deka's approach to climate, the environment and related risks.
- (10) … pursues a sustainable human resources strategy that focuses on diversity and equal opportunities for all. The basis for this is an inclusive corporate culture that values and specifically incorporates the diversity of all employees and their different perspectives.
- (11) … sets high standards for corporate governance, undertaking to respect labour rights, protect the environment and take decisive action to combat corruption and bribery. It promotes transparent, fact-based communication and credible positioning as well as open dialogue with its stakeholders.
- (12) … expects its employees and suppliers to respect human rights, has taken preventive measures to this end and will take firm action in the event of violations.
- (13) … as an active investor, pays attention to the balance and relevance of sustainability factors when making investment decisions. In doing so, it exercises its voting rights and engages in continuous dialogue with investors and issuers in order to achieve these goals in the long term.
- (14) ... promotes projects in the areas of social issues, architecture, art, music, sport, education and science as part of its social engagement.

Challenges and topical approaches

To address future challenges, the Deka Group has positioned itself as follows with regard to the material ESRS topics (see ESRS 2 IRO-1 53 ff.):

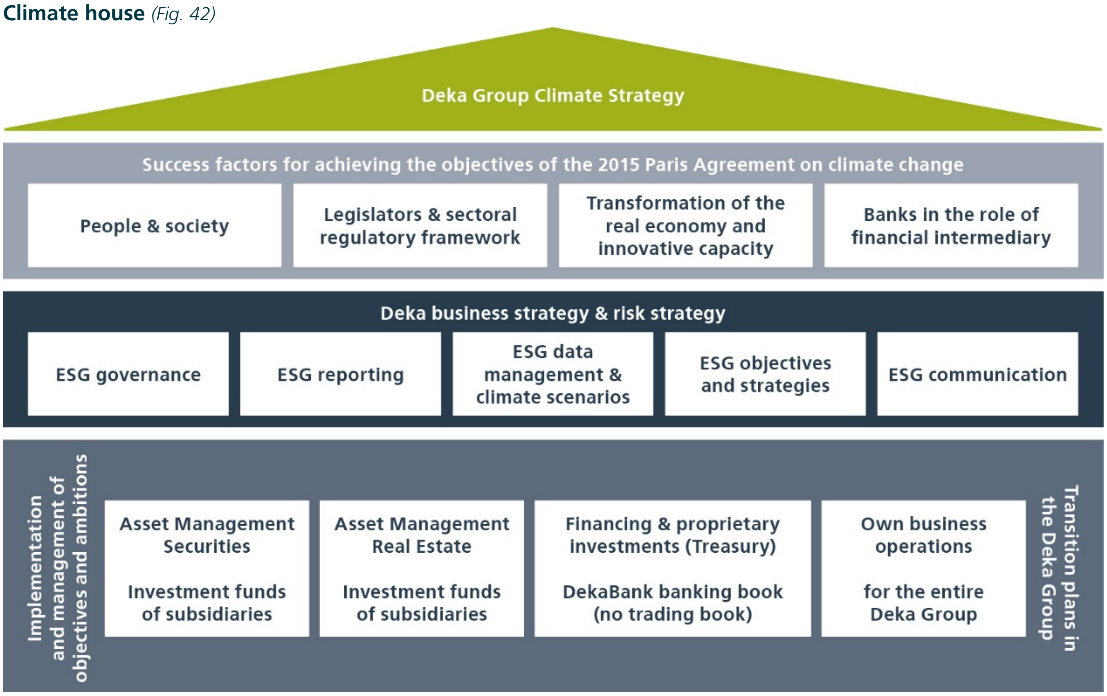
- ESRS E1 – Climate change (own operations)

Sustainability begins in our own operations. In relation to the environment, the Deka Group has over recent years identified sources of CO_2 emissions and impacts on other natural resources. The Deka Group has a certified environmental management system and continues to strive for improvements in these areas.

- ESRS E1 – Climate change (banking business, Asset Management Real Estate and Asset Management Securities business divisions)

The Deka Group is actively working towards achievement of the goals of the Paris Agreement on climate change in the economy as a whole. Climate change mitigation and climate change adaptation are key factors for successful business. The central elements for the Deka Group are defined and specified in the climate strategy, which is part of the business strategy, in the form of a strategic framework for the business divisions. This strategic basis provides guidance for all business divisions as they gradually operationalise and facilitate transformation.

Climate house *(Fig. 42)*



The sectoral decarbonisation pathways pursued by DekaBank and the Asset Management Securities and Asset Management Real Estate business divisions are presented in the respective ESRS E1 disclosures. They are reviewed annually by the business divisions with regard to decarbonisation levers, targets and practicable measures.

As a provider of fund-based products and services, the Deka Group invests on behalf of its customers in companies and real estate worldwide, enabling it to support their transition towards more climate-friendly business practices. In its banking business, DekaBank takes responsibility for compliance with sustainability targets in its role as a financier to specific sectors and in relation to its strategic proprietary investments. It regularly measures the GHG intensity of relevant portfolios and aligns its management decisions with corresponding decarbonisation pathways to achieve the strategic objectives.

- ESRS S1 – Own workforce (own operations)

The Deka Group's most valuable asset is its employees. The Group therefore places a very high priority on its attractiveness as an employer. Occupational health and safety training and health-related initiatives are provided and refined continuously. Various measures to ensure equality of opportunity and non-discrimination strengthen diversity in the Deka Group to enable teams to develop and collaborate optimally.

- ESRS S2 – Workers in the value chain (own operations)

A possible source of risk in the Deka Group's upstream value chain lies in its procurement supply chains. The Deka Group's processes provide a structured approach to addressing these potential risks. The Deka Group's Chief Human Rights Officer works with local human rights coordinators on a quality assurance process which is carried out at least annually and includes environmental matters in the supply chain.

- ESRS S4 – Consumers and end-users (own operations)

The most important considerations with regard to the customers and end-users of the Deka Group's products are sustained protection of data and privacy and the provision of product information. The relevant processes are continuously evaluated. If necessary, the level of data protection is increased and the way information is communicated is modified.

- ESRS G1 – Business conduct (own operations)

The Deka Group's Code of Ethics is the foundation for responsible action and good governance. This document also incorporates the sustainability principles set out in the sustainability strategy. Alongside compliance and prevention of corruption, established whistleblower and complaints procedures play a significant role in efforts to actively advance transparency and ethical behaviour. The management bodies are involved in shaping governance within the Deka Group by way of regular reports to the Board of Management meetings.

41. As the EU has not yet published the ESRS sectors, it is not possible to report information relating to them.

42 (a), 42 (b), 42 (c) For information about the business model, see "Deka Group profile and strategy" in the "Information about the Deka Group" section of the Group management report. Inputs, outputs and the main features of the Deka Group's upstream and downstream value chain are described under ESRS 2 BP-1 AR 1 (a).

SBM-2 – Interests and views of stakeholders

General information about the identification and consideration of stakeholders

45 (a) The Deka Group's key stakeholder groups were identified and grouped together by ESRS topic as part of the CSRD materiality assessment. The groups are as follows:

- Stakeholders: own workforce (ESRS S1)
  - Employees
  - Administrative Board
  - Board of Management
  - Subsidiaries and equity investments
  - Staff Committee and works councils
  - Equal opportunities officers
- Stakeholders: workers in the value chain (ESRS S2)
  - Shareholders/savings banks
  - Suppliers
  - Institutional investors/borrowers
  - Investee undertakings
  - Capital market counterparties
  - Business partners
  - Service providers
  - Sales partners
- Stakeholders: affected communities (ESRS S3)
  - Press and the general public
  - Affected communities
  - Associations
  - Suppliers
  - Lessees
  - Non-governmental organisations (NGOs)
- Stakeholders: consumers and end-users (ESRS S4)
  - Private customers
  - Institutional customers

The Deka Group uses various methods to enter into dialogue with its stakeholders. These range from surveys and bilateral discussions to participation in conferences and active involvement in initiatives and associations. Surveys are used with employees, shareholders, sales partners, savings banks (Board of Management members, managers, advisors), retail customers, Private Banking & Wealth Management customers and institutional customers. These surveys are organised by the Strategy & HR unit (employee surveys) and the Sales Strategy unit (surveys of savings banks and customers) together with the organisational units responsible for the relevant topic areas. The purpose of the surveys is to gather information about stakeholders' views and attitudes on sustainability topics that feed into business policy decisions. For example, the results are incorporated into the ESG dashboard and assessments of reputational risks, and are used by various organisational units such as the Sales departments and by decision makers when devising strategies and actions.

45 (b) The CSRD materiality assessment process began with an internal survey of experts within the Deka Group on various sustainability matters to identify and delineate potentially relevant topics and stakeholder views. Alongside the business model and activities of the Deka Group, the internal experts also considered the interests, views and perspectives of external stakeholders and took them into account when evaluating relevance for the purposes of the CSRD materiality assessment.

45 (c) The results of the surveys are communicated within the Deka Group. Detailed findings are provided to the organisational units, which use them as the basis to develop actions. The key findings are communicated to senior executives and the Board of Management once a quarter as metrics in the ESG dashboard. They also inform the strategic considerations of the management bodies. (see ESRS 2 GOV-2 21 ff., SBM-1 40 ff.)

45 (d) As well as receiving quarterly reports on sustainability matters, the Board of Management is also informed of the results of stakeholder surveys. In addition to the periodic reports it receives, the Administrative Board is informed about specific issues (e.g. the results of customer and employee surveys) at its meetings by the relevant members of the Board of Management.

Interests and views of the Deka Group's own workforce (ESRS S1)

S1 SBM-2 12. The interests, views and rights of people in its own workforce inform the development of the Deka Group's business model and strategy. The Deka Group takes personnel capacities into account when developing its business model to ensure that this model is consistent with its workforce and their human rights. As part of the business strategy, the Deka Group's employee strategy determines the key principles of the medium- to long-term strategic direction for human resources, thereby ensuring social responsibility, fostering diversity, and taking account of the interests, views and rights of people in its own workforce, including respect for their human rights. This strategy is also informed by Deka Group corporate objectives and strategic initiatives as well as social, technological and regulatory changes.

The Deka Group seeks the views of its own workforce and takes their interests into account through various actions as described in chapter ESRS S1-2.

Interests and views of workers in the value chain (ESRS S2)

S2 SBM-2 9. DekaBank has implemented various policies to take account of the interests, views and rights of workers in its value chain.

DekaBank complies with the core labour standards in various areas: DekaBank's service providers and suppliers are required to sign the Purchasing Sustainability Statement, which includes a commitment to comply with the core labour standards of the International Labour Organization (ILO). In addition, DekaBank focuses on service providers and suppliers from Germany and Europe, minimising the likelihood of human rights violations. DekaBank itself also complies with the ILO's core labour standards. These are social standards within the global trade system. They are intended to ensure decent working conditions and adequate protections for workers. DekaBank does not finance undertakings that breach these standards. Financing of undertakings which do not comply with these standards is excluded across the entire Deka Group by the negative list (see ESRS 2 SBM-1 38). Transactions of this kind may only be executed with the special permission of the Board of Management.

Interests and views of consumers and end-users (ESRS S4)

S4 SBM-2 8. At DekaBank, various surveys are carried out to determine the interests and views of consumers and end-users with regard to sustainability topics. The results of these surveys inform business policy decisions. Specifically, these surveys are, for consumers, the Wealth Barometer (*Vermögensbarometer*) (conducted together with the German Savings Banks Association (DSGV)), the Market and Customer Segmentation Study (*Markt- und Kundensegmentierungs-Studie* or MaKuS) and the Deka Investor Monitor (*Deka-Anlegermonitor*). For institutional customers, they comprise surveys of the savings banks. Subsidiaries (bevestor und S Broker AG & Co. KG) also use the MaKuS study to understand customer perspectives. These subsidiaries also carry out their own customer surveys to understand how customer perspectives are shaped.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

General information about the material impacts, risks and opportunities

48 (a), AR 14 (d) The impacts, risks and opportunities material for the Deka Group were identified in the CSRD materiality assessment. They are described below.

Summary presentation of material impacts, risks and opportunities *(Fig. 43)*

E1 – Climate change

E1 – Climate change mitigation

Value chain	Impact, risk, opportunity	Description	Timehorizon
Own operations	positive impact	Low-emissions sourcing and business processes in relation to buildings, energy and the vehicle fleet yield positive impacts.	Short and long-term
	negative impact	Business travel has negative impacts on climate change (air travel, rail travel and own vehicle fleet).	Short and long-term
Banking business (financing)	positive impact	Targeted financing of innovative technologies and transformative products in DekaBank's core sectors can deliver positive impacts on climate change, especially if the counterparties can demonstrate credible decarbonisation strategies.	Short and long-term
	negative impact	If the transformation to a lower-emissions economy does not progress sufficiently, the financing of carbon-intensive activities may cause adverse impacts.	Short and long-term
Banking business (proprietary securities)	positive impact	Targeted investments in innovative technologies and transformative products in DekaBanks's core sectors can deliver positive impacts on climate change.	Short and long-term
	negative impact	If the transformation to a lower-emissions economy does not progress sufficiently, investments in carbon-intensive activities may cause negative impacts.	Short and long-term
Asset Management Real Estate	positive impact	Through acquisition, letting and ownership, the Asset Management Real Estate business division can deliver positive impacts on climate change.	Short and long-term
Asset Management Securities	positive impact	Investments in renewable energies lead to growth in low-emissions energy sources. This represents a positive impact on climate change, which is recorded by the Asset Management Securities business division.	Short and long-term

E1 – Climate change adaptation

Value chain	Impact, risk, opportunity	Description	Timehorizon
Banking business (financing)	Opportunity	Through financial support for adapted and innovative projects and industries, DekaBank can realise opportunities for its own business model.	Long-term
	Risk	Physical and transitory hazards due to climate change for financed properties and companies entail financial risks in the main sectors of DekaBank's business operations.	Long-term
Banking business (proprietary securities)	Opportunity	Opportunities related to climate change adaptation can be achieved through targeted financing of innovative technologies and transformative products in DekaBank's core sectors, especially if this enables long-term value increases.	Long-term
Asset Management Real Estate	Opportunity	Material opportunities arise from the fact that the Asset Management Real Estate business division invests in buildings in which climate change adaptation has been taken into account, thereby utilising potential for value appreciation.	Long-term
Asset Management Securities	Opportunity	Investments in companies with climate change adaptation measures can minimise the costs of climate risks, which can create opportunities by increasing the value of these companies.	Long-term

E1 – Energy			
Own operations	positive impact	Energy-saving measures have already achieved positive impacts on energy consumption and will continue to do so.	Short-term
	positive impact	Financing of renewable energy and more energy-efficient buildings or companies engaged in these fields yields positive impacts on the energy sector.	Long-term
Banking business (financing)	negative impact	The potential discontinuation of projects may limit financing options.	Long-term
Banking business (proprietary securities)	positive impact	Investments in energy-efficient companies and companies that provide innovative technologies to reduce energy consumption can deliver positive impacts.	Long-term
	positive impact	Investments in energy-efficient buildings can deliver positive impacts on energy issues.	Long-term
Asset Management Real Estate	negative impact	Acquisition and ownership of buildings with energy class C and below yield negative impacts.	Short and long-term
Asset Management Securities	positive impact	Investments in energy-efficient companies and companies that create innovative technologies to reduce energy consumption can deliver positive impacts.	Short and long-term

S1 – Own workforce

S1 – Working conditions			
Valuechain	**Impact, risk, opportunity**	**Description**	**Timehorizon**
Own operations	positive impact	DekaBank uses a series of measures, action plans and mechanisms to create attractive, fair, safe working conditions for its workforce, which has positive impacts on employees.	Short and long-term
S1 – Equal treatment and opportunities for all			
	positive impact	DekaBank has taken steps to promote equal opportunities within the workforce, which deliver positive impacts on its own workforce.	Short and long-term
Own operations	Risk	The age structure of the workforce over the coming years presents a risk to the Deka Group (retirement wave).	Medium-term
S1 – Other work-related rights			
Own operations	positive impact	By also offering a comprehensive range of support options outside a purely professional context, Deka Group ensures that the rights of its employees are promoted even beyond what is legally required, which can deliver positive impacts.	Short and long-term

S2 – Workers in the value chain

S2 – Working conditions			
Valuechain	**Impact, risk, opportunity**	**Description**	**Timehorizon**
Own operations	positive impact	DekaBank only selects suppliers and service provider that do not violate labour law standards, which has positive impacts on working conditions in the value chain.	Short and long-term
S2 – Equal treatment and opportunities for all			
Own operations	positive impact	Deka’s supplier and service provider selection process also takes the topics of equal treatment and discrimination into account to deliver positive impacts on workers in the value chain.	Short and long-term
S2 – Other work-related rights			
Own operations	positive impact	Potential violation of other work-related rights is examined during the supplier and service provider selection process. No contracts are concluded with companies that commit such violations, which yields positive impacts on workers in the value chain.	Short and long-term

S4 – Consumers and end-users

S4 – Information-related impacts for consumers and/or end-users

Valuechain	Impact, risk, opportunity	Description	Timehorizon
	negative impact	Threats to the Deka Group's IT systems from cybercrime or incidents such as power outages can jeopardise the security of customer data on the Deka Group's systems and have the potential to adversely impact consumers and end-users.	Short and long-term
Own operations	positive impact	Safeguards and controls can guarantee an appropriate level of protection of customers' data and information within Deka Group. This can yield positive impacts on consumers and end-users.	Short and long-term

G1 – Business conduct

Valuechain	Impact, risk, opportunity	Description	Timehorizon
G1 – Corporate culture			
	positive impact	The Deka Group's Code of Ethics provides the basis for a culture of ethical conduct within the Group. This yields positive impacts on the corporate culture.	Short and long-term
Own operations	Opportunity	The Code of Ethics has also been viewed favourably by rating agencies and thus represents an opportunity for the Deka Group to achieve better ratings.	Short and long-term
G1 – Protection of whistleblowers			
Own operations	positive impact	Internal policies and training on the whistleblower system can ensure that effective whistleblower protection is guaranteed within the Deka Group.	Short and long-term
G1 – Corruption and bribery			
	positive impact	Policies, directives and regular training on corruption and bribery issues raise employee awareness and reduce the risk of compliance violations.	Short and long-term
Own operations	Opportunity	Proper adherence to all compliance policies also strengthens Deka Group's reputation and thus represents an opportunity.	Short and long-term
G1 – Management of relationships with suppliers, including payment practices			
Own operations	positive impact	In its contracts, DekaBank sets fair payment and performance obligations and adheres to these scrupulously, delivering perceptible positive impacts on suppliers.	Short and long-term

48 (b) The Deka Group's fundamental approach and long-term objective is to incorporate the ESG dimensions, depending on their materiality, in all business decisions. With that objective in mind, the Deka Group has embedded sustainability into its business strategy via its 14 sustainability principles (see ESRS 2 SBM-1 40 (g)). The principles reflect the Deka Group's stance on sustainability and set the framework for all its ESG activities (for detailed information about impacts, see ESRS 2 SBM-3 48 (c)).

The Strategy unit conducts regular and/or ad hoc analyses using methods such as market observation (particularly through media reports, discussions with consultants, other companies and associations, and studies from academia and industry) as well as analyses of trends and the business environment and monitoring of competitors. The regular, formalised discussions among the ESG multipliers (see ESRS 2 GOV-1 19 ff., GOV-2 26 ff.) play a key role in integrating the perspectives of the business divisions, sales units and corporate centres.

On the risk side, the significance analysis examining ESG risks, which is carried out by the Risk Control corporate centre, is particularly important. (see ESRS 2 IRO-1 53 (a) ff.) The results of the analyses are considered by the various organisational units and inform their strategic and/or medium-term planning if needed. The Deka Group's long-term plan, in which all organisational units are involved, builds on this medium-term planning. The long-term plan informs the various areas of the Deka Group's business activities. For their part, the relevant departments continually analyse the opportunities arising for the individual business divisions and business activities. This ensures that any adjustments that need to be made to the business model are recognised at an early stage and systematically strengthens the link between the identified impacts, risks and opportunities and the business strategy (see ESRS 2 SBM-1 38).

The Deka Group's management bodies approve the significance analysis, which is part of the risk inventory, the business environment analysis, the CSRD materiality assessment and the medium-term plan. They are also involved in making sustainability-related adjustments to the business strategy.

48 (c) Impacts on people and the environment result on the one hand from own operations, and on the other from the business activities of the Deka Group. These business activities comprise financing and proprietary investments in the banking book and in the investment funds of the subsidiaries. Accordingly, a variety of impacts have been identified both in own operations and in the value chain. The time horizons of the impacts are shown in the table in section ESRS 2 SBM-3 48 (a).

- Climate change (ESRS E1)

Within the Deka Group's own operations, impacts relating to climate change arise from the procurement function, the vehicle fleet and business travel. These activities are essential to the Deka Group's business model. Avoiding negative impacts therefore depends on choosing climate-neutral products and services whenever possible, as well as on transport and travel options. (see ESRS E1-1 Own operations 22 ff.) These are addressed and integrated into the business model via the strategic projects and action plans.

The IROs identified in the area of climate change are concentrated in the downstream value chain and in the sectors that the Deka Group invests in and finances. Under EU climate legislation, which aims to achieve sustainable transformation by 2050, it is especially important for financial institutions such as the Deka Group to finance and invest in low-emission and emission-reducing activities and undertakings.

The Deka Group is supporting the fundamental transformation of the economy and society with specific GHG transition plans for parts of the banking book and relevant parts of the investment funds. (see ESRS E1-1 Own operations 22 ff., ESRS E1-1 Banking business 22 ff., ESRS E1-1 Asset Management Real Estate 22 ff. and ESRS E1-1 Asset Management Securities 22 ff.)

- Own workforce (ESRS S1)

The actions and processes within the Strategy & HR corporate centre which may have positive impacts on Deka's own workforce result directly from the Deka Group's strategy, own activities and approaches. If particular target groups are not specified, the impacts apply to all of the Group's own workforce. Impacts such as training and development programmes and benefits programmes are defined and shaped in the central human resources strategy of the Strategy & HR corporate centre (see ESRS S1-4 table MDR-A "Actions and resources in relation to material sustainability matters").

- Workers in the value chain (ESRS S2)

For the Deka Group, impacts on workers in the value chain were identified in the upstream value chain. Consequently, IROs arise only from the Deka Group's business relations in the area of purchasing. This area is essential for the Deka Group's business model. Careful supplier management can minimise negative impacts on workers in the value chain (see ESRS S2-2 22 ff.). Positive impacts can be fostered in the same way. There are no financial risks and opportunities stemming from this area.

• Consumers and end-users (ESRS S4)

Ensuring adequate IT security and data protection so as to avoid potential disruption to secure IT operations and prevent harmful impacts on the fundamental rights and freedoms of consumers is essential to the Deka Group's business model. The Deka Group ensures a high standard of data protection through its policies and action lists (see ESRS S4 table MDR-A "Actions and resources in relation to material sustainability matters").

• Business conduct (ESRS G1)

Sound governance and ethical business conduct are fundamental for companies in the financial sector. As such, there are impacts, risks and opportunities for the Deka Group's business model in these areas. The mechanisms described in chapter ESRS G1-2 effectively address these risks and negative impacts. This is also embedded in the Deka Group's business strategy.

48 (d) The CSRD materiality assessment also covered material opportunities and risks that may potentially affect the Deka Group's financial position.

A current significant risk or opportunity for financial impacts exists if, firstly, the risk or opportunity is already known to exist, and secondly, its materialization has had a significant negative or positive influence on the company's financial position or is expected to have such an influence in the next reporting period. In the context of the CSRD, a risk is significant if there is a greater than 5% probability of a negative impact on earnings of more than 10%. An opportunity is significant if there is a greater than 50% probability of a positive impact on earnings in excess of €5m. In the risk assessment conducted for this year's materiality assessment, the Deka Group did not identify any significant current risks or opportunities relating to the areas covered by the ESRS topical standards.

Resilience of the Deka Group to changes in the business environment

48 (f) The resilience of the Deka Group is assessed for each business division independently. The results are described below. Since no material risks regarding own operations have been identified, no adjustments in this area are described.

• Banking business (banking business divisions and Treasury corporate centre)

The purpose of the annual business environment analysis, which covers short-, medium- and long-term time horizons, is to provide transparency about changes in the business environment resulting from climate and environmental risks and their impacts on the business model and business activities of the Deka Group. It also considers processes which may alter the business environment in future, such as changing customer preferences or more stringent legislation. The findings of the business environment analysis inform the other tools used in the downstream strategy process. The overall objective is to evaluate relevant identified impacts on strategic and medium-term planning, taking the time horizon into account. This means that any need to adjust the business model can be identified at an early stage.

The insights gained from the annual business environment analysis on the basis of climate scenarios inform necessary adjustments to strategic objectives and resulting operational control measures within the Deka Group. Gradually integrating ESG into regular internal processes ensures a continuous supply of relevant information to inform investment and financing processes. The reporting year saw the continuation of a Group-wide project to systematically record climate-related emissions for all relevant organisational units and portfolios within the Deka Group. This inventory serves as the basis for developing sector-specific decarbonisation pathways for the medium- and long-term time horizons, taking the Paris climate goals and the Deka Group's own commitments into account, in order to create a solid foundation for the Group's ambitions. Specifically in relation to greenhouse gases, the Board of Management addresses actual changes in financed emissions twice a year and decides on any control measures needed. These and other metrics are presented to the Board of Management each quarter via the ESG dashboard and regular risk reports. The processes described ensure that the banking business is well able to adapt to potential emerging climate risks. Suitable mitigation actions can be implemented over timeframes appropriate for the banking business. The governance structure described above, particularly its medium-term planning and fine-tuning aspects, support implementation of the necessary actions.

- Asset Management Real Estate business division

In the Asset Management Real Estate business division, climate and environmental issues are evaluated at company level as part of the annual business environment analysis. The findings of this analysis are reflected in the business plan, which is also updated annually, through relevant planning parameters. Actions needed to address risks identified are initiated as required. These actions include adapting and developing the sustainability strategy and the resulting budget plans, analysing potential impacts on transactions or the geographical allocation of the real estate portfolios, and potentially adjusting sales plans for the investment funds.

A long-term assessment of climate-related and environmental risks and opportunities highlights areas where adjustments to individual fund strategies and consequently the real estate portfolio are required. Because the investments are in illiquid assets, extensive lead time is required to plan and implement these changes. Extensive market and portfolio research enables the business division to respond rapidly and take advantage of opportunities presented by changes in the market.

When purchasing real estate for the investment funds, numerous relevant sustainability indicators are gathered and systematically incorporated into the purchase documentation. These sustainability indicators are reviewed during the transaction process by the Purchase and Sale and Real Estate Project Management units and by the fund managers. The Risk Control corporate centre ensures that an additional "second line of defence" review takes place. The systematic, mandatory recording of information during the purchase approval process ensures that top management is also involved.

- Asset Management Securities business division

In the Asset Management Securities business division, as in Asset Management Real Estate, climate-related and environmental matters are evaluated at company level in the annual business environment analysis. The findings are incorporated into the business plan, which is updated annually, and any necessary actions are initiated.

A long-term assessment of climate-related and environmental risks and opportunities highlights areas where adjustments to the portfolios may be required. As investments are in liquid securities, these adjustments can be implemented at any time. Extensive market and portfolio research enables the business division to respond rapidly and to take advantage of opportunities presented by changes in the market.

The Asset Management Securities business division invests mainly in fungible assets, which are relatively flexible to manage and can be exchanged as required. This means that climate-related and other environmental risks can be managed and avoided over the short, medium and long term. Extensive research and continuous market observation enable the business division to respond rapidly to changing market conditions.

In addition, the Asset Management Securities business division offers a broad, diversified range of products with various investment strategies, which contributes to ensuring that the Deka Group's business model remains highly stable across market phases. Products can be modified or reissued to respond to changing conditions. The Group's business model as a securities service provider to the savings banks, along with its diversified customer structure, also provide stability and adaptability.

48 (h) As no entity-specific impacts were identified in the CSRD materiality assessment, all impacts, risks and opportunities identified as material are covered by ESRS disclosure requirements.

Material impacts, risks and opportunities relating to climate change and their interaction with strategy and business model (ESRS E1)

E1 SBM-3 18 Risks relating to climate change are divided into physical risks and transition risks. These have differing implications for the strategy and business model of the Deka Group and its business divisions.

- Own operations

Climate-related physical risks at the Deka Group's leased office sites were identified using an external tool that identifies location risks arising from climate-related and environmental factors. No material risks presenting a significant threat to the Deka Group were identified. Nevertheless, precautionary measures relating to critical communications and IT infrastructure have been implemented. Workstations can switch to remote working at any time if needed.

- Banking business

E1 SBM-3 18, E1 SBM-3 19 (c) For the Deka Group, the resilience analysis is essentially covered by the significance analysis and the business environment analysis. The climate scenarios described under IRO-1 53 are used for both tools. With regard to DekaBank's portfolio, the significance analysis identified potential material financial impacts resulting from climate change adaptation in some sub-portfolios. They affect various sectors of the financing business. The time horizon of these impacts is between five and 20 years, meaning they are of a long-term nature. The table below gives an overview of the sectors affected, risk character and potential chains of effects:

Overview of affected sectors, risk character and potential chains of effects *(Fig. 44)*

Risk character	Sector affected	Facts and impact
Transitory	Real estate	As raw material and emission prices rise and demand for sustainable products changes, outdated buildings can have negative effects on companies’ profitability. This could increase the probability of default and lead to possible losses of the value of collateral.
Physical	Real estate	Destruction of or damage to buildings due to extreme weather-related events can lead to an increase in the probability of default or to a loss or reduction of the value of collateral. Investments subsequently required for reconstruction increase the debt ratio and may also increase the probability of default.
Physical	Renewable energies	Destruction of or damage to financed assets due to extreme weather-related events can lead to an increase in the probability of default or to a loss or reduction of the value of collateral. Investments subsequently required for reconstruction increase the debt ratio and may increase the probability of default. In addition, temporary or permanent production stoppages and disruptions of supply chains can increase the probability of default by reducing income.
Transitory	Conventional energy & infrastructure	As raw material and emission prices rise and demand for sustainable products changes, outdated production facilities can have negative effects on companies’ profitability and thus increase the probability of default and lead to possible losses of the value of collateral. In addition, financing companies’ transition (including modernisation of the production facilities by the owner(s) and of the product portfolio) can increase the debt ratio, and with it the probability of default and possibly the exposure.
Transitory	Transport (including shipping & aviation)	As emission prices rise and demand for sustainable products changes, outdated means of transport can have negative effects on companies’ profitability and thus increase the probability of default and lead to possible losses of the value of collateral.
Physical	Transport (including shipping & aviation)	Destruction of or damage to the infrastructure required for operation (port facilities / airports / railway lines) can significantly impair operational activities and thus increase the probability of default. In addition, temporary or permanent production stoppages and disruptions of supply chains can increase the probability of default by reducing income.
Physical	Chemical industry	Destruction of or damage to production facilities, buildings and goods due to extreme weather-related events can lead to an increase in the probability of default or to a loss or reduction of the value of collateral. Investments subsequently required for reconstruction increase the debt ratio and hence the probability of default. In addition, temporary or permanent production stoppages and disruptions of supply chains can increase the probability of default by reducing income.

- Asset Management Real Estate business division

E1 SBM-3 18 The Asset Management Real Estate business division identifies material climate-related risks in light of the business environment analysis, which is updated annually. The business environment analysis assesses the impacts of those risks assuming the baseline scenario in the climate stress tests and taking business environment factors into account.

E1 SBM-3 19 (c) No material climate-related risks at the level of the investment management companies were identified in the CSRD materiality assessment.

• Asset Management Securities business division

E1 SBM-3 18 Material climate-related risks for the Asset Management Securities business division are identified based on the joint assessment of the business division's experts, as captured in the annual business environment analysis, the annual risk inventory and the CSRD materiality assessment. The material climate-related risks for the Asset Management Securities business division are supplemented by the results of DekaBank's climate stress test relating to the asset management volumes.

At the level of the investee undertakings, there is potential for revaluation and thus for lower valuations on the capital markets in certain areas (moving away from certain sectors or activities). Individual companies that are unable to benefit from transformation may also face losses. Other possible risks for both investment management companies and investors may arise from regulatory factors. Overall, however, the diversified business model means that no tangible financial effects are anticipated.

E1 SBM-3 19 (c) For this reason, the CSRD materiality assessment did not identify any material risks for the Asset Management Securities business division at the level of the investment management companies.

E1 SBM-3 19 (a), 19(b) The descriptions, metrics, time horizons and scenarios applied when analysing the significance of climate-related risks for the business divisions of the Deka Group can be found in the section describing the materiality assessment (see ESRS 2 IRO-1 53 (c)). The results of the analyses are presented in the table under para. 18 in this section.

E1 SBM-3 AR 8 (b) The ability of the Deka Group to adapt its business model and strategy is described in the remarks concerning resilience (see ESRS 2 SBM-3 48 (f)).

Material impacts, risks and opportunities relating to own workforce and their interaction with strategy and business model (ESRS S1)

S1 SBM-3 13 (a), 14 (d) The material positive effects for the workforce stem primarily from the strategic direction of the Deka Group and especially the strategic elements focused on workers. These relate to topics such as remuneration, equal opportunities, diversity, benefits, and respect for employees' human rights and all form part of the Deka Group's human resources strategy. The positive impacts predominantly arise through targeted strategic engagement with these topics and only to lesser extent from the business models themselves. The material risk of an ageing workforce is not attributable to the strategy or business models. The positive effects and the risk identified inform the Deka Group's HR strategy, which is part of the business strategy.

S1 SBM-3 14 (c) Positive impacts result from feedback gathered through employee surveys, known as "pulse checks" (see ESRS S1-2 27 (a)), regular discussions with the employee representative bodies, and insights gained from direct contact with the workforce. These directly inform the development of suitable benefit programmes for employees. External employees are not involved in these processes. (see ESRS 2 SBM-3 48 (b), SBM-2 45 (a))

S1 SBM-3 13 (b) The Deka Group's actions help it meet its qualitative and quantitative human resources requirements to support its future development and thus also take into account the risk of an ageing workforce. Competitive salaries, diverse benefits and high-quality training opportunities which address the specific requirements of the finance and asset management sectors in particular also help reinforce the Deka Group's attractiveness as an employer. This supports employee retention and specifically addresses the Deka Group's requirements relating to staff qualifications.

S1 SBM-3 14 (a) With regard to types of employees, employees are all persons who are directly employed by DekaBank or a subsidiary under a permanent or fixed-term employment or training contract, including apprentices, sandwich students, student workers and interns. If material impacts also apply to self-employed people or agency workers, this is explicitly stated. Self-employed and agency workers are not part of the regular workforce and are used on a temporary basis to cover peaks in workload.

S1 SBM-3 14 (e) No negative impacts for its own workforce were identified in the transition plan for Deka Group's own operations.

S1 SBM-3 14 (f), 14 (g) No significant risks of incidents of forced labour or child labour arise in Deka Group's own operations as a result of either its activities as a financial institution or the geographical regions in which it is located. The Deka Group's sites are located in the EU, the UK, the USA and Singapore and are therefore subject to high labour law standards.

Material impacts, risks and opportunities relating to workers in the value chain and their interaction with strategy and business model (ESRS S2)

S2 SBM-3 10 (a) i. Cooperation with service providers and suppliers is essential for the business model and operations of the Deka Group. The positive impacts result from the Deka Group's strategic orientation and careful management of relationships with service providers, suppliers and business partners.

S2 SBM-3 10 (a) ii. To reinforce positive impacts and avoid potential negative impacts, the strategic basis for upholding human rights in the value chain is regularly reviewed by the Chief Human Rights Officer.

S2 SBM-3 10 (b) DekaBank's CSRD materiality assessment did not identify any opportunities or risks arising from any interaction between the impacts and dependencies on workers in the value chain on the one hand and its strategy and business model on the other.

S2 SBM-3 11 (a) DekaBank regards both self-employed persons and employees of service providers and suppliers to DekaBank as workers in the value chain. These workers operate in a variety of roles and include receptionists, security staff and canteen workers. A further important group in the upstream value chain are workers employed by service providers and suppliers, particularly IT service providers.

For workers in the downstream value chain, no negative impacts meeting the materiality threshold were noted. There was no indication that particularly vulnerable workers were employed.

S2 SBM-3 11 (b) The risk assessment carried out annually under the German Act on Corporate Due Diligence Obligations in Supply Chains (*Lieferkettensorgfaltspflichtengesetz*, LkSG) includes identifying any significant risk of child labour or forced labour. No circumstances raising any suspicions in this regard were identified for the reporting period. The majority of service providers and suppliers are based in Germany and the European Union, which further reduces the risk of child labour or forced labour.

S2 SBM-3 11 (d) Suppliers and service providers are screened by asking them to provide information about working conditions (including matters such as child labour and occupational health and safety generally) and matters relating to equal treatment, and only those without violations in these areas are selected. This has positive impacts for the employees of companies with which DekaBank does business. The information requested from suppliers and service providers also covers other work-related rights, including freedom of association, collective bargaining and prevention of forced labour, which produces positive impacts here too.

S2 SBM-3 12, 13. The CSRD materiality assessment did not identify any material negative impacts or material risks and opportunities arising from impacts and dependencies. This assumption is based on adverse media screening, the annual risk assessment, evaluation of complaints and corresponding preventive procedures.

Material impacts, risks and opportunities relating to consumers and end-users and their interaction with strategy and business model (ESRS S4)

S4 SBM-3 9 (a) i. In light of its activities as a provider of financial services to consumers and end-users, ensuring adequate IT security and data protection to avoid potential disruption to secure IT operations and prevent harmful impacts on the fundamental rights and freedoms of consumers is essential to the Deka Group’s business model.

S4 SBM-3 9 (a) ii. The needs and requirements arising from regulatory requirements relating to data protection and information security are continuously evaluated by DekaBank on behalf of the Deka Group. S Broker is excluded from this because, although it is aligned with the Deka Group, it has its own policies and procedures for data protection and information security. New standards are swiftly incorporated into the business model and factored into strategy. This means that the material impacts also contribute to development of the business model.

S4 SBM-3 10 (a) Since the Deka Group serves various different customer groups, the impacts with regard to transparency and information security were examined for each of them.

S4 SBM-3 10 (a) i. The Deka Group sells financial products to private and institutional customers. Sales are primarily geared towards the savings banks, which are regarded as direct customers. Products sold by bevestor and S Broker are aimed exclusively at private customers. The products of the Deka Group do not appear to have any properties harmful to customers.

S4 SBM-3 10 (a) ii. The Deka Group offers a broad range of products and services related to securities. The material impacts in the area of information security and data protection affect all end-users and customers equally and chiefly concern respect for the right to self-determination regarding information.

S4 SBM-3 10 (a) iii. Financial institutions such as DekaBank are subject to specific legislation (such as the Markets in Financial Instruments Directive (MiFID II)) when offering and selling products. This legislation also requires manuals and product descriptions to be written in such a way that no harm is occasioned to either institutional customers or private investors as a result of missing information. The organisational units responsible for customer information produce this content in accordance with processes which are regularly reviewed by Compliance, Internal Audit and the statutory auditors. In addition, documents supplied to bevestor are sampled and subjected to plausibility checks and undergo extensive functional and acceptance testing. bevestor has also been certified by the German Technical Inspection Association (TÜV) in this regard. S Broker obtains data from a data service which has its own built-in plausibility checks.

S4 SBM-3 10 (a) iv. All sales and marketing activities are carried out in compliance with the relevant legislation. The target group for marketing is individuals between the ages of 18 and 75. Business relationships with persons who are particularly vulnerable are not intended.

S4 SBM-3 10 (b) The Deka Group has put in place information security and data protection safeguards to address material negative impacts. They mean that personal data is processed for necessary and permitted purposes only.

S4 SBM-3 10 (c) Material positive impacts arise from the fact that DekaBank’s information security management system (ISMS) comprises policies, structures and processes as well as technical functions which ensure that information risks are adequately addressed. DekaBank aims to protect the bank and its customers and partners against information risks and guarantee the confidentiality, integrity and availability of business and customer information while also complying with data protection law.

S4 SBM-3 11 DekaBank supplies securities products for sale by the savings banks, its principal retail sales partner. DekaBank uses the savings banks' segmentation system for target groups, which distinguishes between customers as follows: private banking customers, individual customers plus, individual customers, young adults, other "Comfort" customers and "service customers" (service customers primarily use basic banking services).

In general, the products offered through the savings banks are suited to the financial means of the customers concerned. The savings banks' target group segmentation system, which excludes service customers from the offering of securities products, protects service customers from potential risks associated with securities.

Customers who purchase high-risk securities may incur financial losses and must be adequately informed so that they are aware of the potential consequences at the time of purchase. The savings banks follow a high-quality standardised customer advisory process that takes account of this risk. Suitability checks cover customers' investment goals, knowledge and experience, financial circumstances, risk appetite and risk tolerance, and investment horizon. The aim is to ensure that customers are only offered products that are suitable for them, that they understand, and whose financial implications they are able to gauge. DekaBank supports the savings banks by providing corresponding training and development.

In the depositary business, end-users can access their DekaBank, S Broker or bevestor securities accounts online. This gives them transparency about how their investments are performing at all times. The role of the information security and data protection functions here is to create a framework which protects customer data and minimises risks of harm in these areas.

Sales via the subsidiary bevestor take place online and to private customers only. When arranging asset management services, it must be ensured on behalf of the asset manager Deka Vermögensmanagement GmbH that the asset management products are suitable for the customer concerned. This is achieved through a defined investment process which involves gathering information, including on the customer's risk appetite and risk tolerance, financial circumstances, and knowledge and experience. A portfolio can be suggested only after this information has been obtained, meaning that an agreement can only be entered into on the basis of the investor profile determined. Customers are regularly prompted, in quarterly reports or when buying further products, to check whether any of their information has changed since the last update so that it can be amended as necessary. If, when customer information is updated, significant changes are identified which affect the recommended portfolio, the customer is advised of this and must make any changes needed. In addition, the website provides the customer with a transparent explanation tailored to their target group of the investment strategy pursued by the asset management service arranged for them, supplemented by an extensive list of FAQs.

S Broker categorises all its customers as private customers regardless of their age or other characteristics. This means that all S Broker customers are subject to the highest level of protection.

S Broker offers the following securities account models:

- DirektDepot: online execution-only clients
- DepotPlus: savings bank customers who expressly do not wish to receive advice and so use non-advisory securities services only.
- Sparkassen ComfortDepot: traditional savings bank customers who wish to receive advice from savings banks advisors. S Broker's S ComfortDepot offering is limited to services specific to securities and custody accounts.
- At sales-oriented savings banks, advisory customers can also invest in individual security-based asset management services provided by DekaBank or its subsidiary Deka Vermögensmanagement GmbH via S Broker. Here too, S Broker only offers services specifically relating to securities accounts and does not provide advice.

The investment process for the DirektDepot and DepotPlus models is as follows: In non-advisory (execution-only) business, the target market assessment is less stringent with regard to the criteria of knowledge and experience, customer category and sales strategy. For the DirektDepot and DepotPlus models, information about customer knowledge and experience is usually gathered online using the customer questionnaire required under the German Securities Trading Act (*Wertpapierhandelsgesetz*, WpHG) on the one hand, and determined from the customer's trading history on the other. All products which can be traded via S Broker undergo an automatic product approval process. Technical verification has been put in place to ensure that products cannot be purchased without the relevant mandatory documents (such as the PRIIP-KID) or if the target market data is not available.

Customers choose their own investments from a broad investment universe without advice from S Broker. S Broker usually informs customers of the tradable product universe via the website or in general customer notices. It does not actively promote specific products. In addition, extensive warnings and risk notices have been introduced to advise customers if, for example, they lack sufficient knowledge and experience for a particular security. If relevant mandatory information is not available, customers cannot purchase the product concerned.

IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities

General approach to the materiality assessment

53 (a) This sustainability report is based on a CSRD materiality assessment. For the first time, that materiality assessment has been carried out in accordance with the CSRD reporting standards. The Deka Group followed a multi-stage process comprising the following steps:

- Establish the basic framework: Firstly, the general framework for the materiality assessment was established. The sectors and industries in which the Deka Group operates were determined and relevant stakeholders were identified. Internal experts were also surveyed. At the same time, the value chain in relation to the CSRD and the scope of the CSRD report were defined.
- Identify IROs: Building on the basic framework, potential positive and negative impacts, risks and opportunities (IROs) were identified and documented for each sustainability matter. For the E (environment) standards, this was done by reference to the sectors determined, and for the S (social) standards by considering relevant stakeholder groups. Existing risk assessments were also consulted to identify risks. For the G (governance) standards, IROs were identified using existing frameworks and policies.
- Quantitative assessment of IROs: In the final stage, the IROs determined were assessed using a quantitative evaluation scale and those exceeding a defined threshold were identified as material. The sustainability matters relevant for reporting purposes were ultimately derived from these material IROs.

53 (b) The Deka Group's material IROs were identified and quantitatively assessed in a multi-stage process as part of the CSRD materiality assessment.

53 (d) The IROs were assessed and the topics material for CSRD reporting purposes were identified as follows: for impacts and opportunities, by carrying out a quantitative assessment of IROs identified on the basis of internal expertise within the specialist organisational units, and for risks, by evaluating the IROs on the basis of the significance analysis of risk areas. The assessment and quality assurance steps were reinforced by the double verification approach.

53 (e) The business divisions take account of climate and environmental topics in their line and project activities. The outcomes inform the Deka Group's medium-term planning activities. By specifically identifying ESG topics as such, additional resource needs can be recognised and allocated. In addition, the business environment analysis along with the insights drawn from the annual significance analysis as part of the risk inventory process, including the results of stress tests relating to climate and environmental risks, serve as the basis for adjusting the strategic objectives and for the necessary operationalisation down to the business unit level.

53 (g) Analyses were carried out using data from various external databases on environmental topics, which provide insights into existing impacts, risks, opportunities and dependencies across different sectors of the economy. For assessments relating to climate and environmental risks, location-related risk forecasts, various types of geodata, and emissions data were also used.

Analyses were also refined and tailored to the Deka Group's business model using the internal expert knowledge available in the specialist organisational units. The internal experts substantiated their arguments using specialist literature on social topics and regulatory frameworks. (see ESRS 2 IRO-1 53 (b))

Identification and assessment of impacts

• Overarching approach to the identification and assessment of impacts

53 (a), 53 (b) i. For environmental standards E1 – Climate change, E2 – Pollution, E3 – Water and marine resources, E4 – Biodiversity and E5 – Resource use and circular economy, database research was conducted to determine the impacts of specified sectors in which Deka Group operates. These databases list sector-specific impacts which can be used as a basis for identifying potentially material topics across all the standards. The databases and tools used are internationally recognised and established resources for highlighting various impacts, risks, opportunities and dependencies for different economic sectors. The business divisions used the impacts reported by the databases to identify potentially significant IROs for each sector. They also drew on existing analyses and the expertise available within the organisational units. Further IROs were identified and assessed on the basis of the criteria of the EU Taxonomy Regulation and individual assessments by the various organisational units (e.g. the Poseidon Principles). Internal sector profiles setting out the climate strategy were also used to identify impacts in the E1 area.

53 (b) iii. For the social standards S1 – Own workforce, S2 – Workers in the value chain, S3 – Affected communities and S4 – Consumers and end-users, the various stakeholder groups were examined using pre-existing formats. An internal survey of subject experts representing the relevant external and internal Deka Group stakeholder groups was also carried out (see ESRS 2 SBM-2 45 (b)).

For the governance standard G1, potential material IROs were identified on the basis of internal documents, processes and business activities. These included policies, directives, plans, guidelines and commitments relating to business ethics and compliance. Internal experts within the Deka Group also contributed their expertise to the analysis and assessment process.

53 (b) ii. The Deka Group identifies IROs stemming from both its own operations (own activities) and from its business divisions (value chain). Focusing separately on each business division in conjunction with its respective sectors and engaging with different stakeholders produces a comprehensive picture of the impacts of the Deka Group's business relationships.

53 (b) iv. Impacts are quantified and sustainability topics material for CSRD reporting purposes are identified across all required assessment areas. This involves assessing and quantifying impacts' magnitude and scope. The extent to which negative impacts are remediable and the likelihood of potential impacts occurring are also evaluated. Each category is rated on a scale from 1 to 4 and the individual ratings are then averaged and combined. If the overall result for a particular impact exceeds the defined materiality threshold, that impact is categorised as material. The assessment and quality assurance steps are implemented and documented using the double verification approach.

• Identification and assessment of impacts on climate change (ESRS E1)

The impacts of the business areas were primarily assessed by examining the GHG emissions they generate.

– Own operations

E1 IRO-1 20 (a) Impacts on climate change resulting from own operations are identified by the environmental management system. To implement the environmental guidelines adopted by the Board of Management, which commit the Deka Group to doing business in a way that is economically, environmentally and socially sustainable, the Deka Group introduced a DIN EN ISO 14001 certified environmental management system in 2009. The environmental management system was designed by examining internal and external interactions, including the resulting risks and opportunities, and developing corresponding actions.

E1 IRO-1 AR 9 (b) Own emissions are calculated using internal environmental data. This data was used to identify the main sources of emissions, analyse their causes and impacts, and examine how emissions can be influenced, managed, and reduced. GHG emissions result from building operations (chiefly consumption of electricity and heat) and business travel.

E1 IRO-1 AR 9 (a) Emissions management plans are reviewed at least annually in the course of internal and external audits of the environmental management system. These audits examine how emissions and their key drivers are identified and look at actions taken or planned to further reduce climate impacts.

– Banking business (banking business divisions and Treasury corporate centre)

E1 IRO-1 20 (a), AR 9 (b) Positive or negative impacts on climate change arise in the Deka Group's value chain through the borrowers and counterparties to whom DekaBank provides funds, meaning that DekaBank is an indirect contributor to these impacts via its downstream value chain. Here the analysis examined the positive and negative impacts on climate change resulting from the business and transactions that DekaBank funds and invests in. The borrowers and counterparties were first divided into industries or sectors and potential impacts were then analysed using publicly available information. The criteria used to determine the relevance of an industry or sector were, first, the size of the exposure by volume, and second, the industries or sectors that are highly relevant for climate change due to their business activities.

To assess the actual impacts on climate change arising solely from financed emissions in the downstream value chain for financing and proprietary securities investments, both the absolute emissions and the physical intensities of the borrowers, counterparties, or issuers concerned were considered.

E1 IRO-1 AR 9 (a) The drivers of GHG emissions in the high-emission sectors are identified in the annually updated sector profiles. Actions undertaken or planned by borrowers and counterparties in these sectors to reduce emissions intensities are highlighted. The sector leads provide an assessment regarding the achievability of decarbonisation in line with the reduction pathways. (see ESRS E1-1 Own operations 16 ff., E1-4 34 (e), AR 30 (c), Banking business 16 ff., E1-4 34 (e), AR 30 (c), Asset Management Real Estate 16 ff., E1-4 34 (e), AR 30 (c), Asset Management Securities 16 ff., E1-4 34 (e), AR 30 (c)).

– Asset Management Real Estate business division

E1 IRO-1 20 (a), AR 9 (b) Investment assets held in trust by the Asset Management Real Estate business division have been benchmarked against CRREM in terms of energy efficiency and GHG emissions since 2019 through ongoing control and reporting activities for newly acquired and existing real estate assets.

CRREM is an important basis for analysing and evaluating the emissions of specific assets and the portfolio as a whole. The science-based CRREM tool takes into account various factors, such as property type and location, to provide information about the maximum energy consumption and CO_2 emissions compatible with the Paris climate goals at specific points in time. CRREM updates these 2°C decarbonisation pathways on an ongoing basis in line with current developments and improvements in the underlying data.

E1 IRO-1 AR 9 (a) The real estate assets in the investment funds are continually monitored for compliance with the CRREM 2°C decarbonisation pathway. Results are reported to management monthly. During the annual fund planning process, a forecast for the entire portfolio of investment funds is prepared and specific targets for the individual investment funds are set via the fund strategy.

The challenge when gathering consumption data for an international portfolio lies in the lack of uniform European and international standards for recording and calculating corresponding metrics. For this reason, the Asset Management Real Estate business division is focused on continuously improving the quality of the consumption and emissions data collected for the real estate assets in the investment funds. It is clear that these efforts are reducing year-on-year fluctuations in CO_2 emission levels, which can be interpreted as a sign of the increasing validity of the metrics.

– Asset Management Securities business division

E1 IRO-1 20 (a), AR 9 (b) The process used by the Asset Management Securities business division to identify and assess climate-related impacts, opportunities and risks comprises the following consecutive steps. A general description of the process steps is given (see ESRS 2 SBM-1 38). The assessment addresses impacts, risks and opportunities.

As part of efforts to meet the Net Zero Asset Managers initiative target, CO_2 metrics, particularly for the net-zero portfolio of Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A., are collected every six months. The net-zero portfolio comprises actively managed mutual funds. The CO_2 metrics are compared to the WACI metric. The target is to halve the CO_2 figures by 2030 compared to the base year 2019. The information gathered is used to identify changes in GHG intensity both for the net-zero portfolio and for individual portfolios and issuers, especially those with the highest emissions intensity. (see ESRS E1-1 Asset Management Securities 16 ff.)

In addition to the net-zero target, the business division also uses indicators of principal adverse impacts (PAIs) in accordance with the Sustainable Finance Disclosure Regulation to calculate adverse sustainability impacts and apply thresholds depending on the sustainable orientation of the products concerned. These PAIs are reviewed on a regular basis, particularly as regards the emissions intensity of the undertakings, to determine whether they should be tightened in order to meet the climate targets set and reduce climate risks. Insights gained from the collection and analysis of this information also inform stewardship activities such as shareholder engagement and voting at shareholders' meetings.

E1 IRO-1 AR 9 (a) The ESG risk level model takes account of both GHG emissions and the implementation of adequate risk mitigation actions. This enables sustainability risks relating to the assets managed by the Asset Management Securities business division to be managed and the investment universe to be specifically tailored to the product characteristics.

In addition, general exclusion thresholds are used to exclude from investment issuers who generate more than a defined percentage of their revenue from coal-related activities.

On 1 January 2025, a new Fossil Fuel Policy, which sets out how investments in fossil fuels and related plans should be addressed, was added to these exclusion criteria. In future, this new policy will bring stricter exclusion criteria for coal-related activities for the mutual funds actively managed by the business division (see ESRS E1-2 Asset Management Securities 22)

- Identification and assessment of impacts on pollution, water and marine resources and circular economy (ESRS E2, E3, E5)
  - Own operations

E2 IRO-1 11 (a), E3 IRO-1 8 (a), E5 IRO-1 11 (a) For own operations, operating and consumption data was analysed to identify potential material impacts in relation to pollution, water and marine resources and circular economy (see ESRS 2 IRO-1 53 (b), 53 (c)). No material impacts connected with own operations were identified.

E2 IRO-1 11 (b), E3 IRO-1 8 (b), E5 IRO-1 11 (b) No consultations were conducted with affected communities.

- Banking business and the Asset Management Real Estate and Asset Management Securities business divisions

E2 IRO-1 11 (a), E3 IRO-1 8 (a), E5 IRO-1 11 (a) To provide information about impacts and dependencies on natural resources connected with the downstream value chain (business divisions), a portfolio analysis was carried out. This compared the sectors in which the Deka Group operates against external databases of climate-related and environmental impacts and dependencies (see ESRS 2 IRO-1 53 (a)). The analysis examined water, soil and air quality, meaning that topics covered by standard ESRS E2 were considered. No material impacts were identified in the value chain.

E2 IRO-1 11 (b), E3 IRO-1 8 (b), E5 IRO-1 11 (b) No consultations were conducted with affected communities.

- Identification and assessment of impacts on biodiversity (ESRS E4)
  - Own operations

E4 IRO-1 17 (a) Operating and consumption data was analysed to identify potential material impacts in relation to biodiversity arising from own operations. No material impacts relating to biodiversity were identified. A site study was also carried out using an external database of biodiversity risks.

E4 IRO-1 17 (e) No consultations were conducted with communities potentially affected by impacts on biodiversity.

E4 IRO-1 19 (a) Factors considered in the site study carried out using the external database included proximity to and protection of biodiversity-sensitive areas. No sites located in or having a negative impact on such areas were identified.

E4 IRO-1 19 (b) As the sites are not located near any biodiversity-sensitive areas, no biodiversity mitigation measures are required.

- Banking business, Asset Management Real Estate and Asset Management Securities business divisions

E4 IRO-1 17 (a) A portfolio analysis was conducted for the downstream value chain (banking business and Asset Management Real Estate and Asset Management Securities). This compared the sectors in which DekaBank operates against external databases of impacts and dependencies on natural resources. (see ESRS 2 IRO-1 53) The analysis covered the main drivers of ecosystem and species diversity loss. The real estate business in particular does not relate to the development of new areas for settlement or soil sealing due to construction of infrastructure. Almost all of the real estate assets financed or purchased by the Deka Group are existing properties. Due to the minor importance of biodiversity risks in comparison to the total portfolio of assets under management, no material IROs were identified for the Asset Management Securities sectors. Standard E4 Biodiversity was therefore categorised as non-material for the downstream value chain.

E4 IRO-1 17 (e) No consultations were conducted with communities potentially affected by impacts on biodiversity.

- Identification and assessment of impacts related to business conduct (ESRS G1)

G1 IRO-1 6. Topics considered when identifying IROs relating to business conduct were corporate culture, protection of whistleblowers, and anti-corruption and anti-bribery.

The assessment looked at Deka Group locations in Frankfurt am Main, Wiesbaden, Leipzig, Luxembourg and Salzburg. It took account of the fact that these IROs result from the statutory and supervisory rules applicable to the financial sector in Germany and Europe. With regard to the value chain, it looked at the cluster of "internal services" that the Compliance corporate centre provides for the Deka Group within its own operations.

Identification and assessment of risks

• Overarching approach to the identification and assessment of risks

53 (c) i. The regulatory requirements are taken into account when identifying material risks. Risks arising from existing impacts are determined first, followed by risks arising from causes outside the existing impacts. Existing analyses from the risk inventory were used, as described below.

53 (c) ii., E1 IRO-1 AR 11 (a), AR 11 (d), AR 12 (a), AR 12 (c) The Deka Group uses EFRAG's suggested assessment categories to assess risks and opportunities in its materiality assessment. It notes whether a risk or opportunity arises from past or future events. The scale of the possible financial effect and the likelihood of occurrence are rated on a scale of 1 to 4. For risks and opportunities arising from future events, an approximate time of occurrence is determined. As with the impacts, the individual factors are offset against one another and a final value is determined for each opportunity or risk. If these values exceed the defined materiality threshold, the risk or opportunity concerned is identified as material. The threshold is defined so as to identify the most significant impact as required by regulations. (see ESRS 1, 3.3 42)

Risks identified in existing risk analyses for the organisational units of the Deka Group are also considered when assessing the materiality of risks. In line with the ECB Guide on climate-related and environmental risks, DekaBank distinguishes between physical, transition and other climate and environmental risks. The analysis is based on fact cards containing a detailed description of the drivers of climate and environmental risks.

– Own operations

E1 SBM-3 19 (a) The analysis covered all office locations in the consolidated Deka Group. The following climate-related physical risks, among others, were examined using an external tool for determining climate and environmental risks at specific locations: natural hazards, tropical cyclones, flooding, sea level rise, fire risk, drought, heat, precipitation. Another tool was used to examine various drivers of biodiversity loss, including climate-related risks. E1 SBM-3 19 (b), AR 7 (b). The analysis was carried out in 2023 and covered all self-used locations of the consolidated Deka Group.

E1 SBM-3 19 (c) The fact that the Deka Group companies do not own the properties they use is a potential area of uncertainty in the analysis. While the materialisation of a climate-related physical risk would require relocation to a new leased office site, this change of location would enable the Deka Group to continue its business operations and adapt to climate change in the short or medium term. The estimated financial impacts of climate-related physical risks are relatively low and primarily comprise the costs of finding and relocating to a new site.

– Banking business (banking business divisions and Treasury corporate centre)

E1 SBM-3 19 (b) The significance analysis conducted annually as part of the regular risk inventory process is specifically focused on identifying and analysing ESG risks. It involves detailed analysis of climate and environmental risk drivers (both risk type-specific and across different risk types) in relation to the portfolio, the established material risk types, and all business activities of the bank. For each material risk type, it can therefore be determined whether risk drivers have a significant impact, and if so which ones.

E1 SBM-3 19 (a) The analysis looks at all risk drivers and, alongside all relevant portfolios of the business divisions, also covers business partners such as external service providers and suppliers and the Deka Group's own locations.

E1 SBM-3 19 (b), AR 7 (b) The analysis covers the short-term (up to one year), medium-term (one to five years) and long-term (over five years) time horizons and comprises various procedures. Risk-specific approaches and sensitivity analyses are used to examine specific drivers of climate and environmental risks and their impacts on the various risk types. In addition to this, macroeconomic (stress) scenarios are also used. The objective of this approach is to assess the medium- and long-term impacts of climate and environmental risks on the various risk types. The process involves examining multiple relevant metrics, including value at risk, risk-weighted assets, net commission income and risk provisions. The climate scenarios were selected and developed based on both scientific evidence about the progression of climate change and on institution-specific vulnerabilities. They are based on the scenarios published by the Network for Greening the Financial Sector (NGFS) and are adjusted in line with the existing portfolio and expectations. The scenarios used in the reporting year were "Below 2°C", "Delayed Transition" and "Current Policies". They cover climate-related physical and transition risks and a time horizon until 2050.

E1 IRO-1 21. An overview of the three scenarios used is presented below:

Below 2°C (baseline scenario):
The baseline scenario describes a future in which climate policies are gradually tightened, giving a 67% chance of limiting global warming to below 2°C by the end of the century. Assumptions in this scenario include increased electrification of transport, sustainable land use, and the introduction and large-scale expansion of carbon capture and storage technologies. The scenario also assumes a rapid transition to renewable energy, improvements in energy efficiency and higher carbon prices.

Delayed Transition (adverse scenario):
In the Delayed Transition scenario, geopolitical tensions cause progress on climate policy to stagnate, delaying the development of the energy system. Political decision makers initially postpone the strengthening of climate policies and largely ignore the need to accelerate the transition, with the result that annual global emissions do not fall until 2030. Strong policies are then required to limit global warning to below 2°C, leading, for example, to a sharp increase in carbon prices from 2030. In the absence of political incentives, the availability of technologies for carbon dioxide removal (CDR) is initially low, but capacity increases from 2040. The scenario assumes that the majority of energy generation will come from renewable sources starting from 2045. As in the baseline scenario, it is assumed that energy intensity will be halved by 2050, with the reduction beginning slowly and accelerating significantly from around 2035.

Current Policies - Hot House World (adverse scenario):
Despite a reduction in energy intensity and an expansion of renewable energy, fossil fuels remain a significant part of the energy mix in 2050. In the absence of climate policy measures and carbon capture and storage technologies, and with persistently low carbon prices, extreme temperature fluctuations are expected, with global warning reaching 1.5°C by the 2030s and 2°C by 2050. This level of warming leads to significant increases in serious and irreversible climate impacts, including more frequent and extreme weather events such as floods, heatwaves and droughts. Physical risks have far-reaching impacts on performance of national economies, including infrastructure damage from natural disasters, production losses across various sectors, and disruption to global supply chains. Global economic growth continues to weaken as the scenario progresses. Climate damage reduces Germany's gross domestic product by up to six percentage points in 2050.

The significance analysis is carried out annually using portfolio data as at 31 March.

53 (c) iii. In order to capture the material risks and ensure consistency between the risk inventory/significance analysis and the materiality assessment, the results of the significance analysis are included in the materiality assessment. While climate and environmental risks require special attention given their significance, the Deka Group regards them as drivers of the established risk types. They are always viewed in this context rather than being treated as standalone risk types in themselves. ESG risks in the social and governance areas are also regarded as drivers of the relevant risk types and are assessed as part of the annual significance analysis in the same way as climate and environmental risks.

E1 SBM-3 19 (a), 19 (b), 21, AR 7 (b) for Asset Management Real Estate and Asset Management Securities. At investment management company level, the Asset Management Securities and Asset Management Real Estate business divisions follow the DekaBank risk management process. The specific climate and environmental risks are analysed at investment management company level for each of the business divisions in the course of the annual risk inventory described above. Climate and environmental risks at the investment fund level are also regarded as drivers of the material risk types, particularly market price risk, liquidity risk and counterparty risk. Appropriate management of these investment-related (Asset Management Securities) and real estate-related (Asset Management Real Estate) climate and environmental risks is ensured through various investment management company-specific measures during the investment process as well as in the investment management company's own risk control activities.

– Asset Management Real Estate business division

53 (c) iii. All risk types are taken into account both during the investment process and in ongoing risk assessment activities. Alongside direct return risks, adverse market and climate developments and regulatory changes are also examined. Depending on the product, tailored risk systems are used. They are selected based on specific goals, available data sources, and the customer's requirements.

Depending on the specific characteristics of the product, various models are used to integrate ESG risks into the investment funds, ranging from limit management and scoring systems to incorporation into Monte Carlo simulations. Social and governance risks are continuously monitored using a scoring system. Environmental (E) risks are divided into physical and transition risks for measurement purposes.

The climate and environmental risks of Asset Management Real Estate products are monitored and managed using the existing risk system for investment funds or, if necessary for specific products, suitable auxiliary models. The real estate risk model measures and sets limits for transition and physical risks, for example. This model compares current and future emissions with the CRREM model and quantitatively assesses physical risks based on risk events and property characteristics. The stress tests have also been expanded to include scenarios of this kind. All products are monitored with regard to ESG risks. The investment funds are subject to investment limits as per the above-mentioned classification, and compliance with those limits is reviewed during the purchase process and the holding phase. Differentiated systems for continuously monitoring and reporting on climate-related risks are also in place. Alongside these activities, Risk Control regularly analyses interactions between the material risk types (counterparty, market price, liquidity, and operational risk). It does so by examining chains of cause and effect chains between risk sub-types. It is through such risk sub-types that a climate or environmental risk impacts the main risk types.

– Asset Management Securities business division

53 (c) iii. To capture and assess climate and environmental risks that are not reflected in the ESG ratings available from external providers, the Asset Management Securities business division uses a risk level model specifically for the investment process. This incorporates analyses of climate and environmental risks from its own ESG research as well as external sources. Using this model, issuers are monitored for ESG controversies, downgrading of ESG ratings or ad hoc disclosures and then categorised based on the proprietary ESG research. Depending on the severity of the risks, issuers can be excluded from specific products or from all products. More extensive exclusions are submitted to the SRC. The SRC then formulates recommendations for the boards of management, which make the final decision.

The investment process in the Asset Management Securities business division takes account of climate-related and environmental criteria by applying fund-specific, fund group-specific and general exclusions, by incorporating corresponding criteria into the fund selection process, by defining specific investment universes for funds and other products with sustainability characteristics, and by utilising specific research, e.g. for managing climate risk for individual issuers. The portfolio managers receive extensive training to enable them to incorporate climate-related and environmental risks into their portfolio management activities within the context of their sector-specific expertise. In addition, the Sustainability and Corporate Governance unit manages climate-related and environmental risks and opportunities using the three-part approach described for the Asset Management Securities business division.

Risk Control, the second line of defence, integrates climate and environmental risks into the methods and processes of the Asset Management Securities business division as follows:

During the launch process for mutual and special funds, it is ensured that climate-related and environmental requirements can be monitored. This includes monitoring of exclusions, limits and other investment restrictions and management of market price, liquidity and credit risk. In addition, particularly for mutual funds, further risks arising from climate and environmental aspects are also assessed. As a result of these checks, the product or processes can then be adjusted if required.

The investment management company-wide, fund group-specific and fund-specific climate-related and environmental restrictions, such as exclusions and limits, are monitored as part of the investment limit review. This takes account of the different risk requirements and sustainability preferences of investors and investor groups, while also identifying reputational risks at the level of the investment management company and implementing regulatory requirements.

As regards counterparty risk, assessments of the climate-related and environmental risks are a qualitative factor informing the overall assessment of default risk.

For the market price risk of products in the Asset Management Securities business division, climate and environmental risks are taken into account in market price risk stress tests. The discounts applied in the stress tests are derived from historical events.

When determining the liquidity risk of products in the Asset Management Securities business division, liquidity risk stress tests take account of climate and environmental risks in the same way as for market price risk.

• Identification and assessment of climate-related physical risks (ESRS E1)

E1 IRO-1 20 (b) The Deka Group used various risk assessment tools to analyse climate-related physical risks in own operations and in the value chain.

– Own operations

E1 IRO-1 20 (b) No material physical risks resulting from climate-related hazards were identified in the review of Deka Group locations. Analysis carried out using an external tool calculated a high risk score for flooding due to potential storm surges or river flooding for the Berlin, Hamburg, Munich and Amsterdam locations. However, the Deka Group does not have critical IT infrastructure at any of these locations which would impair or disrupt operations if damaged. Employees at these sites can switch to mobile working using non-location-dependant infrastructure as needed. Thus the high flood-risk score determined for these locations has no impact on business activities or assets. The sites used by the Deka Group are leased and are not Group assets.

E1 IRO-1 AR 11 (c) Various parameters were referred to and taken into account in the processes to identify and assess physical risks.

E1 IRO-1 AR 11 (b), AR 12 (d) The office buildings used by the Deka Group are leased, and as such are not Group assets. Thus, even if physical risks were to materialise, the Group's own assets would not be affected. This also applies to the Deka Group's vehicle fleet and to the IT equipment used for its own operations. Because all employees are able to work from home or switch to other sites, business operations would not be impaired if a physical risk were to materialise.

– Banking business (banking business divisions and Treasury corporate centre)

E1 IRO-1 20 (b) As described, various climate-related and environmental physical risks are captured and assessed in the significance analysis. (see ESRS 2 IRO-1 53 (c)) Both acute and chronic risks and risks which are independent of climate factors are examined using internal and external data sources to identity the individual risks for assets, counterparties and refinancing sources.

E1 IRO-1 AR 11 (c) Various tools and data providers are used to evaluate climate-related and environmental physical risks. For the short- and medium-term time horizon, location-based business activities (e.g. financing for a wind farm project, work locations of service providers (and alternative sites), refinancing sources) are evaluated using data supplied by an external provider. This provider determines the specific climate and environmental risks applicable at precise geographical locations (e.g. an address). In the case of capital market counterparties with multiple locations, the analysis is performed together with a data provider that assesses climate-related and environmental physical risks for all of the counterparty's material locations. Using these two external data providers allows risks to be estimated both for different points in time and for different parameters. The macroeconomic scenarios used to assess physical risks for the long-term time horizon are based on those published by the NGFS.

E1 IRO-1 AR 11 (b) Likelihood of occurrence is not directly assessed but is implicitly incorporated into the assessment through historical data. Similarly, the magnitude of an event in terms of damage intensity and its duration can only be implicitly inferred from external data. Event severity and duration are taken into account when examining the individual climate-related and environmental physical risks for the specific risk types. This typically means that if an external data provider gives a negative assessment of a particular physical risk, it is assumed that the severity and duration of the event is sufficiently significant. When considering liquidity risk, for example, it is conservatively assumed that there will be a complete withdrawal of that party's deposits (cash outflow). When assessing capital market counterparties, duration and damage intensity are automatically included in the results provided by the external data provider. The significance analysis did not identify any sectors in the existing portfolio at the reference date of the analysis as being particularly sensitive to climate and environmental physical risks. This is also reflected in the double materiality assessment, in which the physical risks for DekaBank were found not to be material.

– Asset Management Real Estate business division

E1 IRO-1 20 (b) Over the short-term time horizon, the analysis found no material impacts for the Asset Management Real Estate business division under the baseline scenario. For the long-term time horizon, impacts for the Asset Management Real Estate business division were found under the "Delayed Transition" and "Hot House World" climate scenarios. These are due to differing approaches and impacts on performance of the investment funds and can be adequately reduced using the mechanisms described (see ESRS 2 SBM-3 48 (f)).

Identification of physical risks in the Asset Management Real Estate business division:

Step 1 – Exposure to relevant climate hazards. This step involves identifying the relevant climate hazards, based here on the definitions in the Taxonomy Regulation, over the useful life of the property. Climate data from a specialist market data provider is used for this. A risk value of 4 or 5 ("high" and "very high") in the "without mitigations" view is regarded as critical and relevant. We only factor in local protections (such as flood defences) as mitigation measures if these can be checked and verified for the region concerned.

Step 2 – Sensitivity to physical climate hazards. If climate hazards have been identified as relevant, the property is reviewed to determine its sensitivity to those hazards, or to determine whether countermeasures responding to the hazards have already been implemented. If safeguards have already been put in place to reduce or eliminate the building's sensitivity to the hazard, this is taken into account. This is assumed to be the case if the hazards exist but do not change and were known about at the time of construction. If there is any uncertainty, an expert opinion from a structural engineer is obtained for the property concerned.

E1 IRO-1 AR 11 (b) The timeframes used in this analysis are described earlier in this chapter. (see ESRS 2 IRO-1 53 (c)) The timeframes cover the terms of all transactions in the Asset Management Real Estate business division.

E1 IRO-1 AR 11 (c) The analysis and the steps described for the banking business also apply for the Asset Management Real Estate business division.

– Asset Management Securities business division

E1 IRO-1 20 (b) Physical risks for the companies in the Asset Management Securities portfolio are identified by the risk level model and when shaping the net-zero strategy described earlier in this chapter (see ESRS 2 E1-IRO-1 20 (a)). As described in chapter SBM-3 (see ESRS 2 SBM-3 48 (f)), these risks can be counteracted accordingly.

E1 IRO-1 AR 11 (b) The timeframes used in the analysis are described above in chapter IRO-1 (see ESRS 2 IRO-1 53 (c)). The timeframes cover the terms of all transactions (including financing transactions and contracts with service providers) at DekaBank and in the Asset Management Securities business division.

The climate scenarios used by the central Risk department, with the same configuration and time horizons, are also applied to integrate physical climate risks in the Asset Management Securities business division into the risk level model.

E1 IRO-1 AR 11 (c) The analysis and the steps described for the banking business also apply for the Asset Management Securities business division.

- Identification and assessment of climate-related transition risks

Climate-related transition risks in own operations and in the value chain were handled differently. The transition risks were incorporated into various risk analyses.

– Own operations

E1 IRO-1 20 (c), AR 12 (b), AR 12 (d) Transition risks in own operations chiefly concern the potential for rising energy and carbon prices. Actions to reduce the Deka Group's energy consumption and GHG emissions are already planned. Elevated or rising operating expenses, particularly with regard to building operation, the vehicle fleet and business travel, may have an effect on other administrative expenses of the Deka Group. A rise in other administrative expenses may have an impact on the economic result and thus on the business risk, which is captured through the inclusion of these expenses in the annual medium-term plan. No significant financial risks to the Deka Group were identified in this regard.

– Banking business (banking business divisions and Treasury corporate centre)

E1 IRO-1 20 (c), AR 12 (b) Climate-related transition risks are examined and evaluated as part of the significance analysis carried out for the Deka Group. These risks relate to areas such as CO_2 emissions and rising carbon prices, rising resource prices, resource shortages, and environmental and climate-related legal and compliance risks.

Transition risks are assessed on a risk type-specific basis using a range of tools such as heatmaps and scenario analysis. The Deka Group's own datasets of current risk scenarios and historical loss events arising from operational risks are an important basis for assessment of climate- and environment-driven compliance and legal risks. The datasets are systematically tagged based on their relevance in ESG terms. This was used as a basis to estimate expected frequency and loss amounts for operational risks, with a focus on climate-related and environmental legal and compliance risks, for each business division and organisational unit (see ESRS 2 IRO-1 53 (c)).

Transition risks are assessed using various methods tailored to the different risk types. Transition risks are identified both at the individual counterparty level and based on industry-specific impact using resources such as sector-specific decarbonisation pathways, NGFS scenarios and external data providers. Data on potential losses in market value as a result of policy initiatives and associated rises in carbon pricing is obtained from an external data provider. Market value losses are determined based on the future cost of capital expenditure on carbon reduction or the cost of carbon pricing, relative to the current market value. Assessments for different phases of policy initiatives and carbon price levels may vary depending on the scenario selected. For the long-term outlook, transition risks, particularly those related to rising carbon prices, are analysed using the adverse "Delayed Transition" scenario, which is based on the NGFS scenario. (see ESRS 2 IRO-1 53 (c))

E1 IRO-1 AR 12 (d) The significance analysis identified sectors in which transition risks may arise. These sectors include conventional energy, aviation and shipping. They are of minor importance in terms of business volume. Corresponding strategic actions have been implemented to manage these sectors appropriately. These actions reflect the relevant objectives in the business strategy for the specific business division and the climate strategy, and support the transition to a climate-neutral economy. (see ESRS 2 SBM-1 40, ESRS E1-1, E1-3 Banking business) The contents of the decarbonisation pathways inform DekaBank's steering activities and link into the bank's medium- and long-term plans.

– Asset Management Real Estate business division

E1 IRO-1 20 (c), AR 12 (b) The Asset Management Real Estate business division identifies risks using expert knowledge and continuous in-depth research and market analysis on climate-related topics.

The approach and analyses used by DekaBank are also used for managed volumes of the investment funds administered by Deka Immobilien Investment GmbH or WestInvest Gesellschaft für Investmentfonds mbH.

E1 IRO-1 AR 12 (d) For the Asset Management Real Estate business division, mechanisms such as the CRREM 2°C decarbonisation pathway (see ESRS 2 E1-IRO-1 20 (b)) are used to identify business activities incompatible with a climate-neutral economy. The business division then either works with the business partners to align the property with the decarbonisation pathway or withdraws from the incompatible business if necessary.

– Asset Management Securities business division

E1 IRO-1 20 (c), AR 12 (b) The Asset Management Securities business division identifies risks using expert knowledge and continuous in-depth research and market analysis on climate-related topics. The approach and analyses used by DekaBank to identify climate-related transition risks for the banking business, as described above, are also used for the asset management volumes in the Asset Management Securities business division. These comprise the investment funds of the investment management companies in this business division (including the assets under administration mandates) and the asset management mandates.

E1 IRO-1 AR 12 (d) The Asset Management Securities business division uses additional mechanisms such as the net-zero strategy (see ESRS 2 E1-IRO-1 20 (b)) to identify business activities incompatible with a climate-neutral economy, and either works with the other parties to move the activities towards decarbonisation, or, if necessary, withdraws from the incompatible business. The analyses are repeated in the course of the annual risk assessment so as to anticipate and respond to changing circumstances and emerging risks. As described above (see ESRS 2 SBM-3 48 (f)), the Asset Management Securities business division is capable of responding to such changes in climate-related transition risks both in the short term and in the medium and long term. As described in the various E1 chapters (see ESRS E1-1 Own operations 16 (j), 29 (a), ESRS E1-1 Banking business 16 (j), 29 (a), ESRS E1-1 Asset Management Real Estate 16 (j), 29 (a), ESRS E1-1 Asset Management Securities 16 (j), 29 (a)), additional metrics for emissions-intensive sectors are evaluated every six months, and particular importance is attached to them when devising actions.

E1 IRO-1 AR (15) No critical climate-related assumptions were made in the Deka Group's financial statements.

- Identification and assessment of risks related to pollution, water and marine resources and circular economy (ESRS E2, E3, E5)
  – Own operations

E2 IRO-1 11 (a), E3 IRO-1 8 (a), E5 IRO-1 11 (a) (see IRO-1 53 (b) and 53 (c)) To identify material risks, an external tool was used to help analyse whether the Deka Group's locations are exposed to hazards relating to natural resources. The analysis looked at soil, water and air quality. It did not identify any material risks. Water-related topics such as drought, flooding and water scarcity were also examined. The geographical and regulatory conditions specific to each location were included in the analysis. For the topics of waste and circular economy, internal operational data was analysed. No indication of any financial risks in these areas was found.

No material IROs were identified for the topics of pollution, water and marine resources or circular economy.

– Banking business and the Asset Management Real Estate and Asset Management Securities business divisions

E2 IRO-1 11 (a), E3 IRO-1 8 (a), E5 IRO-1 11 (a) (see IRO-1 53 (b) and 53 (c)) A database analysis similar to that which identified impacts for the purposes of the CSRD materiality assessment did not identify any material risks in the areas of pollution, water and marine resources or circular economy for the Deka Group's business divisions.

- Identification and assessment of risks related to biodiversity (ESRS E4)
  – Own operations

E4 IRO-1 17 (b) To identify material risks related to biodiversity, an external environmental risk analytics tool was used to determine whether any Deka Group locations are exposed to hazards relating to biodiversity. Topics examined included land use changes, invasive species, protected and sensitive ecosystems and the condition of ecosystems. The analysis considered the geographical and regulatory conditions specific to each location. It did not identify any material biodiversity risks.

E4 IRO-1 17 (d) The external tool was also used to identify the Deka Group's dependencies on ecosystems and their services. The tool included the following drivers of biodiversity loss and the direct impacts of biodiversity loss on economic activities: extreme heat, land- and water-use changes, pollution.

– Banking business and the Asset Management Real Estate and Asset Management Securities business divisions

E4 IRO-1 17 (b) An external database containing drivers of impacts and dependencies on ecosystems was used to identify those relevant for the Deka Group's business portfolio. The information from the database concerning impacts and dependencies for individual economic sectors was compared with the Deka Group's financing and investment portfolio. The database analysis covered both physical and transition risks related to biodiversity. It did not identify any biodiversity-related risks.

E4 IRO-1 17 (d) Systemic risks relating to biodiversity have not yet been considered individually, as scientific models for assessing systemic risks are not yet available.

- Identification and assessment of risks related to business conduct (ESRS G1)

G1 IRO-1 6. Risks related to business conduct are identified and assessed as described in the sub-chapter on impacts.

Identification and assessment of opportunities

• Overarching approach to the identification and assessment of opportunities

53 (f) Opportunities are identified and assessed on the basis of the specialist knowledge of internal experts and estimates of magnitude and likelihood of occurrence. Opportunities are primarily identified by departments that deal intensively with the markets. The departments continually evaluate available data and processes in order to identify and seize opportunities for the Deka Group. There are internal processes for escalating opportunities relating to material sustainability matters to the decision-making bodies and the Board of Management. An ESG item appears regularly on the agenda for certain Board of Management meetings, and there are biweekly round table discussions at which DekaBank's heads of department can discuss potential opportunities. (see ESRS 2 GOV-1 22 (c) i.)

• Identification and assessment of climate-related opportunities (ESRS E1)
  – Banking business (banking business divisions and Treasury corporate centre)

IRO-1 20 (c) For the area of climate change, the general approach is supplemented by sector profiles, in which sectoral experts from within the Deka Group provide a macroeconomic overview of developments in the sector and assess the development of GHG emissions and impacts, risks and opportunities. The sector profiles are updated annually. No climate-related scenario analysis was carried out when identifying and assessing potential opportunities.

Opportunities can arise when undertakings need more capital to implement sustainable practices. DekaBank can meet this need by investing in those undertakings through its proprietary securities investments, and guide and support them by providing transformation financing.

  – Asset Management Real Estate business division

E1 IRO-1 20 (c) The Asset Management Real Estate business division identifies opportunities using expert knowledge and continuous in-depth research and market analysis on climate-related topics.

  – Asset Management Securities business division

E1 IRO-1 20 (c) The Asset Management Securities business division identifies opportunities using expert knowledge and continuous in-depth research and market analysis on climate-related topics.

Identification and assessment of opportunities related to pollution, water and marine resources and circular economy (ESRS E2, E3, E5)

E2 IRO-1 11 (a), E3 IRO-1 8 (a), E5 IRO-1 11 (a) The experts in the relevant departments analysed prevailing market conditions, data and processes using the same general approach employed to identify opportunities. They did not identify any material opportunities connected with pollution, water and marine resources or circular economy.

• Identification and assessment of opportunities related to biodiversity (ESRS E4)

E4 IRO-1 17 (b) The experts in the relevant departments analysed prevailing market conditions, data and processes using the same general approach employed to identify opportunities. They did not identify any material opportunities connected with biodiversity.

• Identification and assessment of opportunities related to business conduct (ESRS G1)

G1 IRO-1 6. For a description of the process for identifying opportunities, see the sub-chapter on impacts.

IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability reporting

56. The sustainability reporting was prepared using the results of the materiality assessment. The disclosure requirements for which disclosures are provided and the corresponding section and paragraph numbers are shown in the following index:

Index of disclosure requirements *(Fig. 45)*

General	ESRS	Topic in general standard	Paragraphs
	ESRS 2	General basis for preparation of sustainability statements	BP-1
	ESRS 2	Disclosures in relation to specific circumstances	BP-2
	ESRS 2	The role of the administrative, management and supervisory bodies	GOV-1
	ESRS 2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	GOV-2
	ESRS 2	Integration of sustainability-related performance in incentive schemes	GOV-3
General disclosure requirements	ESRS 2	Statement on due diligence	GOV-4
	ESRS 2	Risk management and internal controls over sustainability reporting	GOV-4
	ESRS 2	Strategy, business model and value chain	SBM-1
	ESRS 2	Interests and views of stakeholders	SBM-2
	ESRS 2	Material impacts, risks and opportunities and their interaction with strategy and business model	SBM-3
	ESRS 2	Description of the process to identify and assess material impacts, risks and opportunities	IRO-1
	ESRS 2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	IRO-2
Business activity	**ESRS**	**Topic in topical standard**	**Paragraphs**
	E1	Climate change	SBM-3 *, IRO-1 *, E1-1, E1-2, E1-3, E1-4, E1-5, E1-6, E1-7
	E2	Pollution	IRO-1 (in accordance with ESRS 1.29)
	E3	Water and marine resources	IRO-1 (in accordance with ESRS 1.29)
	E4	Biodiversity and ecosystems	IRO-1 (in accordance with ESRS 1.29)
	E5	Resource use and circular economy	IRO-1 (in accordance with ESRS 1.29)
Own operations (own operations of companies in the consolidated group)	S1	Own workforce	SBM-2 *, SBM-3 *, S1-1, S1-2, S1-3, S1-4, S1-5, S1-6, S1-8, S1-9, S1-10, S1-12, S1-13, S1-14, S1-15, S1-16, S1-17
	S2	Workers in the value chain	SBM-2 *, SBM-3 *, S2-1, S2-2, S2-3, S2-4, S2-5
	S4	Consumers and end-users	SBM-2 *, SBM-3 *, S4-1, S4-2, S4-3, S4-4, S4-5
	G1	Business conduct	IRO-1*, G1-1, G1-2, G1-3, G1-4, G1-6
	E1	Climate change	GOV-3 *, SBM-3 *, IRO-1, E1-1, E1-2, E1-3, E1-4, E1-6
Banking business	E2	Pollution	IRO-1* (in accordance with ESRS 1.29)
(Banking business divisions and	E3	Water and marine resources	IRO-1* (in accordance with ESRS 1.29)

Treasury corporate centre)	E4	Biodiversity and ecosystems	IRO-1* (in accordance with ESRS 1.29)
	E5	Resource use and circular economy	IRO-1* (in accordance with ESRS 1.29)
	E1	Climate change	GOV-3 *, SBM-3 *, IRO-1 *, E1-1, E1-2, E1-3, E1-4, E1-6
Asset Business division	E2	Pollution	IRO-1* (in accordance with ESRS 1.29)
Management Real Estate	E3	Water and marine resources	IRO-1* (in accordance with ESRS 1.29)
	E4	Biodiversity and ecosystems	IRO-1* (in accordance with ESRS 1.29)
	E5	Resource use and circular economy	IRO-1* (in accordance with ESRS 1.29)
	E1	Climate change	GOV-3 *, SBM-3 *, IRO-1 *, E1-1, E1-2, E1-3, E1-4, E1-6
Asset Business division	E2	Pollution	IRO-1* (in accordance with ESRS 1.29)
Management	E3	Water and marine resources	IRO-1* (in accordance with ESRS 1.29)
Securities (Asset Management Securities)	E4	Biodiversity and ecosystems	IRO-1* (in accordance with ESRS 1.29)
	E5	Resource use and circular economy	IRO-1* (in accordance with ESRS 1.29)

* The disclosure obligations connected with ESRS 2 in the topical standards are published in the general standard ESRS 2.

To provide a clearer overview of the various provisions of EU law concerning sustainability-related disclosures, the following table shows where disclosures relating to other legislative provisions can be found in the sustainability reporting. Disclosures below the materiality threshold are marked as not material.

List of datapoints in cross-cutting and topical standards that derive from other EU legislation *(Fig. 46)*

Datapoints specified in ESRS 2 Appendix B		
ESRS 2 – Disclosure requirement and related datapoint	**Materiality**	**Paragraph number in sustainability report**
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	mandatory	ESRS 2 GOV-1 para. 21 (d)
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	mandatory	ESRS 2 GOV-1 para. 21 (e)
ESRS 2 GOV-4 Statement on due diligence paragraph 30	mandatory	ESRS 2 GOV-4 para. 32
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	mandatory	ESRS 2 SBM-1 para. 40 (d)
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	mandatory	ESRS 2 SBM-1 para. 40 (d)
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	mandatory	ESRS 2 SBM-1 para. 40 (d)
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	mandatory	ESRS 2 SBM-1 para. 40 (d)

ESRS E1 – Disclosure requirement and related datapoint	Materiality	Paragraph number in sustainability report
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	Material	ESRS E1 – Climate change: - Own operations: E1-1 para. 16 (a), (b), (h), (i) - Banking business: E1-1 para. 16 (a), (b), (d), (h), (i) - Asset Management Real Estate: E1-1 para. 16 (a), (b), (d), (h), (i) - Asset Management Securities: E1-1 para. 16 (a), (b), (d), (h), (i)
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks paragraph 16 (g)	Material	ESRS E1 – Climate change (banking business), E1-1 para. 16 (g)
ESRS E1-4 GHG emission reduction targets paragraph 34	Material	ESRS E1 – Climate change: - Own operations: E1-1 para. 34 (a), (b), (c), (d) - Banking business: E1-1 para. 34 (a), (b), (c), (d) - Asset Management Real Estate: E1-1 para. 34 (a), (b), (c), (d) - Asset Management Securities: E1-1 para. 34 (a), (b), (c), (d)
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Material	N/A (The Deka Group is not an undertaking that operates in high climate impact sectors)
ESRS E1-5 Energy consumption and mix paragraph 37	Material	ESRS E1 – Climate change (own operations), E1-1 para. 37 (a), (b), (c)
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Material	N/A (The Deka Group is not an undertaking that operates in high climate impact sectors)
ESRS E1-6 Gross Scope 1, 2, 3 and total GHG emissions paragraph 44	Material	ESRS E1 – Climate change: - Own operations: E1-1 para. 44, AR 48 (Deka Group) - Banking business: E1-1 para. 44 - Asset Management Real Estate: E1-1 para. 44 - Asset Management Securities: E1-1 para. 44
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Material	ESRS E1 – Climate change (own operations), E1-1 para. 53, 54, 55, AR 53, AR 54, AR 55
ESRS E1-7 GHG removals and carbon credits paragraph 56	Material	ESRS E1 – Climate change (own operations), E1-1 para. 56 (a), (b)
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Phase-in (as per ESRS 1 Appendix C)	-
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)	Phase-in (as per ESRS 1 Appendix C)	-
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)	Phase-in (as per ESRS 1 Appendix C)	-
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)	Phase-in (as per ESRS 1 Appendix C)	-
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69	Phase-in (as per ESRS 1 Appendix C)	-

ESRS E2 – Disclosure requirement and related datapoint	Materiality	Paragraph number in sustainability report
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil paragraph 28	Not material	-

ESRS E3 – Disclosure requirement and related datapoint	Materiality	Paragraph number in sustainability report
ESRS E3-1 Water and marine resources paragraph 9	Not material	-
ESRS E3-1 Dedicated policy paragraph 13	Not material	-
ESRS E3-1 Sustainable oceans and seas paragraph 14	Not material	-
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Not material	-
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Not material	-

ESRS E4 – Disclosure requirement and related datapoint	Materiality	Paragraph number in sustainability report
ESRS 2 – SBM-3 – E4 paragraph 16 (a) i	Not material	-
ESRS 2 – SBM-3 – E4 paragraph 16 (b)	Not material	-
ESRS 2 – SBM-3 – E4 paragraph 16 (c)	Not material	-
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Not material	-
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Not material	-
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Not material	-

ESRS E5 – Disclosure requirement and related datapoint	Materiality	Paragraph number in sustainability report
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Not material	-
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Not material	-

ESRS S1 – Disclosure requirement and related datapoint	Materiality	Paragraph number in sustainability report
ESRS 2 SBM-3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Material	ESRS 2 SBM-3 "Material impacts, risks and opportunities relating to own workforce and their interaction with strategy and business model (ESRS S1)", S1 SBM-3, 14 (f)
ESRS 2 SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Material	ESRS 2 SBM-3 "Material impacts, risks and opportunities relating to own workforce and their interaction with strategy and business model (ESRS S1)", S1 SBM-3, 14 (g)
ESRS S1-1 Human rights policy commitments paragraph 20	Material	ESRS S1-1 para. 20 (a), (b), (c)
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8 paragraph 21	Material	ESRS S1-1 para. 21
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Material	ESRS S1-1 para. 22
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Material	ESRS S1-1 para. 23
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Material	ESRS S1-3 para. 32 (c)
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Material	ESRS S1-14 para. 88 (b) and (c)
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Material	ESRS S1-14 para. 88 (e)
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Material	ESRS S1-16 para. 97 (a)
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Material	ESRS S1-16 para. 97 (b)
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Material	ESRS S1-17 para. 103 (a)
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 104 (a)	Material	ESRS S1-17 para. 104 (a)

ESRS S2 – Disclosure requirement and related datapoint	Materiality	Paragraph number in sustainability report
ESRS 2 SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Material	ESRS 2 SBM-3 "Material impacts, risks and opportunities relating to workers in the value chain and their interaction with strategy and business model (ESRS S2)", S2 SBM-3, 11 (b)
ESRS S2-1 Human rights policy commitments paragraph 17	Material	ESRS S2-1 para. 17 (a), (b), (c)
ESRS S2-1 Policies related to value chain workers paragraph 18	Material	ESRS S2-1 para. 18
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Material	ESRS S2-1 para. 19
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8 paragraph 19	Material	ESRS S2-1 para. 19, ESRS S2-4 para. 32 (c)
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Material	ESRS S2-4 para. 36

ESRS S3 – Disclosure requirement and related datapoint	Materiality	Paragraph number in sustainability report
ESRS S3-1 Human rights policy commitments paragraph 16	Not material	-
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 17	Not material	-
ESRS S3-4 Human rights issues and incidents paragraph 36	Not material	-

ESRS S4 – Disclosure requirement and related datapoint	Materiality	Paragraph number in sustainability report
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Material	ESRS S4-1 para. 16 (a), (b), (c)
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 17	Material	ESRS S4-1 para. 17
ESRS S4-4 Human rights issues and incidents paragraph 35	Material	ESRS S4-4 para. 35

ESRS G1 – Disclosure requirement and related datapoint	Materiality	Paragraph number in sustainability report
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Material	ESRS G1-1 para. 10 (b)
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Material	ESRS G1-1 para. 10 (d)
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Material	ESRS G1-4 para. 24 (a)
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Material	ESRS G1-4 para. 24 (b)

59. The Deka Group used the "Flowchart for determining disclosures under ESRS" (ESRS 1 Appendix E) to identify the material disclosure obligations and information. This was based on the results of the CSRD materiality assessment carried out in 2024. Further guidance was provided by the transitional rules of the CSRD.

Environmental information

ESRS E1 – Climate change

The Deka Group recognises that the financial sector has a crucial role to play in achieving the Paris climate goals. Through its activities, the Group aims to achieve net zero (or climate neutrality) by 2050. It is publishing its transition plans for this transformation in this report.

Separate disclosures due to structural differences
The Deka Group's business model comprises four business activities (for information on how the value chain is segmented, see ESRS 2 BP-1 5 (c)). To reflect the specific structural characteristics of these activities within the Deka Group, disclosures are made separately for the following areas:

- ESRS E1 – Climate change (own operations)
- ESRS E1 – Climate change (banking business)
- ESRS E1 – Climate change (Asset Management Real Estate business division)
- ESRS E1 – Climate change (Asset Management Securities business division)

Structural differences between these areas result from the varying asset classes and business activities they deal with and the different monitoring and management activities they implement to reduce GHG emissions (see figure "Brief overview of the Deka Group's transition plans"). Due to these structural differences, there is no standardised, Group-wide approach to management of GHG emissions and intensities.

The various transition plans in place in the Deka Group as a result of these structural differences are summarised below:

Brief overview of the Deka Group's transition plans *(Fig. 47)*

No.	Criteria	Own operations	Banking business	Asset Management Real Estate	Asset Management Securities
1	**Commitment external communication**	1.5 degree net-zero strategy 2050	1.5 degree (real estate: < 2.0 degree) net-zero strategy 2050	< 2.0 degree climate neutrality	1.5 degree net-zero strategy 2050
2	**Sectoral targets**	No	Yes	Yes	No
3	**Time horizon for milestones**	2030, 2045 ("low GHG"), 2050	2030, 2050	2030, 2050	2030, 2050
4	**Strategic approach**	Consideration of and dependency on external drivers (e.g. district heating and air travel)	Sector-based decarbonisation pathways: IEA, CRREM, Poseidon Principles	CRREM sector-based decarbonisation pathway, PAI thresholds	Portfolio approach, IEA Net Zero Emissions by 2050 Scenario, AOA Target Setting Protocol, exclusions, PAI thresholds, product strategy
5	**Separate external commitments**	Savings banks climate and severability commitment, UN PRI	Poseidon Principles, UN PRI	UN PRI	NZAM, UN PRI
6	**Differences in transition plan: Decarbonisation levers and actions**	Yes, own decarbonisation levers and actions (including electrification of company car fleet)	Yes, decarbonisation levers and actions specific to the business division (including focus on GHG-intensive sectors)	Yes, decarbonisation levers and actions specific to the business division (e.g. various technical measures relating to the buildings)	Yes, decarbonisation levers and actions specific to the business division (notably management of net-zero target attainment and stewardship)
7	**Assumptions used to define targets**	Several variables depending on driver (e.g. decarbonisation of electricity supplier / district heating)	Sector-specific assumptions for the seven sectors of the banking book	Targets for real estate (direct) funds (including implicit funds-of-funds with exclusively internal target funds) of the investment funds	Funds in NZAM class
8	**Escalation / management processes**	Including the monitoring process within the environmental management system	Different thresholds and escalation bodies	Different thresholds and escalation bodies (trustees)	Different thresholds and escalation bodies (trustees)
9	**Structural differences**	Due to the diversity of scientifically substantiated company-specific GHG emissions targets, approaches to operationalisation and responsibilities for managing GHG emissions, the various transition plans are disclosed separately.			

The transition plans (ESRS E1-1) for each business activity and related policies (ESRS E1-2), actions and levers (ESRS E1-3), targets and reduction pathways (ESRS E1-4) and current gross GHG emissions (ESRS E1-6) are therefore disclosed separately in the respective ESRS E1 chapters. In addition, information on own operations also includes disclosures on energy consumption and mix (ESRS E1-5) and GHG removals and GHG mitigation projects financed through carbon credits (ESRS E1-7) for own operations, as well as the absolute GHG emissions and GHG intensity per net revenue for the Deka Group (ESRS E1-6). Disclosures on material impacts, risks and opportunities are contained in ESRS 2 SBM-3.

The datapoints for own operations are disclosed as follows: for own operations of the companies in the Deka Group, with reference to consolidated Deka Group; for banking operations, based on the balance sheet assets in the Deka Group's banking book (financing and proprietary investments); and for the Asset Management Real Estate and Asset Management Securities business divisions, based on the investment funds under management.

In chapter "ESRS E1 – Climate change (banking business)", the balance sheet assets in the trading book, i.e. assets held for trading by the Capital Markets business division, are to be disregarded when collecting specific datapoints regarding CO_2 emissions because they are not covered by the Partnership for Carbon Accounting Financials (PCAF) standard "Part A – Financed Emissions". The banking book is subdivided into two categories:

- Financing (lending exposures in the banking book, comprising the real estate financing and specialised financing business, including refinancing of the savings banks)
- Proprietary investments (financial assets in the banking book usually held until maturity)

Consolidated disclosures on the GHG emissions of the Deka Group

Alongside the separate disclosures for the four business activities, the chapter "ESRS E1 – Climate change" presents a consolidated view covering the whole Deka Group for the following datapoints:

1. Absolute GHG emissions and targets: The table entitled "Absolute GHG emissions and targets" (see Own operations ESRS E1-6 AR 48) presents the Scope 1, 2 and 3.1 to 3.14 emissions of the Deka Group's own operations and the Scope 3.15 emissions of the banking business together as emissions of the Deka Group. The GHG emissions of the investment funds of the Asset Management Real Estate and Asset Management Securities business divisions are not reported as part of Group emissions under the Scope 3.15 emissions. Instead they are reported both separately and as a total value for the Deka Group in the qualitative text.

2. Greenhouse gas intensity based on net revenue: The table entitled "Greenhouse gas intensity based on net revenue of the Deka Group" (see Own operations ESRS E1-6 53) shows greenhouse gas intensity based on consolidated net revenue as a metric for the Deka Group.

ESRS E1 – Climate change (own operations)

E1-1 – Transition plan for climate change mitigation

16 (a) The Deka Group's transition plan for climate change mitigation in its own operations is aligned with the goal set by the 2015 Paris UN Climate Conference of limiting global warming to 1.5°C. This includes reducing CO_2e from operations to a low level by 2045 (equivalent to approximately 7% of base year emissions) then reducing the residual emissions to zero by 2050 using neutralisation measures. The target of reducing CO_2e emissions by over 90% by 2045 compared with the 2024 baseline aligns with the 1.5°C scenarios of the IEA (International Energy Agency) and the Paris Agreement on climate change. For a detailed presentation of the GHG emission reduction targets, see ESRS E1-4. The transition plan was developed in 2024 in the course of work on the Deka Group's climate strategy. The targets will be reviewed annually and adjusted if appropriate. This will always take account of the Deka Group's ambition to align targets for its own operations with the goals of the Paris Agreement on climate change. The German Savings Banks Association (*Deutscher Sparkassen- und Giroverband*, DSGV) is currently working to establish specific guidance for signatories of the German Savings Banks' Commitment on Climate-Friendly and Sustainable Business (*Selbstverpflichtung der deutschen Sparkassen für klimafreundliches und nachhaltiges Wirtschaften*) on achieving the commitment's goals.

16 (b) The decarbonisation levers identified and the key actions are an essential component of the transition plan. The Deka Group has published an environmental report every year since 2009. On the basis of this report and the DIN EN ISO 14001 environmental management system, the significant sources of CO_2e emissions have been identified and classified as decarbonisation levers. Since it is not realistically possible to reduce all gross emissions to zero, some residual emissions, also known as unavoidable CO_2e emissions, will remain. These must be offset using suitable neutralisation measures. The Group assumes that economically and environmentally compatible neutralisation measures, such as carbon capture and storage (CCS), will be commercially viable by 2045. The following decarbonisation levers have been identified:

- Electricity
- District heating
- Vehicle fleet
- Air travel
- Paper
- Commuters
- Data centres
- Neutralisation measures (beginning no later than 2045).

Actions have been developed to reduce emissions from the above levers, covering both own operations and the upstream and downstream value chain. Together, the decarbonisation levers are one of the most important key performance indicators (KPIs) for informing the Board of Management on how climate and environmental risks are quantified and managed.

The Deka Group will also be introducing the Eco-Management and Audit Scheme (EMAS) in 2025. For a more detailed description of all actions and how they relate to the decarbonisation levers, see ESRS E1-3.

16 (h) The core content of the transition plan was devised in 2024 and will be integrated into the business strategy from 2025. Targets and actions and progress towards them are also documented in the Deka Group's environmental report.

16 (i) The transition plan was approved by the full Board of Management on 29 October 2024 and acknowledged by the Administrative Board at its meeting on 5 December 2024.

E1-2 – Policies related to climate change mitigation and adaptation

Minimum disclosure requirement – Policies MDR-P – Policies adopted to manage material sustainability matters

(Fig. 48)

Policies
1. Car Policy 2. Travel Policy 3. Environmental Management directive 4. Business strategy of the Deka Group
Key contents
re: 1. The Car Policy contains provisions governing the purchase of company cars, such as prioritising the purchase of electric cars and, as far as possible, incentive systems for private charging infrastructure. re: 2. The Travel Policy establishes the guiding principles for business travel and gives priority to sustainable means of transport in the Deka Group. re: 3. The "Environmental Management" directive governs the responsibilities and duties relating to the management of an environmental management system in accordance with standard DIN EN ISO 14001. re: 4. As an element of the business strategy, the climate strategy establishes guiding principles and targets that apply throughout the Group and thus to its own operations as well.
General objectives
re: 1. The objective of the Car Policy is to establish the basic principles for the allocation of company cars. re: 2. The objective of the Travel Policy is to establish rules for the process of organising business trips. re: 3. The objective of the Environmental Management directive is to ensure a functioning environmental management system in accordance with DIN EN ISO 14001 that guarantees continuous reduction of the Deka Group's environmental impact. re: 4. The objective of the business strategy – specifically its sustainable orientation – is to promote a climate-friendly, sustainable approach to business.
Material impacts, risks and opportunities
re: 1. The Car Policy addresses the positive impact of replacing vehicles powered by combustion engines with electric cars. re: 2. The Travel Policy establishes rules for the use of modes of transport and prioritises sustainability considerations to limit the emissions resulting from business travel. re: 3. This directive governs the collection of corporate environmental data for calculating consumption and emission figures (Scopes 1, 2 and 3.1 to 3.14). re: 4. Anchoring the concept of sustainability in the business strategy establishes a positive, committed stance in which the Group assumes responsibility for society in meeting global climate targets.
Monitoring process
re: 1. to 3. Compliance with the policies is ensured through the internal and external audits required by DIN EN ISO 14001. The audits assess whether it has been possible to further reduce the Deka Group's negative environmental impacts. This also includes the vehicle fleet. re: 4. The Deka Group's Board of Management reviews the strategy system at least once a year (and also as needed) to ensure that it is consistent, complete, sustainable and up to date. A systematic strategy and planning process exists for this purpose, in which the Board of Management is supported by the coordinating corporate centres, namely Strategy & HR, Credit Risk Management and Risk Control, and by Finance, as part of medium-term planning.
Scope of application
re: 1. The Car Policy does not apply to all Deka Group employees in Germany and abroad, but rather within a specified area. Differences due to local circumstances are possible. re: 2. This Travel Expenses policy is binding for all Deka Group employees in Germany and abroad. For employees at locations abroad, insofar as the rules set out in this document do not apply, the respective local rules apply. re: 3. Applies to the locations in Germany. Data from Luxembourg and other locations abroad is also used for calculating the carbon footprint. re: 4. The business strategy applies to the entire Deka Group and therefore to all Deka Group geographies and customer groups.
Responsible organisational level
re: 1. to 4. As part of the preparations for the regular surveillance audits, Sustainability Management organisational unit supports DekaBank's Board of Management in preparing an environmental management review. This documents the results of internal audits, provides a transparent description of any non-conformances and communicates information on actions that have been implemented/planned. The Deka Group's Board of Management is responsible for the business strategy.

Reference to third-party standards or initiatives
re: 1. to 4. DIN EN ISO 14001
Consideration of stakeholders' interests
re: 1. to 4. The policies listed here take into account the interests of employees and, indirectly, of nature as a silent stakeholder.
Availability of policies to stakeholders
re: 1. to 4. All employees have access to the policies via the Process Portal.
Cross-reference to other topical ESRSs
re: 1. to 4. All of the policies listed here primarily address climate change mitigation issues, but also cover social issues in the form of policies for employees.
Scope limitations
re: 1. Car Policy: Deka Group (EU). re: 2. Travel Policy: Deka Group. re: 3. The DIN EN ISO 14001 certification covers the buildings used by the Deka Group in Frankfurt am Main (Trianon up to 31 October 2024, FOUR as of 9 September 2024 and LS 13). The Luxembourg, Berlin and Leipzig locations are also included in the calculation of GHG emissions. re: 4. There are no limits to the scope of application.

24. Material impacts, risks and opportunities (IROs) connected with climate change mitigation and climate change adaptation are addressed for own operations by the following policies. The Car Policy is the basis for reducing emissions from the vehicle fleet. It states that, as a rule, the organisation should lease electric vehicles, and that vehicles with internal combustion engines should only be used in exceptional cases. The Travel Policy, which governs business travel, states that public transport should always take precedence: Domestic flights within Germany should generally be avoided in favour of train travel, as should the use of cars. To implement the environmental guidelines adopted by the Board of Management, which commit the Deka Group to doing business in an economically, environmentally and socially sustainable way and to continuously reducing its environmental impact, the Deka Group introduced a DIN EN ISO 14001 certified environmental management system in 2009.

25 (a) The policies and especially the business strategy address climate change mitigation and serve as guidelines for transformation of the Deka Group's own operations. They contribute significantly to addressing the impacts of climate-related risks. The Car Policy and the Travel Policy are intended to reduce consumption of fossil fuels and make business travel more climate friendly. Environmental management activities and the business strategy ensure reduced consumption of electricity and heat.

25 (b) The policies address climate change adaptation. The Deka Group seeks both to adapt its own activities to an environment that is increasingly being altered by climate change and to support service providers and suppliers in their transformation.

25 (c) The policies address energy efficiency. Resource-conscious energy use, purchasing green electricity and using energy-saving technologies all help improve energy efficiency.

25 (d) The Deka Group does not have any policies explicitly relating to use of renewable energies. The German Savings Bank Commitment addresses the use of renewable energies and requires signatories to use renewable and environmentally friendly energy, with due regard for environmental and economic considerations. At present, the electricity purchased is predominantly green electricity. Since 2019, only green electricity has been purchased in Germany.

25 (d) The Deka Group does not have any policies explicitly relating to other areas.

E1-3 – Actions and resources in relation to climate change policies

Minimum disclosure requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters *(Fig. 49)*

Actions / action plans
1. Engaging with service providers and suppliers to reduce emissions from purchased services and goods 2. Relocating to more energy-efficient buildings 3. Purchasing low-emissions district heating 4. Purchasing green electricity with a lower emission factor 5. Eliminating the option of ordering hybrid vehicles, requiring electric cars to be ordered and electrifying the company car fleet; using incentives for switching from combustion to electric vehicles 6. Incentivising use of public transport 7. Expanding innovative, technology-supported methods of work 8. Centralised management of paper demand, taking all relevant sustainability criteria into account (e.g. switching to recycled paper) 9. Reporting on internal paper consumption, including offering advice on digitalisation of paper-based processes 10. Using CCS
Outcome / contribution of key actions in the reporting year
re: 1. to 10. In the reporting year, it was not yet possible to quantify real reductions in GHG emissions from the actions already initiated, as these are mostly at various stages of design and implementation. One exception is Action 2, relocation to a more energy efficient building in Frankfurt am Main, which took place in 2024 (135 tCO_2e).
Outcome / contribution of key future actions
re: 1. to 10. See table "Decarbonisation levers and actions" and ESRS E1-3 29 (a) and 29 (b)
Scope
re: 1. to 10. These actions target around 92% of the CO_2 emissions from the Deka Group's own operations.
Time horizon
re: 1. to 4. and 6. to 9. 2024 – 2045 re: 5. 2024 – 2035 re: 10. 2045 – 2050
Mitigation measures
re: 1. to 10. No direct harm occurred in the reporting year, so no direct actions were necessary and none were taken.
Type of resources applied in the reporting year
re: 1. to 10. In the reporting year, resources from the regular budgets of the respective organisational units were used for the actions. No separate resources were allocated to the actions. If additional budget is required, this is requested using the appropriate approval process.
Type of resources planned for the future
re: 1. to 10. Future actions will be implemented using the regular budgets of the relevant organisational units. If additional resources are required for action implementation, the Board of Management will decide on the allocation of these resources.

29 (a), 29 (b) Actions to reduce emissions are presented individually below. The emissions saved by each action are shown. The numbering is the same as that used in the "Action" column in the table entitled "Decarbonisation levers and actions".

1. Engagement with service providers and suppliers to reduce emissions from purchased services and goods: This engagement relates to actions aimed at reducing emissions over which the Deka Group has only limited influence. It also concerns actions that the Deka Group cannot reduce any further through its own efforts without impacting on business. This action is used in connection with the electricity, district heating, air travel, commuters and data centres levers. The aim is to work together with the suppliers to determine ways of achieving reductions in the value chain. One example of this is the use of sustainable aviation fuel for business travel. This action is expected to save approximately 3,170 tCO_2e (2024–2045).

2. Relocation to more energy-efficient buildings: During the reporting year, part of the Deka Group's workforce moved out of the Trianon tower and into new and more energy-efficient premises ("FOUR") in central Frankfurt am Main. This action, which relates primarily to the electricity and district heating levers, is expected to achieve savings of approximately 135 tCO_2e (2024–2045).

3. Purchase of low-emissions district heating: The Deka Group has already secured a special tariff for the supply of lower-emissions district heating to the Frankfurt am Main location. The provider is expected to expand this offering in future. This will take place together with the transformation of the district heating supply, including at locations outside Germany. A reduction in emissions of approximately 600 tCO_2e (2024–2045) is anticipated.

4. Purchase of green electricity (with a lower emission factor): The Deka Group has already secured a special tariff for the supply of lower-emissions electricity. The provider is expected to expand this offering in future. A reduction in emissions of approximately 400 tCO_2e (2024–2045) is anticipated.

5. Eliminating the option to order hybrid vehicles, requiring fully electric vehicles to be ordered and electrifying the company car fleet; using incentives for switching from combustion to electric vehicles: The Deka Group plans to switch its entire vehicle fleet over to electric vehicles in the coming years. This transition has already begun and will be taken further with a revised Car Policy in 2025. The transition will be complete by 2035 and will lead to a reduction of approximately 2,500 tCO_2e (2024–2035).

6. Incentivising use of public transport: All employees at sites in Germany are entitled to a *Deutschland-Jobticket* travel card, towards which they pay a monthly contribution. This incentivises the use of public transport. In addition, it is assumed that the energy used by public transport will become more climate-friendly over the coming years. A reduction in emissions of approximately 150 tCO_2e (2024–2045) is anticipated.

7. Expansion of innovative, technology-supported methods of work: The Deka Group has already introduced many opportunities for remote working and plans to expand them further with the goal of reducing emissions from air travel. The current projected emissions reduction potential is approximately 750 tCO_2e (2024–2045).

8. Centralised management of paper demand, taking all relevant sustainability criteria into account: Reduction of paper consumption across the group will be managed centrally. A switch to recycled paper for customer correspondence will play a key role here. The possibilities for savings are limited due to statutory and regulatory requirements that e.g. require customers to be notified of amendments to the general terms of business by post. Despite this, the Deka Group expects a reduction of approximately 250 tCO_2e (2024–2045).

9. Reporting on internal paper consumption, including offering advice on digitalisation of paper-based processes: The Deka Group's holistic approach is underpinned by ongoing progress reports across the Group, with individual business divisions/corporate centres being identified as top performers, and advice on saving paper tailored to the organisational unit concerned. A reduction of approximately 100 tCO_2e (2024–2045) is expected.

10. Use of CCS: After all actions up to 2045 have been implemented, CCS will be used to offset residual emissions (approximately 7% of the initial value in the base year 2024). It is not currently possible to quantify precisely how efficient the technologies then available will be. On the basis of the IEA's current scientific assumptions, the Deka Group anticipates that it will be able to reduce the residual emissions of around 640 tCO_2e in order to achieve the net-zero target in 2050.

As shown in the table entitled "Decarbonisation levers and actions", the emission reduction actions are divided among eight decarbonisation levers. These levers are based on the key drivers of the carbon footprint (GHG items) in the greenhouse gas inventory. Within a decarbonisation lever, one or more actions are implemented, some of which are repeated depending on the lever concerned. The most important actions for climate change mitigation and climate change adaptation are shown.

Decarbonisation levers and actions *(Fig. 50)*

Decarbo-nisation-levers	Action	Time horizon When will the topic be addres-sed? When will the action be completed?	Scope of the action (activities [e.g. financingbusiness], geographical areas or stakeholder-groups, if applicable)	Expected / achieved results / GHG emission reduction (in tCO_2e) of the actions
Electricity	1. Engagement with service providers and suppliers to reduce emissions from purchased services and goods	2024-2045	Electricity consumption of the Deka Group	300
	2. Relocation to more energy-efficient buildings	2024	around 4000 employees at the Frankfurt site	65
	4. Purchasing green electricity (with a lower emission factor)	2024-2045	Electricity consumption of the Deka Group	400
District heating	1. Engagement with service providers and suppliers to reduce emissions from purchased services and goods	2024-2045	District heating purchased by the Deka Group	570
	2. Relocation to more energy-efficient buildings	2024	around 4000 employees at the Frankfurt site	70
	3. Purchase of low-emissions district heating	2024-2045	District heating purchased by the Deka Group	600
Vehicle fleet	5. Eliminating the option of ordering hybrid vehicles, requiring fully electric vehicles to be ordered and electrifying the company car fleet; using incentives for switching from combustion to electric vehicles	2024-2035	Deka Group vehicle fleet	2,500
	6. Incentives for using public transport	2024-2045	Deka Group vehicle fleet	150
Air travel	1. Engagement with service providers and suppliers to reduce emissions from purchased services and goods	2024-2045	Deka Group air travel	750
	7. Expansion of innovative, technology-supported methods of work	2024-2045	Deka Group air travel	750
Paper	8. Centralised management of paper demand, taking all relevant sustainability criteria into account (e.g. switching to recycled paper)	2024-2045	Paper use in the Deka Group	250
	9. Reporting on internal paper consumption, including offering advice on digitalisation of paper-based processes	2024-2045	Paper use in the Deka Group	100
Commuters	1. Engagement with service providers and suppliers to reduce emissions from purchased services and goods	2024-2045	Commuting in the Deka Group	650
	6. Incentives for using public transport	2024-2045	Commuting in the Deka Group	500

Decarbo-nisation-levers	Action	Time horizon When will the topic be addres-sed? When will the action be completed?	Scope of the action (activities [e.g. financingbusiness], geographical areas or stakeholder-groups, if applicable)	Expected / achieved results / GHG emission reduction (in tCO_2e) of the actions
Data centres	1. Engagement with service providers and suppliers to reduce emissions from purchased services and goods	2024-2045	Electricity consumption associated with Deka Group data centres	900
Neutral-isation act-ions	10. Use of carbon capture and storage	2045-2050	Residual emissions	640

E1-4 – Targets related to climate change mitigation and adaptation

Minimum disclosure requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets

(Fig. 51)

Specifying the target (general)
For its own operations, the Deka Group has set a target of operating with low emissions (at most 10% of the emissions of the base year 2024) by 2045 and plans to subsequently use neutralisation measures for the residual emissions in order to achieve the target of net-zero emissions by 2050.
Relationship between target and policy
The policies do not set any specific targets, but, through their requirements, they support the attainment of the targets listed here. For further information about the policies, see ESRS E1-2.
Target type and level
The level is expressed in tonnes of emissions. The targets, measured in tCO_2e, are absolute targets.
Scope
The seven areas for which specific targets have been set (electricity, district heating, air travel, vehicle fleet, commuters, data centres and paper) cover around 92% of the CO_2e emissions from own operations (see E1-6). All Deka Group locations are taken into consideration. For further information see ESRS E1-6. The targets presented here pertain to the Deka Group’s upstream and internal value chain (see ESRS 2 BP-1. 5 (c)).
Baseline value and reference year
The base year used is 2024 and the baseline value is 9,872.8 tCO_2e, 9,072.5 tCO_2e of which is covered by decarbonisation levels and 800.3 tCO_2e of which is not (see table “Absolute GHG emission reduction targets”).
Time period and interim targets
The target is set for 2050, with interim targets in 2030, 2035, 2040 and 2045.
Methodology and assumptions
Disclosures made by the main suppliers and service providers were consulted when setting the targets. These consisted mainly of their transition plans, the information in which was consolidated and analysed for each driver. Taking assumptions relating to specific drivers into account, such as for the automotive sector the ban on new combustion engine vehicles from 2035, this information was then applied to our own reduction pathway. Current and planned legislation in Germany and the European Union (such as Germany’s “energy transition” legislation) was also examined. In addition, the assumptions were also compared to the IEA’s net-zero sector projections. For further details see ESRS E1-3 34 (e).
Use of scientific evidence
The GHG emission reduction targets defined were compared to the assumptions in the IEA-NZE2050 scenario and subjected to a plausibility check on this basis. All the targets are within the parameters described by the IEA, so they are deemed to have a scientific basis.
Involvement of stakeholders
No stakeholders were involved.

Progress and monitoring

The effectiveness of the actions for target attainment is reviewed at least once a year and reported to the Board of Management as part of the environmental reporting process. Monitoring is carried out using an ESG dashboard in which metrics from the Group's own operations are presented to the Board of Management twice a year. In a defined escalation process involving the affected organisation units, possible deviations from targets and mitigation measures associated with these are presented to the Board of Management for their decision. Internal and external audits of the environmental management system are also carried out. The Deka Group has introduced policies to systematically reduce the emissions of its business operations.

33. The decarbonisation levers described in ESRS E1-1 16 (b) support achievement of the sectoral GHG emission reduction targets and thus address the climate-related IROs identified in the CSRD materiality assessment by means of the actions set out in ESRS E1-3 to continuously reduce emissions in own operations. Particular attention is paid to the positive impacts resulting from transitioning the vehicle fleet to electric cars and the positive impacts resulting from purchasing low-emissions district heating and relocating to more energy-efficient buildings at the Frankfurt am Main location (LS 13 and FOUR). The negative impacts of business travel are also addressed. The targets relating to the vehicle fleet and air travel play a primary role here.

34 (a), 34 (d) The following table entitled "Absolute GHG emission reduction targets" shows the GHG emission reduction targets in absolute tCO_2e starting from the base year 2024 in five-year increments until 2050.

Absolute GHG emission reduction targets *(Fig. 52)*

	Base year	GHG emission reduction targets (in metric tonnes of CO_2eq)					
	2024	**2025**	**2030**	**2035**	**2040**	**2045**	**2050**
Scope 1	1,475.8	731.8	600.9	78.7	78.7	74.7	0.0
Thereof Scope 1 material	1,412.4	670.8	539.9	20.7	20.7	20.7	0.0
Scope 2	2,225.1	2,090.5	1,586.4	906.3	231.8	224.4	0.0
Scope 3 (3.1 – 3.14)	6,171.9	5,126.8	3,729.4	2,181.7	1,142.0	333.4	0.0
Thereof Scope 3 (3.1 –3.14) material	5,435.0	4,422.1	3,185.7	1,799.0	920.2	272.6	0.0

34 (b) The decarbonisation levers set out in ESRS E1-1 16 (b) and ESRS E1-3 29 (a) were determined on the basis of the greenhouse gas inventory specified in ESRS E1-6 AR 48. This ensures consistency of the targets with the greenhouse gas inventory.

The major drivers that the decarbonisation actions are intended to address together account for approximately 92% of total GHG emissions from own operations.

The minor drivers for which no active decarbonisation actions exist together account for approximately 8% of GHG emissions from own operations. The minor drivers are as follows: working from home, emergency diesel power, fossil fuels (building-related), potable water, waste, refrigerant loss, employee vehicles and rail travel. It is assumed that decarbonisation will be linear. Changes in GHG emissions from these drivers will be monitored under the annual steering model and mitigation actions will be taken if necessary.

34 (c) For this report, the first to be prepared in accordance with the CSRD, the Deka Group has restructured the GHG emission reduction targets and harmonised them with the regulatory recommendations. The overarching target of reducing GHG emissions by 5% annually has been replaced by interim targets for 2030 and 2045. In light of these new Group-wide targets, 2024 was set as the base year; from 2030, the base year will be updated every five years. Even before the base year, the Deka Group achieved significant success in reducing GHG emissions by relocating to more energy-efficient buildings, using green electricity and taking various other actions. As a result of this, GHG emissions fell by more than 25% between 2019 and 2023. These reductions are described in previous Deka Group environmental management reports.

AR 25 (a) Based on a comparison with the last four years, as set out in the Deka Group environmental management report, the base year 2024 was selected as a representative year due to the low level of fluctuation.

34 (e) The Deka Group is pursuing the 1.5°C target in its own operations. The specified reduction targets take into account the IEA NZE2050 roadmap, which is geared towards a 1.5°C target. Taken overall, the reduction targets under ESRS E1-4 34 (a) are below the expected percentage reduction specified by the IEA.

Disclosures by service providers and suppliers were consulted when setting the targets. These disclosures primarily included Lufthansa's transition plan for long-haul flights and the transition plan of utilities provider Mainova in Frankfurt regarding green district heating (coal to be phased out by 2026 and natural gas to be replaced by hydrogen by 2035). With regard to the vehicle fleet, it was assumed that emissions from combustion engine cars will have ceased by 2035 at the latest (when the purchase of new combustion engine cars will be prohibited). When forecasting the reduction in emissions from electricity use, it is assumed that decarbonisation in the energy generation sector (e.g. from the expansion of renewable energies) will cause emissions to fall. Further savings will be achieved by reducing paper consumption and continuing to use recycled paper. Savings connected with data centres will be achieved notably by using renewable energies and through technical progress (more energy-efficient hardware, improved structural ventilation solutions and the virtualisation of servers and storage). In addition, current and planned legislation in Germany and the European Union (such as Germany's "energy transition" legislation) were examined. The assumptions were also compared to the IEA's sectoral net-zero projections.

AR 26, AR 28. Reduction pathways in line with the GHG emission reduction targets for the Deka Group's own operations under ESRS E1-4 34 (a) are shown for the three categories of GHG emissions (Scopes 1 to 3) with the exception of the values for Scope 3.15 emissions. The latter are not applicable to own operations and are reported under the business activities of the Deka Group. The following table entitled "GHG emission reduction pathways" shows the emission reduction pathways for 2030 and 2050 starting from the base year 2024 (for the underlying data, see the table entitled "Absolute GHG emission reduction targets").

GHG emission reduction pathways *(Fig. 53)*

GHG emission reduction pathways in line with the targets, taking 2024 as base year	2030	2050
Scope 1	–59%	–100%
Scope 2	–29%	–100%
Scope 3 (3.1 – 3.14)	–40%	–100%

34 (f) The following table entitled "Contribution of decarbonisation levers to achievement of targets" shows the decarbonisation levers and their total quantitative contribution to achievement of the GHG emission reduction targets.

Contribution of decarbonisation levers to achievement of targets *(Fig. 54)*

Decarbonisationlevers	Estimated contribution in metric tonnes of CO_2eq (between 2024 and 2050)		
	Scope 1	Scope 2	Scope 3 (3.1 – 3.14)
Electricity	-	765.0	-
District heating	-	1,240.0	-
Vehicle fleet	1,563.5	-	1,086.5
Air travel	-	-	1,500.0
Paper	-	-	350.0
Commuters	-	-	1,150.0
Data centres	-	-	900.0
Neutralisation actions	75.0	225.0	340.0

The Deka Group has identified eight areas as decarbonisation levers containing a technical solution for reducing residual emissions. These areas relate to the seven significant sources of emissions for which actions have been devised. For the residual emissions that will remain in 2045 after all actions in the transition plan have been implemented – approximately 7% of emissions in the base year – the plan is to use neutralisation measures such as CCS.

AR 30 (c) A diverse range of climate scenarios was not considered.

E1-5 – Energy consumption and mix

Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters *(Fig. 55)*

Metrics
Total energy consumption in MWh by energy source (see table "Total energy consumption & energy mix").
Methodology, assumptions and limitations
Actual energy consumption data is available for the Deka Group at its Frankfurt and Luxembourg locations and the emissions were determined on that basis. Emissions for the other German locations and locations outside Germany and Luxembourg were estimated. This was done using the floor area of those locations in square metres or, for the locations outside Germany where the organisation only rents individual workstations, using the number of employees.
External validation
The greatest care has been taken in preparing all the disclosures. The data and information have undergone multiple levels of internal quality assurance and validation processes to ensure that they are accurate and reliable, even without further external verification.
Categorisation and description
See table "Total energy consumption & energy mix".

37 (a), 37 (b), 37 (c) The following table entitled "Total energy consumption and energy mix" shows the total energy consumption of the Deka Group. Total energy is disaggregated by fossil energy, consumption from nuclear sources and renewable energy. Renewable energy is further disaggregated by fuel consumption, purchased or acquired renewable energy and self-generated renewable energy.

Total energy consumption and energy mix *(Fig. 56)*

Total energy consumption and energy mix	Total consumption in MWh	Percentage
Total fossil energy consumption	4,751.7	28.4%
Consumption from nuclear sources	42.0	0.3%
Total renewable energy consumption	11,951.5	71.3%
thereoff fuel consumption for renewable sources	0.0	0.0%
thereof consumption of purchased or acquired electricity, heat, steam and cooling	11,951.4	71.3%
thereof consumption of self-generated renewable energy	0.1	0.0%
Total energy consumption (MWh)	**16,745.2**	**100.0%**

E1-6 – Gross Scope 1, 2, 3 and total GHG emissions

Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters *(Fig. 57)*

Metrics
Scope 1, Scope 2 and Scope 3.1 to 3.14 emissions in the base year (2024), in the current reporting year and for the years 2025, 2030 and 2050, in tCO_2e. For Scope-3.15 emissions, see ESRS E1-6 for the banking business.
Methodology, assumptions and limitations
Actual CO_2 emissions were calculated using the ESG emissions metrics tool. Gross Scope 1, Scope 2 and Scopes 3.1, 3.3, 3.5, 3.6 and 3.7 emissions are given for the Deka Group's operations. The other Scope 3 emissions are not relevant (for detailed information, see ESRS E1-6 AR 39 (b), for the target values see E1-4).
External validation
The greatest care has been taken in preparing all the disclosures. The data and information have undergone multiple levels of internal quality assurance and validation processes and have been checked for plausibility by an external service provider.
Categorisation and description
See tables "Absolute GHG emissions and targets" and "GHG intensity based on net revenue of the Deka Group".

44, 48 (a), AR 45 (d), 51, 52 (a), 52 (b) Gross Scope 1, Scope 2 and Scope 3.1, 3.3, 3.5, 3.6 and 3.7 emissions are given for the Deka Group's own operations.

AR (48) The following table entitled "Absolute GHG emissions and targets" shows the Scope 1, 2, and 3.1 to 3.14 emissions from own operations of the companies in the consolidated group and the Scope 3.15 emissions from banking business based on the balance sheet assets in the banking book (excluding the trading book). Figures are shown for the base year, the reporting year and the target years. The GHG emissions of investment funds under management by Asset Management Real Estate and Asset Management Securities are not included in the table "Absolute GHG emissions and targets".

Together with the GHG emissions from the investment funds under management by the Asset Management Real Estate (662,774.4 tCO_2e) and Asset Management Securities (91,929,293.7 tCO_2e) business divisions, total location-based GHG emissions are 103,038,877.4 tCO_2e and total market-based GHG emissions are 103,034,615.6 tCO_2e (for a detailed account of how GHG emissions data was collected, see ESRS E1 – Climate change (banking business), ESRS E1 – Climate change (Asset Management Real Estate) and ESRS E1 – Climate change (Asset Management Securities)).

The "base year" column and the "milestones and target years" columns for 2025, 2030 and 2050 show the baseline value, i.e. the GHG emissions for the year concerned, including the related Scope emissions. The figures for own operations (Scope 1, 2 and 3.1 to 3.14 emissions) are based on the target values and the base year 2024 reported under ESRS E1-4 34 (a) and 34 (b). For the banking business (Scope 3.15 emissions), the figures are based on the target values and the base year 2024 under ESRS E1 – Climate change (banking business), E1-4 44. The current total GHG emissions are disclosed in the column with the reference year 2024. The coverage of the Scope 3.15 emissions of the banking business is below 100%, meaning that the GHG emissions for the base year and the associated target years are not directly comparable with the values for 2024.

The "Annual % target / Base year" column shows the average reduction in emissions in percent that must be achieved each year, assuming a linear reduction, to achieve the 2050 target starting from the base year. In line with ESRS 1 136, no comparative information is disclosed in this first year of reporting. For this reason, the comparison year columns in the table "Absolute GHG emissions and targets" are blank.

Absolute GHG emissions and targets *(Fig. 58)*

	Retrospective				Milestones and target years			
	Base year	**2023**	**2024**	**% 2024 / 2023**	**2025**	**2030**	**(2050)**	**Annual % target / Base year**
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO_2eq)	1,475.8	N/A	1,475.8	N/A	731.8	600.9	0.0	3.85%
Percentage of Scope 1 greenhousegas emissions from regulated emission trading schemes (in %)	-	N/A	-	N/A	-	-	-	-
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO_2eq)	6,486.9	N/A	6,486.9	N/A	6,094.5	4,624.9	0.0	3.85%
Gross market-based Scope 2 GHG emissions (tCO_2eq)	2,225.1	N/A	2,225.1	N/A	2,090.5	1,586.4	0.0	3.85%
Significant scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)	7,657,501.6	N/A	10,438,846.6	N/A	6,944,053.9	5,209,004.6	134,771.6	3.78%
1 Purchased goods and services	1,323.1	N/A	1,323.1	N/A	1,230.8	726.6	0.0	3.85%
[Optional sub-category: Cloud computing and data centre services]	-	N/A	-	N/A	-	-	-	-
2 Capital goods	-	N/A	-	N/A	-	-	-	-
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	18.2	N/A	18.2	N/A	18.2	18.2	0.0	3.85%
4 Upstream transportation and distribution	-	N/A	-	N/A	-	-	-	-
5 Waste generated in operations	92.1	N/A	92.1	N/A	88.1	68.4	0.0	3.85%
6 Business traveling	3,253.3	N/A	3,253.3	N/A	2,385.6	1,917.9	0.0	3.85%
7 Employee commuting	1,485.2	N/A	1,485.2	N/A	1,404.1	998.3	0.0	3.85%
8 Upstream leased assets	-	N/A	-	N/A	-	-	-	-
9 Downstream transportation	-	N/A	-	N/A	-	-	-	-
10 Processing of sold products	-	N/A	-	N/A	-	-	-	-
11 Use of sold products	-	N/A	-	N/A	-	-	-	-
12 End-of-life treatment of sold products	-	N/A	-	N/A	-	-	-	-
13 Downstream leased assets	-	N/A	-	N/A	-	-	-	-
14 Franchises	-	N/A	-	N/A	-	-	-	-
15 Investments	7,651,329.7	N/A	10,432,674.7	N/A	6,938,927.1	5,205,275.2	134,771.6	3.78%
Total GHG emissions								
Total GHG emissions (location- based) (tCO_2eq)	7,665,464.3	N/A	10,446,809.3	N/A	6,950,880.2	5,214,230.4	134,771.6	3.78%
Part-time and temporary employees	7,661,202.5	N/A	10,442,547.5	N/A	6,946,876.2	5,211,191.9	134,771.6	3.78%

AR 39 (b), AR 39 (c) The GHG emissions were calculated using an ESG emissions metrics tool established in the financial sector. The tool applies the established industry-standard metrics and indicators and offers a schematic approach to implementation in the financial sector of the GHG Protocol Standard for calculating corporate carbon footprints across the Scope 1, 2 and 3.1 to 3.14 emissions. The tool was modified during the reporting year to reflect the requirements of the CSRD. CO_2 emissions were calculated using emission factors for specific drivers. These emission factors were provided by the relevant suppliers, taken from the database in the ESG emissions metrics tool, or determined from internal research (EEA, IEA, etc.). The utmost care was taken to determine appropriate emission factors for the driver and country concerned. As well as ensuring that the data used was available and up to date, attention was also paid to its accuracy. If a specific proxy value could not be determined for 2024, the nearest available value and/or a value determined by research was used instead.

The approach employed, including any assumptions and limitations for various drivers, is described in detail below:

- Emissions from air travel were calculated based on distance travelled as per the booking information. Distances were divided into long haul and short haul (<500 km).

- Road transport emissions were calculated using direct petrol and diesel consumption figures. These were provided by the leasing company directly.
- Emissions from rail travel were calculated using travel distance data supplied by a service provider.
- Paper consumption is divided into the categories printing paper, letter paper, envelopes and copy paper. Quantities were determined from orders placed with suppliers. Paper consumption is subdivided into recycled paper and virgin paper.
- Potable water consumption was partly determined from direct meter readings. At locations where meter readings could not be taken, consumption was estimated using a per capita figure. No specific emission factors were available for the locations outside Germany. The German factors were used here as an assumption.
- Waste generated at the locations was determined using data from the waste management companies regarding the weight of the different waste fractions collected. For waste fractions that were not weighed on collection, the weight was calculated based on the number of times the containers were emptied and an average weight determined in advance. All values were converted using factors taken from the ESG emissions metrics tool. At locations where it was not possible to determine what proportion of waste generated should be allocated to the Deka Group, a per capita figure was used. No specific emission factors were available for the locations outside Germany. The German factors were used here as an assumption.
- Emissions from commuting were calculated using the modal shares determined by the German Federal Statistical Office. The modal share for car use was adjusted. The figure of 68.8% quoted by the Federal Statistical Office is not applicable to Deka, as all of the locations together provide parking spaces for only 10% of employees.
- To calculate the emissions of the data centres, reported electricity consumption was multiplied by the power usage effectiveness factor. The emission factor for green electricity or Germany’s electricity mix was then applied. Where consumption data was unavailable, estimates were used.
- Emissions from electricity use were calculated using direct meter readings. For locations shared with other tenants, an additional electricity usage figure was calculated based on the share of the rental space. At locations where consumption could not be allocated, it was calculated by reference to rental space using a defined factor. Emissions were calculated using local emission factors supplied by the provider, or general factors from the ESG emissions metrics tool. Corresponding local conversion factors were used for the locations outside Germany. Emissions from use of heat were calculated in the same way as emissions from electricity use.
- The location- and market-based Scope 2 emissions were calculated using emission factors provided by the energy suppliers, where available. Market-based factors were not available for all locations. Since market-based factors were unavailable for locations outside Germany, emissions were calculated and reported using the location-based factors.
- Refrigerant losses were taken from maintenance logbooks for the equipment concerned, and fuel consumption was estimated from the annual operating hours of the power generators. Distance driven by employees using their own cars for business purposes was taken from travel expenses claims.

The GHG inventory for DekaBank GHG has been calculated based on the recommendations in the GHG Protocol. Emissions were recorded as GHG equivalents using the ESG emissions metrics tool. In addition to carbon dioxide (CO_2), six other greenhouse gases under the Kyoto Protocol are reported. These are methane (CH_4), nitrous oxide/laughing gas (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3).

The GHG emission reduction targets for 2025, 2030 and 2050 in the table entitled “Absolute GHG emissions and targets” were established as explained in ESRS E1-4. No forecasts were made for location-based Scope 2 emissions, as the Deka Group’s planning is founded on market-based emissions and does not include location-based emission factors.

45 (a), 45 (b), 45 (c), 45 (d), AR 43 (c), AR 45 (e), AR 46 (j) The Deka Group's Scope 1 emissions are not subject to an emissions trading scheme. These emissions – especially those caused by the vehicle fleet – have a direct effect on the climate chiefly due to the fossil fuels used. GHG emissions can be reduced by increasing the proportion of electric vehicles in the fleet. The Deka Group's Scope 2 emissions are not subject to an emission trading scheme. The emissions produced from the generation of district heating have a direct effect on the climate. This is chiefly due to the fossil fuels used. The less district heating is used in the buildings, the lower the GHG emissions will be. The Scope 3.1 to 3.14 emissions are mostly generated by business travel and the consumption of fossil fuels by company cars. Employee travel is indirectly connected with the emission of greenhouse gases. These emissions can only be reduced by employees travelling less and by the airlines attaining their climate targets. The service providers were not able to provide information regarding the amount of biogenic CO_2 emissions from combustion for any of the three emissions categories.

46. It is not possible to disaggregate DekaBank's Scope 1, Scope 2 and Scope 3.1 to 3.14 emissions from those of the subsidiaries because the buildings are used jointly.

48 (b) The Scope 1 emissions are not subject to a regulated emission trading scheme.

49 (a) 2024: The gross location-based Scope 2 GHG emissions are 6,486.9 tCO_2e.

49 (b) 2024: The gross market-based Scope 2 GHG emissions are 2,225.1 tCO_2e.

AR 46 (g) The percentage of Scope 1, 2 and 3.1 to 3.14 emissions calculated using primary data is 51.7%.

50 (a), 50 (b), AR 46 (h) It is not possible to disaggregate DekaBank's emissions from those of its subsidiaries. Employees of both DekaBank and the subsidiaries work at the same locations. It is not possible to separate their consumption data. The time and effort involved in disaggregating the fuel consumption of company cars used by DekaBank employees from that of cars used by its subsidiaries' employees would be out of all proportion to the resulting benefit. The decision was taken not to determine these figures.

AR 46 (i) The following categories of emissions were identified as material Scope 3 GHG (3.1 to 3.14) emissions in a materiality assessment:
- Purchased goods and services
- Fuel- and energy-related activities
- Waste generated in operations
- Business travel
- Employee commuting

The other categories have no significant influence on total emissions, or the data needed to calculate emissions was not available.

Greenhouse gas intensity based on net revenue
53, 54, 55, AR 53, AR 54, AR 55. The Deka Group discloses its GHG intensity on the basis of net revenue (total GHG emissions in relation to net revenue).

AR 53 (c) The total GHG emissions shown in the table entitled "Greenhouse gas intensity based on net revenue of the Deka Group" comprise the Scope 1, 2 and 3.1 to 3.14 emissions from own operations, the Scope 3.15 emissions from banking business activity and the GHG emissions of the Asset Management Real Estate and Asset Management Securities business divisions (for an overview of GHG emissions, see ESRS E1-6 AR 48).

AR 53 (e) The net revenue shown in the table entitled "Greenhouse gas intensity based on net revenue of the Deka Group" comprises interest income, commission income and other operating profit of the Deka Group (see "Net interest income", "Net commission income" and "Other operating profit" in the notes to the consolidated financial statements).

AR 53 (b), AR 54, AR 55. The following table shows total GHG emissions in tonnes of CO_2 equivalent calculated using the location-based and the market-based method in relation to net revenue in euros.

Greenhouse gas intensity based on net revenue of the Deka Group *(Fig. 59)*

	Net revenue used to calculate GHG intensity (in € million)	Total GHG emissions (in t CO_2e)	GHG intensity per net revenue in 2024 (tCO_2/€ million)
Total GHG emissions (location-based) per net revenue	6,313.5	103,038,877.4	16,320.4
Total GHG emissions (market-based) per net revenue		103,034,615.6	16,319.7

E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters *(Fig. 60)*

Metrics
CO_2 emissions offset in tCO_2e.
Methodology, assumptions and limitations
Not applicable, as this is done using purchased emission reduction certificates and not via our own projects.
External validation
The emission reduction certificates are guaranteed by quality standards, see ESRS E1-7 62 (c).
Categorisation and description
See ESRS E1-7 59 (a), AR 62 (a), AR 62 (c), AR 62 (d), AR 62 (e).

56 (b) To compensate for currently unavoidable CO_2 emissions from own operations, DekaBank has since 2020 offset 100% of these emissions by purchasing emission reduction certificates from selected international projects.

57 (b), AR 61. The climate mitigation projects from which the emission reduction certificates are purchased must meet stringent requirements. Not only must they fulfil high quality standards, but they must also actively and verifiably contribute to achievement of at least one of the UN's 17 Sustainable Development Goals (SDGs). The fact that the projects are predominantly implemented in countries in the Global South also helps ensure this. The quality of the projects is reviewed by an independent expert who ensures that the projects demonstrate additionality, carries out a plausibility check on calculations of GHG emissions offset and verifies that the allocation of funds is irrevocable and clear.

59 (a), 59 (b) For the 2024 reporting year, 9,872.8 tCO_2e were offset using emission reduction certificates. The emission reduction certificates were secured from the project providers in 2024 and will be cancelled in the registry during the second quarter of 2025.

AR 62 (a) 0% of the carbon credits relate to removal projects and 100% to reduction projects.

AR 62 (c) 30% of the carbon credits are certified under quality standard 1 (Gold Standard) and 70% under quality standard 2 (Verified Carbon Standard, VCS).

AR 62 (d) 0% of the carbon credits were issued from projects in the EU.

AR 62 (e) 0% of the carbon credits qualify as an adjustment under Article 6 of the Paris Agreement.

ESRS E1 – Climate change (banking business (banking business divisions and Treasury corporate centre))

E1-1 – Transition plan for climate change mitigation

16 (a) A transition plan for DekaBank's GHG-intensive sectors was created for the first time during the 2024 reporting year. It covers financing and proprietary investments relating to the greenhouse-gas-intensive sectors in the banking book (see ESRS E1-4 tables entitled "Absolute GHG emission reduction targets" and "Physical intensities of GHG emission reduction targets"). Where the treatment of financing and proprietary investments in the transition plan differs, the information is presented separately below.

Financing and proprietary investments

To implement the 2015 Paris Agreement on climate change, DekaBank's targets for the greenhouse-gas-intensive sectors in its portfolio are geared towards the 1.5°C target. The following sectors were identified as greenhouse-gas-intensive or climate-relevant: electricity, burning of fossil fuels (coal, oil and gas), automotive sector (including trucks and passenger cars), aviation, maritime transport, chemical products, iron and steel production, coke production and metal manufacturing, cement, clinker and lime production and real estate and housing (currently decarbonising in line with the CRREM 2°C pathway). DekaBank was not active in iron and steel production, coke production and metal manufacturing, or cement, clinker and lime production during the reporting year. The financing portfolio contains undertakings in the greenhouse-gas-intensive sectors electricity, burning of fossil fuels (coal, oil and gas), automotive (including trucks and passenger cars), aviation, maritime transport and real estate and housing. The proprietary investments portfolio contains undertakings from the sectors electricity, burning of fossil fuels (coal, oil and gas), automotive (including trucks and passenger cars), aviation, chemical products and real estate and housing. In most sectors, DekaBank is following the IEA's Net Zero Emissions by 2050 (NZE2050) scenario when pursuing its climate targets. For the maritime transport sector, the reference pathways under the Poseidon Principles ("striving trajectory") apply. The "striving trajectory" is a GHG emission reduction trajectory based on the absolute emission reduction targets set out in the International Maritime Organisation's GHG Strategy, the most recent version of which dates from 2023. In the real estate and housing sector, DekaBank is following the Carbon Risk Real Estate Monitor (CRREM) decarbonisation pathways, with a focus on the CRREM 2°C pathway. As a general rule, the sectoral GHG emission reduction targets are linked with the business strategy and the relevant targets for the specific business divisions. Monitoring and management of GHG emission reduction targets are reflected in the business strategy and, depending on the extent of management needed, may have impacts on the achievement of the business division targets. In addition, the way in which the GHG emission reduction targets are addressed is reviewed as part of the annual update process. If necessary, the business strategy is updated based on the latest assessment of the reduction targets. DekaBank's business strategy also supports achievement of the sectoral GHG emission reduction targets (see ESRS E1-4, tables entitled "Absolute GHG emission reduction targets", "Physical intensities of GHG emission reduction targets" and "GHG reduction pathways").

Financing

Reporting will in future cover all sectors in the banking book. The strategy and thus the management activities only apply to the climate-relevant sectors. DekaBank provides financing solutions that aim to support the transition to a lower-carbon economy. It supports companies that are transforming their business model to contribute to the goals of the Paris Agreement on climate change. As a rule, it uses the existing financing segments to achieve the targets set. These are primarily determined by the choice of properties and projects financed and the technical standard of those properties and projects. Key drivers of GHG emission reductions are technological change in the real economy and corresponding financing of modern technologies. In addition, DekaBank will in future selectively pursue new business relating to hydrogen projects and seek to provide financing for advanced technologies such as sustainable fuel and carbon capture and storage as soon as the market offers resilient economic structures that match DekaBank's risk appetite. Overall, the medium-term plan is for the product range and the total volume of the financing portfolio to remain unchanged.

Proprietary investments

Reporting will in future cover all sectors in the banking book. The strategy and thus the management activities only apply to the climate-relevant sectors. If available, the individual GHG emission reduction targets of investee undertakings in these sectors are taken into account. Due to the risk diversification approach already pursued and the regulatory requirements, there is no prioritisation of investment segments beyond the current focus areas. Alongside this, the sustainability filter used in the selection of new investments addresses ESG aspects. The overall approach is to ensure that investments offer an appropriate balance between returns, opportunities and risks and are compatible with the GHG emission reduction targets defined.

16 (b) The decarbonisation levers identified and corresponding actions planned are a further essential component of DekaBank's transition plan. As different actions apply to financing and proprietary investments, they are described separately below. The decarbonisation levers and actions fall into the categories "sectors", "processes" and "counterparties/issuers". (see ESRS E1-3 29 (a) and ESRS E1-4 34 (a), 34 (c), 34 (d)).

Financing

Decarbonisation efforts are focused on new financing business in particular. As the average maturities of the portfolios are shorter than the intervals at which targets are set, DekaBank can use new business to finance companies (and their capital expenditure) working with the latest technologies, thereby contributing to compliance with the targets.

Decarbonisation lever "Focusing on greenhouse-gas-intensive sectors" with the following key actions:

- Focusing on greenhouse-gas-intensive sectors by continuously expanding financing activities that support transformation towards a lower-carbon future.
- Implementing sector-specific policies for the carbon-intensive sectors. The policies contain investment principles and exclusions, possible risks and impacts, and the various sectoral targets and verification processes.

Decarbonisation lever "Incorporating climate factors into processes" with the following key actions:

- Using the ESG scorecard (see ESRS 2 SBM-1 38 Banking business (banking business divisions and Treasury corporate centre)) in the lending process, adding CO_2e emissions and physical intensities to the credit application, and screening using the positive and negative lists.
- Gradually replacing DekaBank's internal ESG scorecards with ESG scorecards from an external provider. This switch allows the inclusion of additional quantitative datapoints on emissions, water consumption and waste.
- Establishing a process for annual/ad hoc monitoring of the entire portfolio with regard to current emissions and achievement of the GHG emission reduction targets set. This includes monitoring the carbon-intensive existing business.
- Establishing or expanding escalation processes for deviations from the decarbonisation pathway and determining countermeasures.

Decarbonisation lever "Detailed examination of counterparties" with the following key actions:

- Focusing on new business based on transformation-related property/product characteristics, including technical progress.

Proprietary investments

In general, the investment strategy does not provide for early disposal of proprietary investments in the banking book. Therefore, the focus is on decarbonisation in new investment business. Given the comparatively short average maturity of the securities in the proprietary investments portfolio, reinvestment decisions can be made on a case-by-case basis when securities mature. This enables a response to any deviations from the reduction pathway as needed.

Decarbonisation lever "Focusing on greenhouse-gas-intensive sectors" with the following key actions:
- Continual monitoring: Bonds with a short residual term to maturity in particular can be reviewed in terms of their contribution to sustainability (achievement of climate targets), as the reinvestment dates fall within the short-term planning horizon. This means that the portfolio alignment can be considered when making reinvestment decisions.
- In the case of investment decisions, a simulation can be run if needed. The purpose of this simulation is to assess how the decision will influence achievement of the overall targets, particularly adherence to the reduction pathway, and where applicable to determine the impacts on income if particular investments cannot be made due to the climate targets.
- The revenue limits for undertakings in the coal sector were reduced on 1 January 2025: Transactions with companies that generate more than 15% of their revenue from coal mining (2024: 30%) and/or more than 25% of their revenue from coal-fired power generation (2024: 40%) are now on the negative list. (for information on the negative list see ESRS 2 SBM-1 38 Banking business (banking business divisions and Treasury corporate centre)).
- Implementing sector-specific policies for the carbon-intensive sectors: The policies contain investment principles and exclusions, possible risks and impacts, and the various sectoral targets and verification processes.

Decarbonisation lever "Incorporating climate factors into processes" with the following key actions:
- Using the ESG scorecard when setting, increasing or extending limits and using the sustainability filter prior to any new business. Considering physical intensity and absolute emissions in the limit specification.
- Gradually replacing DekaBank's internal ESG scorecards with ESG scorecards from an external provider. This switch allows the inclusion of additional quantitative datapoints on emissions, water consumption and waste.
- Establishing a process for monitoring the entire portfolio (including existing CO_2-intensive business) every six months or as required with regard to current emissions and achievement of the GHG emission reduction targets set; deviations are analysed and countermeasures put in place where necessary.

Decarbonisation lever "Detailed examination of issuers" with the following key actions:
- Screening every issuer or counterparty against the positive and negative list in relation to limit decisions (see ESRS 2 SBM-1 38 Banking business (banking business divisions and Treasury corporate centre)).

16 (d) In the context of the transition plan, potential locked-in GHG emissions in the financing and proprietary investments portfolio play a role in jeopardising the achievement of the GHG emission reduction targets and driving transition risk. Financed emissions are regarded as locked-in GHG emissions. The Deka Group has formulated a climate strategy and identified the sectors that are relevant in terms of that strategy for the Financing business division and for proprietary investments. Each of these sectors with relevance for climate strategy is aligned with a sectoral decarbonisation pathway to 2050, such as the IEA NZE2050 roadmap; all existing financing business and proprietary investments, and their maturities, are taken into account. There is currently no evidence of jeopardy to the GHG emission reduction targets or transition risks up to 2050. In addition, there are no significant commitments with terms beyond 2050 in the portfolios.

16 (g) DekaBank is not excluded from the EU Paris-aligned benchmarks (Benchmark Regulation) under Article 12 (1) (d) to (g) of Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks, as the proportional revenues do not exceed the thresholds specified in paragraph 1 subparagraphs (d) to (g).

16 (h) The transition plan for the greenhouse-gas-intensive sectors in DekaBank's financing and proprietary investments portfolios is linked with the bank's strategic objectives, especially regarding the promotion of "lower-emissions" financing and proprietary investments business to support the transition to a low-emissions economy. The direction of the climate strategy and the sectoral GHG emission reduction targets for the GHG-intensive sectors in the portfolio are rooted in the business strategy. The contents of the transition plan inform DekaBank's governance rules and steering activities. CO_2e emissions and physical intensities and their influence on the sectoral targets are included in the lending decision and limit-setting process. The current status in terms of achievement of the GHG emission reduction targets is taken into account in DekaBank's medium and long-term plans.

16 (i) DekaBank's transition plan was accepted by the full Board of Management at its meeting on 29 October 2024. It was approved by the Administrative Board on 5 December 2024.

E1-2 – Policies related to climate change mitigation and adaptation

Minimum disclosure requirement – Policies MDR-P – Policies adopted to manage material sustainability matters

(Fig. 61)

Policies
1. Business strategy of the Deka Group in accordance with the Minimum Requirements for Risk Management (MaRisk) and the Minimum Requirements for Risk Management of Capital Management Companies (KAMaRisk), including the positive list 2. Credit risk strategy including negative list
Key contents
re: 1. The business strategy comprises the Group strategy, the sales, business division and functional strategies, and Group steering and Group structure, including the climate strategy (see ESRS 2 GOV-3 40 (g)). The central elements for the Deka Group were determined and specified in the climate strategy as part of the business strategy in the form of a strategic framework for the business divisions. The positive list specifies the areas the Deka Group wants to prioritise to sharpen the focus of its financing portfolio on climate change mitigation (see ESRS 2 SBM-1 38 Banking business (banking business divisions and Treasury corporate centre)). re: 2. As a sub-risk strategy, the credit risk strategy forms the framework that determines how environmental matters, among other considerations, are taken into account when selecting counterparties. As part of the credit risk strategy, the negative list establishes rules for excluding certain business activities, such as dealings with companies whose revenue from extraction/burning of fossil fuels exceeds a specified threshold (see ESRS 2 SBM-1 38 Banking business (banking business divisions and Treasury corporate centre)).
General objectives
re: 1. Based on the Group strategy, the business strategy provides answers about the business policy objectives and the business model with which the Deka Group positions itself in the market. Building on this, the sales units pursue their sales strategies, and the business divisions pursue divisional strategies that are formulated individually but subject to overarching coordination. Through the guiding principles of the positive list, the Deka Group intends to increase transactions that have a positive environmental or sustainability impact and contribute to the expansion of renewable energies or limit the production of emissions. re: 2. The credit risk strategy forms the basis for the Deka Group's lending business. Based on the targets and guiding principles set out in the Deka Group's business strategy, including those relating to sustainable business conduct, it provides the framework for action for all activities in the lending business. Using the negative list, which is part of the credit risk strategy, the Deka Group excludes various types of lending business, such as financing activities that pose significant risks to the environment, as a matter of principle. The objective of the negative list is to prevent undesirable business activities. Accordingly, the Deka Group has categorised some transactions as undesirable and/or high-risk, for reasons including avoidance of reputational risks.
Material impacts, risks and opportunities
re: 1. As part of the business strategy, the positive list primarily addresses positive impacts and opportunities, meaning investment areas in which DekaBank wants to be more active. re: 2. As part of the credit risk strategy, the negative list primarily addresses risks, meaning types of business activities that are excluded on principle.
Monitoring process
re: 1. The Deka Group's Board of Management reviews the strategy system at least once a year, and at other times as needed, to ensure that it is consistent, complete, sustainable and up to date. A systematic strategy and planning process exists for this purpose, in which the Board of Management is supported by the coordinating corporate centres, namely Strategy & HR, Credit Risk Management and Risk Control, and by Finance, as part of medium-term planning. re: 2. The credit risk strategy establishes guiding principles – for example, in the form of the negative list – for the lending and investment business. The resulting requirements must be met in the lending process and are monitored through review mechanisms.

Scope of application
re: 1. The business strategy applies to the entire Group and therefore to all Deka Group geographies and customer groups. re: 2. The credit risk strategy covers the business divisions/corporate centres – and thus all of the Deka Group's geographies and customer groups.
Responsible organisational level
re: 1. The Board of Management of the Deka Group. re: 2. The Board of Management sets the credit risk strategy and, at least once a year, reviews it and discusses it with the Administrative Board. Reviews and/or any necessary adjustments are coordinated by the Credit Risk Management corporate centre. The credit risk strategy is published and communicated to employees on the internal Process Portal.
Reference to third-party standards or initiatives
re: 1. The business strategy takes the following into account: - Commitment of the German Savings Banks on Climate-Friendly and Sustainable Business (*Selbstverpflichtung deutscher Sparkassen für klimafreundliches und nachhaltiges Wirtschaften*) - Poseidon Principles - NZAM - CRREM re: 2. The credit risk strategy takes the following into account: - Core labour standards of the International Labour Organization (ILO) - UN Global Compact - OECD Guidelines for Multinational Enterprises - International dam projects can only be financed if the borrower is able to produce a positive assessment report on the project demonstrating compliance with the recommendations of the World Commission on Dams produced by an expert accredited by the United Nations Framework Convention on Climate Change (UNFCCC) - Equator Principles
Consideration of stakeholders' interests
The policies named here take nature into account indirectly as a silent stakeholder. re: 1. The Board of Management is supported in the annual review by the coordinating corporate centres, namely Strategy & HR, Credit Risk Management and Risk Control, and by Finance as part of medium-term planning. The strategies are submitted to and discussed with the Administrative Board at least once a year. re: 2. The Board of Management sets the credit risk strategy and, at least once a year, reviews it and discusses it with the Administrative Board. Reviews and/or any necessary adjustments are coordinated by the Credit Risk Management corporate centre. The decision-making process incorporates recommendations from non-governmental organisations and sustainability rating agencies concerning environmental and social considerations.
Availability of policies to stakeholders
re: 1. The business strategy, including the positive list, is accessible to all Deka Group employees via the Process Portal on the intranet. re: 2. The credit risk strategy, including the negative list, is accessible to all Deka Group employees via the Process Portal on the intranet.

24. By providing financial support for adapted and innovative projects and industries related to climate, DekaBank can realise opportunities for its own business model. These transaction types are included in the positive list, which forms part of the business strategy. Financial risks arising from physical climate change hazards related to financed projects, assets and undertakings are prevented by excluding certain transactions in the negative list as part of the credit risk strategy.

25 (a) The business strategy including the positive list and the credit risk strategy including the negative list address climate change mitigation and serve as guidelines for DekaBank as they support customers seeking to transform their business model. These policies effectively address climate-related risks. The positive list sets out the investment areas in which DekaBank aims to increase its activity, for example by financing projects to modernise production facilities and significantly reduce their CO_2e emissions. Alongside this, the negative list rules out business with companies that harm climate change mitigation efforts, for example companies that generate more than 15% of their revenue from coal mining or more than 25% from coal-fired power generation (see positive/negative list, ESRS 2 SBM-1 38 Banking business (banking business divisions and Treasury corporate centre)).

25 (b) The business strategy including the positive list and the credit risk strategy including the negative list address climate change adaptation. The Deka Group seeks both to adapt its own activities to an environment that is increasingly being altered by climate change and to support customers in their transformation.

25 (c) The business strategy including the positive list addresses energy efficiency. The positive list emphasises that DekaBank aims increasingly to finance green buildings that have a net-zero energy footprint (zero-energy buildings). The purpose of the negative list is to exclude particular transactions. It therefore does not actively promote "energy efficiency" or "renewable energy deployment" (see positive/negative list ESRS 2 SBM-1 Banking business (banking business divisions and Treasury corporate centre)).

25 (d) The business strategy including the positive list addresses renewable energy deployment. DekaBank has set itself the target of supporting electricity generation from renewable sources through the provision of financing. Through investments, it will also support technologies for transporting and storing renewable energies.

E1-3 – Actions and resources in relation to climate change policies

Minimum disclosure requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters *(Fig. 62)*

Actions / action plans
The following actions make significant contributions to achievement of the defined targets (for a detailed description and more detailed actions, see ESRS E1-3 29 (a)). The numbering refers to the tables "Actions for the financing business" and "Actions for proprietary investments". Financing: 1. to 6. Focusing on GHG-intensive sectors. 7. Implementing sector-specific policies for the carbon-intensive sectors. 8. Using the ESG scorecard in the lending process, expanding the credit request, and screening using the positive and negative lists. 9. Gradually replacing DekaBank's internal ESG scorecards with ESG scorecards by an external provider. 10. and 13. Establishing a monitoring process including regular monitoring of the carbon-intensive existing business. 11. Establishing/expanding the escalation processes for deviations from the decarbonisation pathway and determining countermeasures. 12. Focusing on new business based on transformation-related property/product characteristics, including technical progress. Proprietary investments: 14. Continuous monitoring – taking internal bank requirements into account, such as those concerning sustainable income and risk management. 15. Making investment decisions: Simulation as needed of potential GHG emissions from new business to estimate the influence on overall target attainment (achieving the reduction pathway). 16. Lowering revenue thresholds in the negative list for companies in the coal sector. 17. Implementing sector-specific policies for the carbon-intensive sectors. 18. Using the ESG scorecard when setting, increasing or extending limits and using the sustainability filter before any new business. 19. Establishing a monitoring process to achieve the defined GHG emission reduction targets (including monitoring the carbon-intensive existing business). 20. and 22. Screening against the positive and negative list when setting, increasing or extending limits. 21. Gradually replacing DekaBank's internal ESG scorecards with ESG scorecards by an external provider.
Outcome / contribution of key actions in the reporting year
re: 1. to 22. In the reporting year, it was not yet possible to quantify GHG reductions from the actions already initiated, as these are mostly at various stages of design and implementation or function as support actions.
Outcome / contribution of key future actions
re: 1. to 22. For the disclosure on the outcome/contribution, see table "Actions for the financing business" and "Actions for proprietary investments".
Scope
re: 1. to 22. The actions apply to DekaBank's financing and proprietary investments portfolio in the following sectors: electricity, burning of fossil fuels (coal, oil and gas), automotive sector (including trucks and passenger cars), aviation, maritime transport, chemical products and real estate and housing. As a rule, the actions address emissions across the value chain of the financed assets or companies in accordance with the GHG protocol, except for GHG intensity in the maritime transport, real estate and housing, automotive and aviation sectors, where only use-phase or operational-phase emissions are included.
Time horizon
re: 1. to 22. For information on the time horizon, see table "Actions for the financing business" and "Actions for proprietary investments".
Mitigation measures
re: 1. to 22. No direct harm occurred in the reporting year, so no direct actions were necessary, and none were taken.

Type of resources applied in the reporting year
re: 1. to 22. Realisation of these actions incurs no significant additional costs. Therefore, no indirect costs (economically detrimental impacts) are currently anticipated as a result of implementation of the decarbonisation levers and the resulting actions.

29 (a), 29 (b) The following two tables show the most important climate-related actions for financing and proprietary investments. The list is organised by decarbonisation lever and contains both actions taken in the reporting year and those planned for the future. All actions relate to DekaBank's Scope 3.15 emissions. Due to the nature of the business activity, both climate change mitigation actions and climate change adaptation actions are shown. As realisation of the actions creates no significant additional costs for DekaBank, a corresponding disclosure is not relevant. No capital or operational expenditures were incurred for implementation of the levers during the reporting year, and there are currently no plans for any such expenditures in future.

Actions for the financing business *(Fig. 63)*

Action	Time horizon	Expected / achieved results / (physical) GHG reduction from the actions
Decarbonisation lever: Focusing on greenhouse-gas-intensive sectors		
1. Cross-sectoral: Continually expanding financing activities that support DekaBank customers in their transformation towards a lower-carbon future (e.g. using ESG-linked debt) and ensuring agility through short loan terms	Commenced and ongoing	Action in support of the lever "Focusing on greenhouse-gas-intensive sectors" not producing any GHG reduction of its own
2. Financing lower-emissions buildings	Commenced and ongoing	–50% compared to the base year 2024 by 2030 in the real estate portfolio
3. Transformation financing for undertakings in the fossil fuel sector, and exclusion of dedicated CO_2-intensive transactions	Commenced and ongoing	–45% compared to the base year 2024 by 2030 in the fossil fuels portfolio
4. Financing lower-emissions ships	Commenced and ongoing	–49% compared to the base year 2024 by 2030 in the shipping portfolio
5. Financing lower-emissions aircraft	Commenced and ongoing	–29% compared to the base year 2024 by 2030 in the aviation portfolio
6. Financing lower-emissions electricity generation e.g. using renewable energies	Commenced and ongoing	–23% compared to the base year 2024 by 2030 in the electricity portfolio
7. Implementing sector-specific policies for the carbon-intensive sectors. The policies contain investment principles and exclusions, possible risks and impacts, and the various sectoral targets and verification processes.	Implemented in 2025	Action in support of the lever "Focusing on greenhouse-gas-intensive sectors" not producing any GHG reduction of its own

Decarbonisation lever: Incorporating climate factors into processes		
8. Using the ESG scorecard in the lending process, adding CO_2e emissions and physical intensities to the credit application, and screening using positive and negative lists	Commenced and ongoing	Action in support of the lever "Focusing on greenhouse-gas-intensive sectors" not producing any GHG reduction of its own
9. Gradually replacing DekaBank's internal ESG scorecards with ESG scorecards from an external provider. This switch allows the inclusion of additional quantitative datapoints on emissions, water consumption and waste.	Commenced 2024 and completed 2025	Action in support of the lever "Focusing on greenhouse-gas-intensive sectors" not producing any GHG reduction of its own
10. Establishing a process for annual/ad hoc monitoring of the entire portfolio with regard to current emissions and achievement of the GHG emission reduction targets set	Commenced in 2024 and completed in 2025	Action in support of the lever "Focusing on greenhouse-gas-intensive sectors" not producing any GHG reduction of its own
11. Establishing/expanding the escalation processes for deviations from the decarbonisation pathway and determining countermeasures	Commenced in 2024 and completed in 2025	Action in support of the lever "Focusing on greenhouse-gas-intensive sectors" not producing any GHG reduction of its own
Decarbonisation lever: Detailed examination of counterparties		
12. Focusing on new business based on transformation-related property/product characteristics, including technical progress	Commenced and ongoing	Action in support of the lever "Focusing on greenhouse-gas-intensive sectors" not producing any GHG reduction of its own
13. Regular monitoring of carbon-intensive existing business	Commenced and ongoing	Action in support of the lever "Focusing on greenhouse-gas-intensive sectors" not producing any GHG reduction of its own
Decarbonisation lever: Focusing on greenhouse-gas-intensive sectors		
14. Continual monitoring – particularly bonds with a short residual term to maturity can be reviewed in term of their contribution to sustainability (achievement of climate targets), as the reinvestment dates fall within the short-term planning horizon. This means that the portfolio alignment can be considered when making reinvestment decisions. The bank's internal requirements regarding e.g. sustainable income and risk management must be taken into account here.	Commenced and ongoing	Action in support of the lever "Focusing on greenhouse-gas-intensive sectors" not producing any GHG reduction of its own
15. In the case of investment decisions (particularly for larger trades, for undertakings in climate-relevant sectors or for medium-term planning purposes), an ad hoc simulation can be conducted to assess the impact on overall targets (compliance with the reduction pathway). This review is carried out internally using a simulation tool. This tool can be used to assess the potential GHG emissions from the new business and the associated impacts on achievement of sectoral targets. The results of the simulation can be used when making the investment decision. If particular investments cannot be made due to climate targets, the impact on income is determined.	Commenced in 2024 and ongoing	Action in support of the lever "Focusing on greenhouse-gas-intensive sectors" not producing any GHG reduction of its own
16. The revenue limits for undertakings in the coal sector have been reduced: Transactions with companies that generate more than 15% of their revenue from coal mining (2024: 30%) and/or more than 25% of their revenue from coal-fired power generation (2024: 40%) are now on the negative list.	implemented in 2025	Action in support of the lever "Focusing on greenhouse-gas-intensive sectors" not producing any GHG reduction of its own
17. Implementing sector-specific policies for the carbon-intensive sectors. The policies contain investment principles and exclusions, possible risks and impacts, and the various sectoral targets and verification processes.	implemented in 2025	Action in support of the lever "Focusing on greenhouse-gas-intensive sectors" not producing any GHG reduction of its own

Decarbonisation lever: Incorporating climate factors into processes		
18. Using the ESG scorecard when setting, increasing or extending limits and using the sustainability filter before any new business. In addition, considering physical intensity and absolute emissions in the limit specification.	Commenced and ongoing	Action in support of the lever "Focusing on greenhouse-gas-intensive sectors" not producing any GHG reduction of its own
19. Establishing a process for annual/ad hoc monitoring of the entire portfolio with regard to current emissions and achievement of the GHG emission reduction targets set. Deviations are analysed and countermeasures put in place where necessary.	Commenced in 2024 and completed in 2025	Action in support of the lever "Focusing on greenhouse-gas-intensive sectors" not producing any GHG reduction of its own
20. Ah hoc review during the investment decision process regarding compliance with sectoral decarbonisation pathways and associated climate targets.	Commenced 2025 and ongoing	Action in support of the lever "Focusing on greenhouse-gas-intensive sectors" not producing any GHG reduction of its own
21. Gradually replacing DekaBank's internal ESG scorecards with ESG scorecards from an external provider. This switch allows the inclusion of additional quantitative datapoints on emissions, water consumption and waste.	Commenced in 2024 and completed in 2025	Action in support of the lever "Focusing on greenhouse-gas-intensive sectors" not producing any GHG reduction of its own
Decarbonisation lever: Detailed examination of issuers		
22. Screening using positive and negative lists when setting, increasing or extending limits.	Commenced and ongoing	Action in support of the lever "Focusing on greenhouse-gas-intensive sectors" not producing any GHG reduction of its own

E1-4 – Targets related to climate change mitigation and adaptation

Minimum disclosure requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets *(Fig. 64)*

Specifying the target (general)
Target values and reduction pathways were defined for the following GHG-intensive sectors: electricity, burning of fossil fuels (coal, oil and gas), automotive sector (including trucks and passenger cars), aviation, maritime transport, chemical products and real estate and housing. 1. Financed GHG emissions (absolute emissions – Scope 3.15) 2. Greenhouse gas intensities (physical intensities) 3. Sector-specific reduction pathways
Relationship between target and policy
re: 1. to 3. The defined targets and reduction pathways contribute to the targets named in the policies (see ESRS E1-2 MDR-P, table "Policies") (business strategy of the Deka Group in accordance with MaRisk/KAMaRisk including positive list, credit risk strategy including negative list and relevant voluntary commitments).
Target type and level
re: 1. in tCO_2e re: 2. In the respective physical metric (see table "Physical intensities of GHG emission reduction targets") re: 3. For each, the percentage reduction up to 2030 and 2050, with 2024 as the base year
Scope
re: 1. to 3. The defined targets apply to DekaBank's financing and proprietary investments portfolio in the following sectors: electricity, burning of fossil fuels (coal, oil and gas), automotive sector (including trucks and passenger cars), aviation, maritime transport, chemical products and real estate and housing. The targets relate to the Scope 1, Scope 2 and Scope 3 emissions across the value chain in accordance with the GHG Protocol of financed assets or companies. The exception to this is the automotive sector, where only use-phase emissions are included. In the real estate and housing sector only Scope 1 and Scope 2 emissions are included. For the remaining items (e.g. central banks, banks/other financial undertakings, central governments, municipalities and towns/cities), no target values and reduction pathways are set in the current reporting year. Geographical areas, financing: Global orientation with a focus on Central and Western Europe, Scandinavia, the UK and North America. Geographical areas, proprietary investments: Global orientation with a focus on G7 countries. The targets presented here pertain to the Deka Group's downstream value chain (see ESRS 2 BP-1 5 (c)).

Baseline value and reference year
re: 1. Base year 2024; baseline values for the financed emissions were determined for each sector (see table "Absolute GHG emission reduction targets"). re: 2. Base year 2024; baseline values for the physical intensities were determined for each sector (see table "Physical intensities of GHG emission reduction targets"). re: 3. Base year 2024; baseline values are the physical intensities at sector level (see table "GHG reduction pathways").
Time period and interim targets
re: 1. and 2. For the periods from 2025 to 2050, in five-year increments re: 3. Percentage reductions for the years 2030 and 2050
Methodology and assumptions
Financing: re: 1. to 3. The target values in tCO_2e and the physical intensities were determined on the basis of the actual values as described in ESRS E1-6. Total portfolio size remains nearly constant throughout the entire period due to reinvestment. In new business, properties financed have up-to-date technical features in terms of their emissions. The portfolios show a constant reduction in CO_2e emissions compared to the base year 2024 (for details on the assumptions and methodology, see ESRS E1-4 34 (e)). Proprietary investments: re: 1. to 3. The basic assumption is that the proprietary investments portfolio will remain unchanged in terms of sector allocation. The targets set by the respective companies were used to determine the target values (for details of the assumptions and methodology, see ESRS E1-4 34 (e) and ESRS E1-4 AR 30 (c)).
Use of scientific evidence
re: 1. to 3. The IEA-NZE2050 scenario provides a key basis for DekaBank's strategic climate targets. For the maritime transport sector (Poseidon Principles) and real estate and housing sector (CRREM 2°C pathway), extended or adapted scientific pathways are also used as the basis for defining the reduction pathways.
Involvement of stakeholders
re: 1. to 3. Target values were determined for the following sustainability matters: "Climate change adaptation" and "Climate change mitigation". The targets published by the respective issuers themselves were used for this purpose. Insofar as stakeholders have published target values in the Financing business division, these have been taken into account in the course of the business activities.
Progress and monitoring
re: 1. to 3. The physical intensity of the financing business is determined continuously (at least once a year) and compared with the sector-specific decarbonisation pathways to ensure that these are in line with the Paris Agreement on climate change and the sector-specific climate targets. In the event of deviations from the defined targets, the causes of these deviations are analysed in light of market and competitive developments and the aggregated view at the business division and overall bank levels, and possible countermeasures are implemented. The organisational units responsible for controlling in the Financing business division and the Treasury corporate centre play a key role in monitoring and managing these processes. The Board of Management acknowledges the status quo, deviations from targets and progress reports on actions that have been initiated and decides on new actions. The Board of Management also acknowledges the qualitative sector assessments, the market developments and the competitor view.

33. The abovementioned decarbonisation levers for DekaBank's financing and proprietary investments support achievement of the sectoral GHG emission reduction targets in ESRS E1-4 34 (a), 34 (c) and 34 (d) and address the climate-related impacts, risks and opportunities (IROs) identified in the materiality assessment. They involve continually expanding transformation financing activities and focusing investments on technology-oriented and energy-efficient companies.

34 (a), 34 (c), 34 (d) The following tables entitled "Absolute GHG emission reduction targets" and "Physical intensities of GHG emission reduction targets" show the GHG emission reduction targets for DekaBank's financing and proprietary investment, starting from the base year 2024 in five-year increments up to 2050, both in absolute tCO_2e and as physical intensities.

Absolute GHG emission reduction targets *(Fig. 65)*

Sector	Gross-carrying value (€ million) with Scope 1, 2 & 3 counterparty emissions	Base year (in tonnes of CO_2e)	GHG emission reduction targets Financed GHG emissions – Scope 3.15 (in metric tonnes of CO_2e)						Annual % target / Base year
		2024	2025	2030	2035	2040	2045	2050	
Non-financial-companies: Electricity	2,940.7	2,211,782.9	1,987,540.2	1,445,747.2	1,100,207.6	697,351.9	378,024.4	27,909.2	3.80%
Non-financial-companies: Burning of fossil fuels	591.7	1,698,683.1	1,387,000.0	1,022,000.0	766,500.0	511,000.0	255,500.0	0.0	3.85%
Non-financial-companies: Automotive sector, trucks	43.8	289,112.1	251,702.8	158,179.7	126,096.3	94,013.0	61,929.6	29,846.2	3.45%
Non-financial-companies: Automotive sector, passenger cars	418.1	353,396.6	287,190.3	205,668.3	140,887.4	76,106.5	45,878.7	15,650.9	3.68%
Non-financial-companies: Air transport	1,588.0	2,110,518.6	2,165,833.3	1,695,000.0	1,282,550.0	870,100.0	457,650.0	45,200.0	3.76%
Non-financial-companies: Marine transport	1,123.2	625,387.8	513,000.0	378,000.0	283,500.0	189,000.0	94,500.0	0.0	3.85%
Non-financial-companies: Chemical products	150.0	280,682.2	277,746.2	263,090.4	191,951.7	120,813.0	64,730.2	8,647.4	3.73%
Non-financial-companies: Real estate activities	10,900.1	81,766.4	68,914.3	37,589.6	30,071.7	22,553.8	15,035.8	7,517.9	3.49%
Total	**17,755.6**	**7,651,329.7**	**6,938,927.1**	**5,205,275.2**	**3,921,764.7**	**2,580,938.2**	**1,373,248.7**	**134,771.6**	**3.78%**

Physical intensities of GHG emission reduction targets *(Fig. 66)*

Sector	Gross carrying value (€ million)	Base year	Intensity					
		2024	2025	2030	2035	2040	2045	2050
Non-financialcompanies: Electricity	2,940.7	225.38 kg CO_2e/MWh	210.81 kg CO_2e/MWh	174.31 kg CO_2e/MWh	129.29 kg CO_2e/MWh	80.64 kg CO_2e/MWh	42.23 kg CO_2e/MWh	2.63 kg CO_2e/MWh
Non-financialcompanies: Burning of fossil fuels	591.7	94.43 g CO_2e/MJ	79.15 g CO_2e/MJ	52.13 g CO_2e/MJ	30.11 g CO_2e/MJ	11.25 g CO_2e/MJ	5.21 g CO_2e/MJ	0.00 g CO_2e/MJ
Non-financialcompanies: Automotive sector, trucks	43.8	48.79 g CO_2e/tkm	42.07 g CO_2e/tkm	25.35 g CO_2e/tkm	20.61 g CO_2e/tkm	14.73 g CO_2e/tkm	8.84 g CO_2e/tkm	2.95 g CO_2e/tkm
Non-financialcompanies: Automotive sector, passenger cars	418.1	141.27 g CO_2e/vkm	121.67 g CO_2e/vkm	89.07 g CO_2e/vkm	60.27 g CO_2e/vkm	30.37 g CO_2e/vkm	14.62 g CO_2e/vkm	1.28 g CO_2e/vkm
Non-financialcompanies: Air transport	1,588.0	122.67 g CO_2e/pkm	119.67 g CO_2e/pkm	87.31 g CO_2e/pkm	65.94 g CO_2e/pkm	44.20 g CO_2e/pkm	21.78 g CO_2e/pkm	2.44 g CO_2e/pkm
Non-financialcompanies: Marine transport	1,123.2	4.18 g CO_2e/tkm	3.34 g CO_2e/tkm	2.15 g CO_2e/tkm	1.33 g CO_2e/tkm	0.61 g CO_2e/tkm	0.28 g CO_2e/tkm	0.00 g CO_2e/tkm
Non-financialcompanies: Chemical products	150.0	4,559.27 kg CO_2e/t output	4,168.92 kg CO_2e/t output	2,211.00 kg CO_2e/t output	1,607.56 kg CO_2e/t output	1,001.57 kg CO_2e/t output	536.60 kg CO_2e/t output	71.26 kg CO_2e/t output
Non-financialcompanies: Real estate activities	10,900.1	33.86 kg CO_2e/m^2	32.85 kg CO_2e/m^2	16.88 kg CO_2e/m^2	12.43 kg CO_2e/m^2	8.35 kg CO_2e/m^2	5.77 kg CO_2e/m^2	3.55 kg CO_2e/m^2

The sum of the gross carrying values of the balance sheet assets in the Deka Group banking book (excluding the trading book) for which targets were set is €17,755.6m. That corresponds to 26.9% of total gross carrying value (see ESRS E1-6 44).

34 (b) The GHG emission reduction targets set apply to DekaBank's financing and proprietary investment portfolio (Scope 3.15 emissions) in the following sectors: electricity, burning of fossil fuels (coal, oil and gas), automotive sector (including trucks and passenger cars), aviation, maritime transport, chemical products and real estate and housing. As a general rule, the Scope 1, 2 and 3 emissions of the projects, assets or investments financed or of the counterparties were examined when defining targets. In the automotive sector, only the Scope 3.11 emissions were considered. In the real estate and housing sector, only Scope 1 and Scope 2 emissions were included. For the remaining items under ESRS E1-6 44, 51, AR 46 (g), such as central banks, banks/other financial undertakings, central governments, municipalities and towns/cities, no target values or reduction pathways were set for the current reporting year. The intention is for the greenhouse gas inventory to be updated and reviewed annually when the sector profiles are reviewed.

AR 25 (a) The baseline value is regarded as representative despite the presence of external factors such as the war in Ukraine and the resulting abnormal energy consumption in the base year 2024. However, these factors did not significantly distort the GHG emissions used to determine the baseline values.

34 (e), AR 30 (c) The IEA-NZE2050 scenario is an important basis for DekaBank's climate strategy and targets in its financing and proprietary investments portfolio. It defines pathways for selected sectors which can be followed to achieve the GHG emission reduction targets (warming limited to 1.5°C) by 2050. Additionally, for some sectors, extended or adapted scientific pathways are also used as the basis for defining the reduction pathways. These include, for example, the CRREM scenario – the industry-standard scenario in the building and housing sector (currently following the CRREM 2°C decarbonisation pathway specifically for real estate) – which is based on IEA-NZE2050. For the maritime transport sector, the reference pathways under the Poseidon Principles ("striving trajectory") apply. The scenarios and sectoral targets are reviewed at least annually. The review includes an assessment of whether future developments need to be considered and also covers the impacts on the organisation's own GHG reduction targets. The targets have not been externally assured.

Various methods and assumptions were used to determine the GHG emission reduction targets. They are described separately and in detail for financing and proprietary investments.

Financing

The target values in tCO_2e and the physical intensities were determined on the basis of the actual values (see ESRS E1-6), assuming across all sectors that the portfolio size remains nearly constant over the entire period due to reinvestment. In new business, financing of properties with the latest technical equipment is carried out with a view to their emission levels. The portfolios show a steady reduction in CO_2e emissions compared to the base year 2024. The following points are relevant for specific sectors:

- Marine transport: The Poseidon Principles reduction pathway ("striving curve") was used as the key control element for CO_2e emissions from ships. Focusing on this pathway in advance of any new business justifies the assumption that the Deka-specific reduction pathway will be adhered to over the entire term.
- Aviation: The Deka-specific reduction pathway is not as steep as the IEA's NZE2050 pathway, because it assumes slower growth in the availability of sustainable air fuel. Overall, progress with the aviation sector's transition depends heavily on technical developments, efficiency improvements and, most crucially, the state of development and availability of sustainable fuel types. In the aviation sector, the use of sustainable fuels is not expected to increase appreciably, and technical developments are not expected to have a market-influencing effect, until after 2030.
- Real estate and housing: The CRREM scenario, which is standard for this sector, was used: it is currently aligned with the real estate-specific CRREM 2°C decarbonisation pathway and is based on the IEA NZE2050 scenario. To determine the targets, consumption values were collected for all real estate assets in the reporting year: some were estimated, and some were taken from energy performance certificates or extrapolated. Worst-case assumptions were generally used for estimates.

- Electricity: In contrast to the sectors described above, DekaBank has focused on the counterparty rather than the property level for this sector. The long-term goal is to shape the portfolio as follows: more than 50% renewable energy financing (of which 60% wind energy and 40% photovoltaics), around 40% municipal utility financing and just under 10% grid infrastructure and hydrogen financing. Note that a significantly different energy mix (with a higher proportion of coal) underlies the IEA pathway in the initial phase for this sector and that the Deka-specific reduction pathway takes this into account. Where company data was unavailable, statistical input data was used to make a back-calculation.
- Fossil fuel combustion: Publicly available company data was used for this sector.

Proprietary investments

The fundamental assumption made for the proprietary investment portfolio was that its sector allocation would not change. The target values were derived from the targets set by the specific companies. The target value of the financed emissions was calculated, based on the absolute actual financed values (see ESRS E1-6), by assuming a linear reduction of the emissions towards the interim targets. A physical intensity was determined for each relevant capital market counterparty (proprietary investments), (see ESRS E1-6, table entitled "2024 gross GHG emissions by asset class (financing and proprietary investments)"). Assumptions were made, based on the actual emissions intensities, concerning the development of the emissions and volume components at the level of the individual counterparties up to 2050. The development of the emissions component was inferred from the GHG emission reduction targets that the companies had published in their reports. This involved examining whether the targets were science-based and had been validated externally, for example by the Science Based Targets initiative. If a company had not published its own reduction targets, the IEA's GHG emission reduction target from the NZE2050 for the relevant sector was used. The development of the volume component was based on the future volume change assumed by the IEA NZE2050 scenario. The target values were aggregated at the sector level and compared with the IEA NZE2050 targets. IEA decarbonisation pathways exist for all GHG-intensive sectors in the proprietary investment portfolio. The sector-specific reduction pathways were derived from the forecast development of physical intensities up to 2030 and 2050 for the base year 2024.

AR 26, AR 28. The following table entitled "GHG reduction pathways" shows the GHG reduction pathways for DekaBank's Financing and Proprietary Investments business divisions for the years 2030 and 2050, starting from the base year 2024 (for the base data, see the table entitled "Physical intensities of GHG emission reduction targets").

GHG reduction pathways *(Fig. 67)*

Sector-specific GHG emission reduction pathway, taking 2024 as the base year	2030	2050
Non-financial companies: Electricity	–23%	–99%
Non-financial companies: Burning of fossil fuels	–45%	–100%
Non-financial companies: Automotive sector, trucks	–48%	–94%
Non-financial companies: Automotive sector, passenger cars	–37%	–99%
Non-financial companies: Air transport	–29%	–98%
Non-financial companies: Marine transport	–49%	–100%
Non-financial companies: Chemical products	–52%	–98%
Non-financial companies: Real estate activities	–50%	–90%

34 (f) The targets for the above-mentioned climate-relevant sectors were derived from DekaBank's overarching climate targets. If the emissions did not match the self-imposed targets, countermeasures were formulated to address this. The decarbonisation levers described for financing and proprietary investments (see ESRS E1-3 29 (a)) provided the basis for the forecast and planned GHG reduction in the financing and proprietary investment business divisions and worked together to achieve the established sector-level targets. As a financial institution, DekaBank can support its business partners in the transformation process, but it is dependent above all on the effectiveness and speed of technological progress (especially in the sectors it finances and invests in), the general development of the real economy and the behaviour of market participants. All explanations relate to DekaBank's Scope 3.15 emissions. The quantitative contribution of the decarbonisation levers and actions is noted in the tables in ESRS E1-3 entitled "Actions for the financing business" and "Actions for proprietary investments".

E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters *(Fig. 68)*

Metrics
1. Absolute CO_2 values in tCO_2e subdivided by sector, including the percentage of emissions calculated using primary data, the Partnership for Carbon Accounting Financials (PCAF) score and the respective gross carrying values (see table "2024 gross emissions by sector and counterparty" and "2024 gross GHG emissions by asset class [financing and proprietary investments"]). 2. Physical intensity CO_2e values, including the percentage of emissions calculated using primary data, the PCAF score and the respective gross carrying values for climate-intensive sectors of non-financial undertakings (see table "2024 CO_2 intensity by sector").
Methodology, assumptions and limitations
Financing and proprietary investments: If no primary data was available, the emission and quantity components were determined using approximations or estimates. There is always a possibility when using this approach that approximations will under- or overestimate a counterparty's actual emissions. Financing re: 1. Absolute CO_2e values. - Financed Scope 3.15 emissions: Attention was paid to compliance with the PCAF standard when calculating financed GHG emissions. Data published by counterparties was given preference. Where such data was not available, approximations or estimates were used. - PCAF weighted quality score/percentage of primary data: The PCAF score is calculated using the formulae specified by the PCAF. The aggregated share is determined through weighting by gross carrying values. re: 2. Intensities: The physical intensities were determined according to the specified sector-specific measured values (units of the CO_2e measured values or output measurement units). Priority was given to actual customer data when doing this, and it was combined with publicly available, obtained, and estimated data, sorted in descending order of priority. Proprietary investments re: 1. Absolute CO_2e values (actual): Attention was paid to compliance with the PCAF standard when calculating the absolute financed emissions. The emissions data is either collected from documents published by the companies or obtained from sustainability data providers (primary data). re: 2. Intensities (actual): The physical intensities are determined for counterparties in nine carbon-intensive sectors. The physical intensity is determined for each relevant corporate counterparty with a capital market limit (a bottom-up approach). The emission and quantity components are either compiled/calculated from company reports or obtained from sustainability data providers. For detailed information, including sector specifics, see ESRS E1-6 AR 39 (b), AR 46 (h), AR 46 (i).
External validation
re: 1. and 2. The greatest care has been taken in preparing all the disclosures. The data and information have undergone multiple levels of internal quality assurance and validation processes to ensure that they are accurate and reliable, even without further external verification.
Categorisation and description
See tables "2024 gross emissions by sector and counterparty", "2024 gross GHG emissions by asset class (financing and proprietary investments)" and "2024 CO_2 intensity by sector".

44, 51, AR 46 (g) The following tables entitled "2024 gross emissions by sector and counterparty" and "2024 Gross GHG emissions by asset class (financing and proprietary investments)" show the absolute gross GHG emissions for DekaBank's Financing and Proprietary Investments business divisions, broken down by sector, counterparty and asset class (financing and proprietary investments) in the reporting year. The table entitled "2024 CO_2 intensity by sector" also shows the CO_2 intensities by sector in 2024.

2024 gross GHG emissions by sector and counterparty *(Fig. 69)*

Sector	Gross carrying value (€ million) with Scope 1, 2 & 3 counterparty emissions	Financed GHG emissions – Scope 3.15 (Scope 1, Scope 2 and Scope 3 counterparty emissions) (in metric tonnes of CO_2e)			Primary data (percentage of primary data used for Scope 1, 2 & 3 emissions calculations)	PCAF (weighed quality score from 1 to 5 with regard to grosscarrying-value)
			Of which financed Scope 1 and 2 emissions	Of which financed Scope 3 emissions		
Non-financial companies: Electricity	2,940.7	2,211,782.9	668,211.9	1,543,571.0	70.4%	2.6
Non-financial companies: Burning of fossil fuels	591.7	1,698,683.1	114,298.0	1,584,385.1	10.4%	3.4
Non-financial companies: Automotive sector, trucks	43.8	289,112.1	37,985.5	251,126.6	100.0%	2.0
Non-financial companies: Automotive sector, passenger cars	418.1	353,396.6	2,771.0	350,625.6	73.2%	2.3
Non-financial companies: Air transport	1,588.0	2,110,518.6	1,652,888.8	457,629.8	5.7%	3.4
Non-financial companies: Marine transport	1,123.2	625,387.8	450,279.2	175,108.6	5.9%	3.5
Non-financial companies: Chemical products	150.0	280,682.2	59,904.5	220,777.7	100.0%	2.0
Non-financial companies: Real estate activities	10,900.1	81,766.4	81,766.4	-	1.6%	3.5
Non-financial companies: other sectors	4,041.7	1,573,353.4	305,476.7	1,267,876.7	55.7%	2.8
Banks	13,599.6	2,302.4	2,302.4	-	79.1%	2.5
Other financial institutions	1,995.6	511,463.3	25,698.3	485,765.0	93.7%	2.8
Sovereigns, municipalities, cities	4,739.7	694,225.9	694,225.9	-	13.3%	4.1
Total	**42,132.2**	**10,432,674.7**	**4,095,808.6**	**6,336,866.1**	**40.0%**	**3.1**

2024 gross GHG emissions by asset class (financing and proprietary investments) *(Fig. 70)*

Asset class	PCAF category	Gross carrying value (€ million) with Scope 1, 2, 3 counterparty emissions	Financed GHG emissions – Scope 3.15 (Scope 1, Scope 2 and Scope 3 counterparty emissions) (in metric tonnes of CO_2e)			Primary data (percentage of primary data used for Scope 1, 2 & 3 emissions calculations)	PCAF (weighed quality score from 1 to 5 with regard to grosscarrying-value)
				Of which financed Scope 1 and 2 emissions	Of which financed Scope 3 emissions		
Financing	Listed Equity & Bonds (PCAF 5.1)	344.0	182,647.5	79,757.7	102,889.8	62.6%	2.6
	Unlisted Equity & Business Loans (PCAF°5.2)	7,489.8	2,792,666.9	457,883.2	2,334,783.7	31.7%	2.9
	Project Finance (PCAF 5.3)	4,063.0	3,470,304.2	2,370,576.5	1,099,727.7	3.5%	3.5
	Commercial Real Estate (PCAF 5.4)	10,856.3	80,640.5	80,640.5	-	0.2%	3.5
	Mortgages (PCAF 5.5)	-	-	-	-	-	-
	Motor Vehicle Loans (PCAF°5.6)	-	-	-	-	-	-
	Sovereign Debt (PCAF 5.7)	2,325.4	413,344.7	413,344.7	-	0.0%	4.7
Proprietary investments	Listed Equity & Bonds (PCAF 5.1)	5,993.3	1,617,567.7	276,312.7	1,341,255.0	92.6%	2.2
	Unlisted Equity & Business Loans (PCAF°5.2)	8,619.1	1,594,267.5	136,409.8	1,457,857.7	91.5%	2.5
	Project Finance (PCAF 5.3)	27.0	354.5	2.3	352.2	0.0%	5.0
	Commercial Real Estate (PCAF 5.4)	-	-	-	-	-	-
	Mortgages (PCAF 5.5)	-	-	-	-	-	-
	Motor Vehicle Loans (PCAF°5.6)	-	-	-	-	-	-
	Sovereign Debt (PCAF 5.7)	2,414.3	280,881.2	280,881.2	-	32.9%	3.5
Total for Deka Group assets (banking book, excluding trading book):		**42,132.2**	**10,432,674.7**	**4,095,808.6**	**6,336,866.1**	**40.0%**	**3.1**

The total gross carrying value of the balance sheet assets in the Deka Group's banking book (without the trading book, including derivatives, balances with central banks, cash and other asset categories) was €65,979.0m. CO_2e emissions were reported for €42,132.2m, which corresponded to a coverage rate of 63.9%. The remaining 36.1% was not covered by PCAF.

2024 CO_2 intensity by sector *(Fig. 71)*

Sector	Gross carrying value (€ million)	Intensity	Primary data (Percentage of primarydata used for Scope 1, 2 & 3 emissions calculations)	PCAF (weighed quality score from 1 to 5 with regard to gross-carryingvalue)
Non-financial companies: Electricity	2,940.7	225.38 kg CO_2e/MWh	70.4%	2.6
Non-financial companies: Burning of fossil fuels	591.7	94.43 g CO_2e/MJ	10.4%	3.4
Non-financial companies: Automotive sector, trucks	43.8	48.79 g CO_2e/tkm	100.0%	2.0
Non-financial companies: Automotive sector, passenger cars	418.1	141.27 g CO_2e/vkm	73.2%	2.3
Non-financial companies: Air transport	1,588.0	122.67 g CO_2e/pkm	5.7%	3.4
Non-financial companies: Marine transport	1,123.2	4.18 g CO_2e/tkm	5.9%	3.5
Non-financial companies: Chemical products	150.0	4,559.27 kg CO_2e/t output	100.0%	2.0
Non-financial companies: Real estate activities	10,900.1	33.86 kg CO_2e/m^2	1.6%	3.5

AR 39 (b), AR 39 (c), AR 46 (h), AR 46 (i) Various methodologies and assumptions were used to determine the absolute CO_2e values and CO_2 intensities for the reporting year; and these are explained separately below for financing and proprietary investments. The determination of DekaBank's Scope 3.15 emissions took the counterparties' Scope 1, Scope 2 and Scope 3 emissions into account. Exceptions are explained separately below for financing and proprietary investments and by sector.

Financing

The calculation of the financed GHG emissions endeavoured to ensure compliance with the PCAF standard. Preference was given to data published by counterparties. If no counterparty data was available, the following procedure was followed:

- Electricity and fossil fuel combustion sectors: Emissions were allocated by, among other methods, approximating industry values on the basis of NACE codes and using a size component (total assets, revenue) of the corresponding counterparties. For producers of electricity generated from renewable sources, data provided by the German Federal Environment Agency (*Umweltbundesamt*, UBA) was used to extrapolate the CO_2e emissions from the amount of MWh generated.
- Aviation and marine transport sectors: Actual data collected by an external data provider was used. The data included the Scope 1 values. The Scope 2 and 3 values were derived according to the distribution observable in the market.
- Real estate and housing: In the real estate and housing sector, only Scope 1 and Scope 2 emissions were taken into account. The data was collected or estimated (together with an external real estate service provider) from available data. The physical intensities were determined from the sector-specific metrics (units of the CO_2e or output measurement units). Priority was given to actual customer data, followed by publicly available data, obtained data and estimated data, sorted in descending order of priority.

Proprietary Investments

The calculation of the absolute financed emissions endeavoured to ensure compliance with the PCAF standard. The emissions data was either collected from documents published by the bond issuers or obtained from sustainability data providers (primary data).

The Scope 1 emissions recommended in the PCAF standard – as defined in the national UNFCCC emissions inventory but excluding various forms of land use and ecosystem management (land use, land-use change and forestry (LULUCF)) – were used to calculate the financed emissions from government bonds (including municipalities and cities/towns). Scope 2 and 3 emissions were not included in the calculation of financed emissions from government bonds. The gross domestic product (GDP) adjusted for purchasing power, which is required to calculate the attribution factor of government bonds, came from publicly available data (e.g. from the World Bank or national statistical offices) or, when necessary, from other data providers.

The calculation of financed emissions did not include exposures to central banks, because the European Central Bank (ECB) acts as a depositary and the funds are not restricted to any specific use. As long as the ECB does not provide guidance on or a uniform interpretation of this issue and the PCAF standard does not cover it, these deposits will not be included in the calculation of financed CO_2e emissions. The corresponding carrying value is therefore reported as "no CO_2e emissions". This reduces the coverage rate accordingly, as a small share of the total gross carrying value is reported without associated CO_2e emissions.

The PCAF concedes that the comparability, coverage, transparency and reliability of Scope 3 data still vary widely by sector and data source. Due to the insufficiency of available data on financed GHG emissions of banks (Scope 3.15), the presented metrics are of only limited significance. For this reason, the calculation of financed emissions for exposures to banks only took Scopes 1 and 2 emissions into account. The phase-in approach that the PCAF is pursuing for the disclosure of Scope 3 emissions will improve the pool of available data on the financed GHG emissions of banks, so it may become possible to include them in the calculation in the future. Where no primary data was available for a counterparty, estimates were made on the basis of the bond issuers' commercial activities.

The physical intensities were determined for counterparties in nine GHG-intensive sectors. In this process, the physical intensity was determined for each relevant corporate entity with a capital market limit (a bottom-up approach). The emissions and volume components were taken from corporate reports, calculated or obtained from an external data provider. Scope 1, 2 and 3 emissions were generally used for the emissions component. Location-based emissions were selected for the Scope 2 emissions, as this represented a more conservative approach than the market-based method. In the automotive sector (including trucks and cars), unlike the other sectors, only the emissions from the vehicles' utilisation phase were used. If a company did not provide information on its CO_2e emissions or its volume component, they were estimated on the basis of the sector average.

ESRS E1 – Climate change (Asset Management Real Estate business division)

E1-1 – Transition plan for climate change mitigation

16 (a) In 2024, the Asset Management Real Estate business division, which includes Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH, continued its consistent pursuit of the climate targets set out in its 2020 sustainability strategy for the funds under its management. In doing so, it focused on actions for combating the causes of climate change and adapting to impacts of climate change that have already occurred or are anticipated. The Asset Management Real Estate business division's long-term target is to achieve climate neutrality by no later than 2050, both for its own business activities and for its entire portfolio. This is compatible with the target of limiting global warming to well below 2°C in accordance with the Paris Agreement on climate change.

Reducing the CO_2e emissions of the real estate portfolio is central to this effort. The following remarks therefore apply primarily to the real estate direct funds under this business division's management.

The sustainability objective of the Asset Management Real Estate business division is to significantly reduce the CO_2e emissions that can be influenced by the investment management company for a large portion of its real estate portfolio by 2030, thereby helping to limit global warming to well below 2°C compared to pre-industrial levels.

The strategies for addressing the principal adverse impacts (PAIs) on sustainability factors include determining, measuring and weighting them and then defining actions to limit and reduce them. For a real estate investment management company, the focus when addressing PAIs is on the PAI indicators for investments in real estate assets: Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels, and Share of investments in energy-inefficient real estate assets (for further details, see ESRS E1-4 34 (e)).

16 (b) The objective with respect to a climate neutral building stock is to align the real estate investment funds that take environmental characteristics into account for investment decisions with the CRREM 2°C decarbonisation pathways. The CRREM 2°C decarbonisation pathways serve as measurable references for limiting global warming to well below 2°C in accordance with the Paris Agreement on climate change. Currently, the fund strategies of all mutual funds of Deka Immobilien Investment GmbH, one mutual fund of WestInvest Gesellschaft für Investmentfonds mbH and one special fund (all classified as Article 8 products) have environmental characteristics and therefore include GHG emission reduction targets. In total, over 69.6% of the asset management volume consists of Article 8 products, whose fund strategies promote environmental characteristics and therefore report GHG emission reduction targets. Further expansion of this volume is planned for the future.

Actions to reduce energy consumption – such as improving buildings' energy efficiency, foregoing inessential user comforts in consultation with building users (sufficiency) or reducing CO_2e emissions through the use of sustainable, decarbonised energy sources – are important levers to continuously reduce the carbon footprint of the real estate assets held in the funds. The portfolio management strives to reduce the CO_2e intensity of the real estate assets. The specific actions are broken down from the portfolio level to the property level. This applies primarily to building refurbishment and transactions such as the purchase or sale of real estate assets. When properties are bought and sold, their carbon footprint is factored into investment decisions in the same way as the PAIs for real estate assets and other criteria.

In the funds classified under Article 8, the PAIs that are relevant for real estate investment management companies form part of the fund strategy as environmental characteristics to be complied with. This concerns the proportion of real estate investments that have a connection to fossil fuels and/or are energy-inefficient. These PAI targets are designed in such a way that products with sustainability characteristics are permitted to exceed the defined portfolio-specific ratios only in justified exceptional cases. The defined upper limits were not exceeded in the reporting year.

Further information on the individual products can be found in the prospectuses and publications on the relevant product pages on the Deka website (www.deka.de).

The Asset Management Real Estate business division is endeavouring to provide additional fund products that have environmental characteristics incorporated into their investment strategies (in accordance with Article 8 SFDR), particularly for institutional customers. Coordination with individual investors is very important in this process, as they must unanimously agree to change the investment conditions.

The Asset Management Real Estate business division implements important decarbonisation levers with specific actions to meet the targets set in the sustainability strategy (for details, see ESRS E1-3 29 (a)). These include:

- Technical actions: These are actions that reduce the CO_2e emissions or energy consumption of the specific real estate assets. One such action is replacing the heating system (if the real estate asset is available for use) to take advantage of a more efficient system's potential CO_2e savings effect; and another is optimising the operation and control of technical systems, for example by introducing intelligent building control that make it possible to adjust usage periods to the availability of renewable energy. Other potential actions are renovating the building envelope or installing photovoltaic systems.
- Transactions: Transactions – i.e. the purchase or sale of real estate – represent an active tool to continuously reduce the CO_2e emissions intensity of the real estate funds. In accordance with the defined fund strategy, properties that are and will remain below the CRREM 2°C decarbonisation pathway are purchased, and any properties that are above this reduction pathway are sold. Each purchase decision takes account of the future time period during which the building would remain below the CRREM 2°C decarbonisation pathway without any additional modernisation actions. This approach achieves a step-by-step decarbonisation of the real estate portfolio.
- Renewable energy purchase and infrastructure decarbonisation: The energy consumed in managing real estate assets, including lighting and ventilation, has a crucial impact on their carbon footprint. The Asset Management Real Estate business division therefore switched its electricity sourcing in Germany over to renewable energy sources as early as 2013 and has gradually increased the share of properties supplied with this type of electricity. In the course of re-commissioning the energy procurement, the requirements for the quality of green electricity were raised again in the reporting year to ensure that future purchasing obtains the best possible quality currently available on the market. This is causing the Asset Management Real Estate business division to generate greater demand for renewable electricity from energy supply companies, and the resulting demand pressure is supporting decarbonisation in the energy sector.
- Green leases: Meeting climate targets requires close cooperation between lessors and lessees, as coordinated actions and shared commitment enable both parties to make significant contributions to the reduction of CO_2e emissions. Lessors can establish a general framework by implementing sustainable actions, while lessees can actively contribute to meeting these targets through environmentally conscious behaviour and using energy-efficient solutions. At Deka Immobilien, this is achieved through extensive use of green leases as an integral part of asset management. For this purpose, rules have been developed to support the overarching sustainability strategy, while also ensuring regular assessment and continuous improvement of the quality of use for the lessees in the buildings. These model clauses are used in new leases and other negotiations regarding leases.

16 (d) The average holding period of the properties in the real estate funds is far below the 27 years required to specify locked-in emissions beyond 2050. It is not known which properties the real estate investment funds will include from 2050 onwards, so the assumption is that there are no locked-in emissions in the form of unalterable CO_2 emissions that could undermine the GHG emission reduction targets.

16 (h) The transition plan for the Asset Management Real Estate business division is an essential part of the corporate and fund strategies. These strategies are reviewed and updated at least once a year as part of the institutionalised strategy process. The metrics necessary for the transformation are derived from these and planned explicitly. This applies in particular to the investment funds of the Asset Management Real Estate business division. On the corporate side, see the above description of the Deka Group's planning process. The plan's values reflect the investment funds' financial and investment plans, and how well the plans are implemented is monitored continuously.

16 (i) The information presented here regarding the transition plan has been approved by the Boards of Management of Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH.

E1-2 – Policies related to climate change mitigation and adaptation

Minimum disclosure requirement – Policies MDR-P – Policies adopted to manage material sustainability matters

(*Fig. 72)*

Policies
1. Sustainability strategy of the Asset Management Real Estate business division 2. Guidelines for implementation of energy generation systems (PV guidelines) 3. Cross-product risk management 4. New Product Process (NPP), Asset Management Real Estate business division 5. Real estate purchasing 6. Fund-specific GHG emission reduction targets for products with an ESG strategy 7. Processes for renovating and refurbishing existing real estate 8. Guidelines for green electricity procurement 9. Fund planning of the Asset Management Real Estate business division
Key contents
re: 1. Ambition level of qualitative sustainability targets (product and investment management company) and derived actions re: 2. Producing and using renewable energy to reduce CO_2e emissions in the portfolio re: 3. Description of how ESG risks are generally taken into account and assessed in investment decisions and ongoing management re: 4. Determining sustainability characteristics in the launch process for potential new products re: 5. Review of all purchases against specified ESG criteria and the resulting ESG risks re: 6. Fund strategies define the fund's GHG emission reduction targets (CRREM target) re: 7. Setting parameters for determining the effectiveness of renovation and refurbishment actions, which are incorporated into the decision on actions in order to improve sustainability re: 8. Green electricity standards for the purchase of green electricity re: 9. Taking sustainability characteristics into account in fund planning
General objectives
re: 1. Reduce CO_2e emissions (by 2030, large parts of the real estate funds under management will noticeably reduce the CO_2e emissions under their influence); limit global warming to well below 2°C above pre-industrial levels; adhere to the fund-specific decarbonisation pathways and the targeted energy consumption; green leases; exclude coal mining and coal-fired power generation from liquidity investments. Energy efficiency not as an end, but rather a means to reduce CO_2e. re: 2. Reduce CO_2e emissions by using renewable energy generation systems. re: 3. Identify and assess potential risks in investment decisions and general portfolio management. re: 4. When new products or structures are launched, they are checked against the business strategy/sustainability strategy. re: 5. Numerous ESG criteria and data are collected for each property purchase. These provide information on how the property can be assessed in terms of sustainability. This assessment is incorporated into the purchase decision process. re: 6. Fund-specific GHG emission reduction targets (CRREM). Limit exposure to fossil fuels through real estate assets to 5% of the market value. Limit exposure to energy-inefficient real estate assets to 85% of the market value. re: 7. Before renovation and refurbishment actions are carried out, their effectiveness is assessed with a view to improving sustainability. The results are incorporated into the decision on the corresponding action. re: 8. Quality standards for the purchase of green electricity have been set in order to reduce the CO_2 emissions associated with the electricity supplied to the properties in the real estate portfolios as much as possible. re: 9. Describe the requirement for planning sustainability characteristics.

Material impacts, risks and opportunities

re: 1. to 9. The Asset Management Real Estate business division contributes to the reduction of CO_2e emissions in its portfolios by acquiring and owning efficient buildings below the CRREM 2°C decarbonisation pathway. CO_2e emissions can be reduced further by continuously increasing the share of green leases. The Asset Management Real Estate business division is also implementing a continual decarbonisation strategy with corresponding technical measures for its real estate portfolios. At the same time, the Asset Management Real Estate business division contributes to the reduction of energy consumption in cases where existing buildings' energy consumption can be reduced through individual actions.

Monitoring process

re: 1. to 9. The basic governance structures of the investment management companies and management level responsibilities for orderly operations ensure compliance with the policies at a higher level. In addition, compliance monitoring activities are carried out by the "second line of defence", and these are supplemented by audit checks carried out by the "third line of defence". Finally, external auditors examine implementation of the policies in their work relating to the annual financial statements.
re: 4. As part of the NPP, the organisational unit "Real Estate Business Division Management" also carries out checks against the defined business strategy.

re: 5. For each real estate purchase and for fund planning, the organisational unit "Real Estate Business Division Management" issues statements examining the ESG risks. These cover both qualitative and quantitative parameters. The Board of Management of the subsidiary has the ultimate decision-making authority.

Scope of application

re: 1. to 9. For all real estate investment funds in the Asset Management Real Estate business division

Responsible organisational level

re: 1. to 9. Subsidiary Board of Management

Reference to third-party standards or initiatives

re: 1. to 9.
- Fund-specific GHG emission reduction targets for the Article 8 funds are based on the CRREM 2°C decarbonisation pathway
- EU climate targets
- Signing of UN Principles for Responsible Investment (UN PRI)
- Sustainable Development Goals (SDG) (especially SDG 13: "Take urgent action to combat climate change and its impacts")
- Partnership for Carbon Accounting Financials (PCAF)
- Greenhouse Gas Protocol (GHG Protocol)

Industry standards published by associations (e.g. the German Investment Funds Association [BVI], the German Property Federation [ZIA] and the Gesellschaft für Immobilienwirtschaftliche Forschung [GIF])

Consideration of stakeholders' interests

re: 1. to 9.
The policies listed here take nature into account indirectly as a silent stakeholder.
Retail investors: Publication of selected items in the pre-contractual information and in the sustainability strategy on the internet to present the ambition and objectives to investors in a transparent form, allowing them to compare the ESG criteria to their own sustainability requirements.
Institutional investors: Must consent to the incorporation of ESG criteria into an existing fund strategy. This is discussed in advance at investor committee meetings, meaning that institutional investors' interests are taken into account.
Lessees: Support provided to lessees in reducing the properties' resource consumption, for example by signing green leases. Green leases also allow lessees to set their own sustainability requirements (e.g. a certain number of e-charging points).
Demand-driven provision of real estate that meets market requirements to support the fulfilment of the fund strategies.

Investment management companies: Active participation in associations, thereby helping to shape industry standards (BVI, ZIA and GIF).

Availability of policies to stakeholders

re: 1. to 9. Pre-contractual information, including the environmental characteristics appearing in the appendix, are provided to investors. Excerpts from the sustainability strategy can be accessed on Deka's website (www.deka-immobilien.de).

Scope limitations

re: 1. to 9. The CSRD review focuses on real estate investment funds.

The Asset Management Real Estate business division's sustainability strategy
22 The Asset Management Real Estate business division's sustainability strategy summarises the division's sustainability strategy. The strategic components that are relevant for the investment management company are embedded in the Deka Group's business strategy. The sustainability strategy includes the level of ambition for ESG, qualitative and quantitative sustainability targets at the product level, qualitative sustainability targets at the investment management company level and the derived actions to meet the targets. Its focus is on reducing the CO_2e emissions of the real estate assets. The Asset Management Real Estate business division's sustainability objective is to significantly reduce the CO_2e emissions that are under the investment management company's influence in a large proportion of the real estate funds by 2030. This should contribute to limiting global warming to well below 2°C compared to pre-industrial levels. The aim of this environmental characteristic is to reduce CO_2e emissions from real estate assets through active management until the benchmarks set for the climate target – which are determined on a fund-specific basis – are met. Active management means data collection and analysis, as well as planning and implementation of targeted actions. The Article 8 product strategies are aligned with the CRREM 2°C decarbonisation pathway. CRREM, which is the result of a research project involving several universities, translates the requirements of the target of limiting global warming to 2°C by 2100 for the real estate industry in numerous countries. This science-based tool is used to calculate property-specific decarbonisation pathways, derived from the property type and location, which indicate how much carbon dioxide can be emitted at any given time while still attaining the target. The research project continuously adjusts the CRREM 2°C decarbonisation pathways to current developments and better data, while the climate target remains unchanged.

Risk management, control and reporting are subject to continuous and proactive refinement in terms of qualitative and quantitative parameters, taking account of all available information, in accordance with the requirements for sustainability and for identifying, managing and limiting direct climate risks for the portfolios.

Creating transparency is essential for meeting the targets and is a precondition for all targets. Gradual improvement and digitalisation of the database with reference to final energy consumption and primary energy demand is therefore itself a target. There are also plans to collect further necessary information on consumption (e.g. water consumption and waste quantities). The ability to subject this information to a structured analysis represents a starting point for assessing sustainability risks and the actions that have already been taken. Creating transparency also involves determining the carbon footprint of the Asset Management Real Estate business division's own activities.

In the interests of industry-wide transparency and comparability, the Asset Management Real Estate business division reports on its sustainability activities in a standardised form, including in UN PRI reports.

Active participation in associations and exchange within the industry also foster continuous development and transfer of knowledge about sustainability-related problems and possible solutions. Innovative methods and actions that help reduce the energy consumption or CO_2e emissions of real estate assets (such as energy-efficient facilities technology, sensor technology, energy and environmental management systems and ecological and resource-saving construction materials) are especially relevant to these efforts and contribute to the fight against climate change.

Guidelines for implementation of energy generation systems (PV Guidelines)
To meet the targets set in the sustainability strategy, the Asset Management Real Estate business division has established guidelines for implementing renewable energy generation systems. These guidelines describe how to systematically analyse the real estate portfolio to make the potential for renewable energy in the real estate assets transparent and to exploit this potential. Consistent expansion of photovoltaic systems is another significant component of the efforts to reduce the portfolios' CO_2e emissions.

Cross-product risk management

The directive describes how ESG risks are generally and assessed and addressed in investment decisions. The process involves identifying and assessing potential ESG risks in investment decisions and general portfolio management.

New product process of the Asset Management Real Estate business division

Decisions about the sustainability characteristics to be defined are made during the process of launching potential new products. When products or new structures are revised, they are aligned with the Asset Management Real Estate business division's corporate and sustainability strategies.

Purchase of real estate assets

Purchases are always checked against established ESG criteria and the ESG risks that can be derived from them; and these are then documented in a standardised way in the New Product Process Guideline. In addition to the numerous property criteria, a wide range of ESG criteria and data are collected, such as an asset's carbon footprint, its compliance with PAIs and the length of time before it crosses the CRREM 2°C decarbonisation pathway, as well as any physical or other climate risks. These provide information for assessing the asset in terms of sustainability. This assessment is incorporated into the purchase decision process. Effective portfolio management can also serve as an action to reduce the carbon footprint by selling off properties with higher CO_2e emissions and purchasing more efficient properties, insofar as the market situation and general conditions allow. The aim of these steps is to further reduce the CO_2e emissions intensity of the specific real estate portfolios through transactions.

Fund-specific GHG emission reduction targets for products with an ESG strategy

The pre-contractual information on the six Article 8 products that existed in the reporting year set out GHG emission reduction targets along the CRREM 2°C decarbonisation pathway and stipulated compliance with the PAIs (limiting exposure to fossil fuels through real estate assets to 5% of their market value and limiting exposure to energy-inefficient real estate assets to 85% of their market value) in their fund strategies. This is having a positive impact on climate change mitigation.

Processes for renovation and refurbishment of existing real estate

Before renovation and refurbishment actions are taken, their effectiveness is assessed from the point of view of improving sustainability, for instance by examining the extent to which they will save energy or reduce CO_2e emissions. The results are incorporated into the decision on the actions to be taken.

Guidelines for green electricity procurement

Green electricity has been purchased for general electricity consumption since as early as 2013 for most of the German real estate assets. The development of the Green Electricity Policy has set special standards for purchasing green electricity. This policy envisages three stages of decarbonisation for electricity procurement in the real estate portfolio:

- Purchase of green electricity with the defined quality criteria
- Integration of offsite power purchase agreements (PPAs) with wind power and photovoltaic systems
- Integration of on-site PPAs with the photovoltaic systems at properties in the Deka portfolio

24 The policies incorporate the material IROs identified so far in connection with climate change mitigation and adaptation. By acquiring and owning energy-efficient buildings below the CRREM 2°C decarbonisation pathway, the Asset Management Real Estate business division is contributing to the reduction of CO_2e emissions in its portfolios. Continued expansion of green leases can further reduce energy consumption and CO_2e emissions. The division has a consistent decarbonisation strategy for its real estate portfolios. Its decarbonisation of electricity and heat is having a positive impact on the environment (energy as a sustainability issue). Increasing the proportion and quality of green electricity purchased will make it possible to take advantage of the low CO_2e emission factor in the long term despite the regulations being tightened. The division is also helping to reduce energy consumption by obtaining improved energy performance certificates for existing buildings through individual actions or by reducing their energy consumption (e.g. through predictive air conditioning control technology).

25 (a) Incorporating climate change mitigation in its internal policies is very important to the Asset Management Real Estate business division. Reducing the CO_2e emissions of the real estate assets it holds is therefore one of the main goals of its sustainability strategy for the coming years. All business processes and actions that work to achieve this also contribute to climate change mitigation. These include a wide variety of actions taken on buildings that both contribute to decarbonisation of the energy they consume and reduce their basic energy consumption. In addition, six real estate funds have already embedded GHG emission reduction targets in their strategies (Article 8 products). ESRS E1-3 29 (a) and 29 (b) explain the defined actions for CO_2e reduction.

25 (b) Climate change adaptation is embedded in the property acquisition process. This identifies and evaluates physical risks, and this information is incorporated into the decision-making process. This enables the Asset Management Real Estate business division to minimise physical risks to the properties that could arise as a result of climate change and to better adapt its real estate portfolio to climate change.

25 (c) For the Asset Management Real Estate business division, energy efficiency is a significant criterion for achieving the objective of limiting global warming to well below 2°C. It is therefore reflected in the business division’s sustainability strategy, in the fund strategies’ specific ESG criteria and in the PAI strategy at the corporate level. The Asset Management Real Estate business division is making a positive contribution through its acquisition and ownership of energy-efficient buildings, such as buildings that have an A or B energy performance certificate, meet the Nearly Zero Energy Building (NZEB) standard, or are among the top 15% of the national building stock as measured by their energy efficiency and primary energy consumption. It also plans and executes property-specific actions to reduce the basic energy consumption of particular real estate assets. These actions are explained further in ESRS E1-3 29 (a) and 29 (b).

25 (d) Renewable energy deployment is addressed in the PV Guidelines. These describe how continuous expansion of photovoltaic systems on the buildings in the real estate portfolio can gradually reduce its CO_2e intensity. In addition, the Green Electricity Policy addresses the quality of purchased green electricity.

E1-3 – Actions and resources in relation to climate change policies

Minimum disclosure requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters *(Fig. 73)*

Actions / action plans
1. Replacing heating systems 2. Optimising operations (introducing software to reduce energy consumption, including building technology control optimisation) 3. Renovation and refurbishment (heating and building envelope) 4. Installing photovoltaic systems 5. Property purchases 6. Property sales 7. Infrastructure decarbonisation (energy suppliers) 8. Purchasing green electricity 9. Green leases
Outcome / contribution of key actions in the reporting year
re: 1. to 9. The primary objective of the actions listed is to reduce CO_2e emissions. This can be achieved both through decarbonisation of the required energy sources (electricity and heat) during ongoing operations and through general reduction of energy consumption in the properties. Actions are planned and implemented annually on a property-specific basis. The CRREM 2°C decarbonisation pathways are especially relevant as a control mechanism for planning of actions.
Outcome / contribution of key future actions
re: 1. to 9. The future outcomes will have a positive impact primarily on the further reduction of CO_2e emissions and energy consumption at both the property level and the fund portfolio level.
Scope
re: 1. to 4. Significant and permanent reduction of CO_2e emissions and energy consumption. The appropriate actions must always be taken on a property-specific basis and range from operational optimisation and replacement/installation of energy-efficient building technology to comprehensive renovation measures. The CRREM 2°C decarbonisation pathway is used as a benchmark for assessing and managing the savings. re: 5. and 6. According to the market situation on the basis of the fund planning. re: 7. to 9. Progress is controlled by the energy suppliers; the Asset Management Real Estate business division generates demand for 8. and 9. Permanent.
Time horizon
re: 1. to 4. Actions are planned and implemented annually on a property-specific basis. The implementation period corresponds to the scope of the respective action. re: 5. to 9. Permanent rolling implementation of the actions.
Mitigation measures
re: 1. to 9. Due to the focus on acquisition and ownership of real estate and compliance with the PAIs defined for this purpose, no mitigation measures were necessary during the period under consideration.
Progress
re: 1. to 9. The Asset Management Real Estate business division has reported on its comprehensive sustainability activities for many years in the DekaBank Group’s sustainability report. Every year since the 2020 report, the report has also included transparent information about carbon footprint, actions taken to reduce it, and success of those actions.
Type of resources applied in the reporting year
Financial resources are used in the following investment processes. All resources used are covered by the investment funds and are therefore not expenses of the investment management company: re: 1. to 4. In the existing portfolio of the investment funds, efforts are made to achieve a positive impact on the energy consumption and CO_2e emissions of the real estate as part of the operational management and ongoing maintenance and renovation measures. These include smaller-scale measures, such as switching to LED lighting, as well as larger-scale measures, such as switching to energy-efficient heating systems or corresponding building technology, optimising the energy efficiency of the building envelope (renovation) or implementing green façades. Smart building control is being introduced into further properties in the portfolio. re: 5. and 6. Purchases and sales contribute significantly to meeting the sustainability targets. The impact of each individual transaction on potential ESG risks (individual and portfolio view) is assessed during the transaction processes. re: 7. and 8. There are no significant additional costs for green electricity (they are passed on to lessees). re: 9. No quantifiable costs are currently incurred for green leases.
Type of resources planned for the future
re: 1. to 9. The above-mentioned actions are taken into account in the annual fund planning in accordance with the fund strategies.

29 (a) To meet the climate change mitigation targets and implement the climate change adaptations described in ESRS E1-4 34 (a), the Asset Management Real Estate business division has introduced policies as described in ESRS E1-2 22 that pursue the overarching goal of gradually reducing CO_2e emissions in its real estate portfolio. As the funds' real estate portfolios grow over time, the absolute CO_2e emissions may increase temporarily, even if the emissions intensity per square metre decreases. Actions whose implementation will contribute directly to reducing the CO_2e emissions intensity are subordinate to the policies. The following paragraphs describe the specific actions being taken by the Asset Management Real Estate business division to reduce the CO_2e emissions of the real estate assets that it holds.

The actions are grouped into various thematic clusters of business actions to form "decarbonisation levers". These include technical actions, transactions and infrastructure decarbonisation. The decarbonisation levers and the associated actions are described in detail below.

- Technical actions: This decarbonisation lever primarily addresses technical improvements to real estate assets within the real estate funds with the aim of significantly reducing CO_2e emissions. The four most important actions are described below.
  - Replacement of heating systems: One contribution to climate change mitigation consists in replacing heating systems with new, more efficient systems if CO_2e emissions can be achieved during operation. This involves a review of the options for the particular real estate asset, the commercial feasibility of replacement and its impact on the asset's carbon footprint. This action includes options such as switching from fossil fuels to renewable energy sources like heat pumps or connecting to district heating networks. It takes factors like energy efficiency, useful life, historical cost and maintenance costs into account.
  - Optimising operation (introducing software to reduce energy consumption, including building technology control optimisation): This is another element of the "technical actions" decarbonisation lever: its primary objective is to further reduce the energy consumption of real estate assets through the technical optimisation of existing building technology. Introducing smart data technology, which uses a digital twin to optimise a building's operation, significantly reduces energy consumption in the building without any loss of comfort for users. A large volume of relevant data is integrated into the control process, such as energy prices and demand rates, building physics, technology and weather forecasts. Reducing energy consumption can also reduce CO_2 emissions, which will in turn have a positive impact on climate change mitigation.
  - Renovation and refurbishment: Renovation and refurbishment of real estate assets form another component of technical actions. These processes involve modernising a building's envelope, heating system and/or other technical equipment, such as its ventilation and air conditioning systems or pumps. This action improves a real estate asset's energy efficiency and can significantly reduce the emissions that arise through heating and cooling.
  - Installation of photovoltaic systems: Where technically and commercial feasible, photovoltaic systems are installed on real estate assets. The electricity these generate is used directly in the buildings to operate the technical building services, which reduces the amount of electricity drawn from the grid. This helps to reduce the real estate assets' CO_2e emissions and achieve compliance with the CRREM 2°C decarbonisation pathway. The division plans to install large photovoltaic systems on further selected logistics facilities. In this context, it is currently developing the fundamental legal and economic principles for electricity generation at the portfolio level. In the reporting year, it initiated a technical baseline evaluation of the first logistics facilities, tested grid compatibility and prepared an invitation to tender for potential photovoltaic operators.

- Transactions: The Asset Management Real Estate business division understands the "transactions" decarbonisation lever as comprising the acquisition or sale of real estate assets to reduce the CO_2e intensity (the CO_2e emissions per square metre) of a real estate fund. Specifically, the defined fund strategy provides that, for purchases of real estate assets, preference should be given to properties that are and will remain below the CRREM 2°C decarbonisation pathway and, for sales of real estate assets, preference should be given to properties that are above the pathway. Before any decision to purchase a building, information is obtained about the length of time during which the building would remain below the CRREM 2°C decarbonisation pathway without the need for any additional modernisation actions. This approach achieves a step-by-step decarbonisation of the portfolio. Sustainability-related criteria (such as the assets' certifiability, energy performance certificates, compliance with sustainability-related regulations, carbon footprints and energy consumption) are also taken into account when purchasing real estate assets.
- Infrastructure decarbonisation: The goal of this action is to increase the use of renewable energies for real estate assets, thereby minimising their carbon footprints and contributing to climate change mitigation.
  - Green electricity procurement: A key action for reducing the real estate funds' carbon footprint is purchasing green electricity. In accordance with the market-based approach, an emission factor of zero applies to an amount of energy when calculating CO_2e emissions. Real estate assets that are powered by green electricity therefore have smaller carbon footprints. In the course of re-commissioning its electricity procurement in Germany, the division raised its requirements for the quality of green electricity to ensure that it purchases the best possible quality that is available on the market. Most of the general areas in the German real estate portfolio therefore receive green electricity that carries Grüner Strom Label e. V.'s seal of approval. The Asset Management Real Estate business division has also developed a framework on the basis of its green electricity sourcing guidelines for raising the quality of its green electricity up to the PCAF standard. It plans to conclude PPAs with power plants that generate electricity from renewable energy sources for the funds' real estate assets. Its goal is to ensure that the supply and price for renewable energy remain stable by concluding long-term electricity supply agreements. The Asset Management Real Estate business division plans to continue to expand independent generation of renewable energy at its real estate assets through the actions described above, including installing photovoltaic systems (see ESRS E1-3 29 (a) for the "Technical actions" decarbonisation lever).
  - Infrastructure decarbonisation: Energy suppliers are also subject to regulatory requirements to continue decarbonising their electricity generation. The Asset Management Real Estate business division can stimulate demand for CO_2e-free electricity and heat through targeted selection of suitable suppliers. Greater decarbonisation of electrical grids will have a further positive impact on CO_2e reduction over time. It will also reduce the carbon footprint of the electricity used by lessees of real estate assets and thereby reduce the overall carbon footprints of the assets in operation.
- Concluding green leases: Deka Immobilien uses green leases consistently and extensively to ensure the long-term quality of its real estate portfolio. With the help of green leases, it concludes agreements with the users of real estate assets to reduce their energy and water consumption and their waste generation (including agreements on the energy performance of buildings) and thereby encourages more sustainable use of the assets. As the lessees of real estate assets are generally responsible for sourcing electricity for the leased spaces, the agreements also provide for energy consumption data to be shared. These provisions are based on national market standards. The green leases also provide for additional minimum or optional content. The Asset Management Real Estate business division incorporates green lease clauses into new leases and, where possible, into existing ones. As at 31 December 2024, the proportion of green leases was 29.5% of net contract rents.

29 (b) In its sustainability strategy, the Asset Management Real Estate business division has committed to continue to decarbonise its real estate portfolio. The actions described in ESRS E1-3 29 (a) above also apply here. The CO_2e reductions that these actions can achieve must be assessed individually for each property, depending on factors such as the property type, building technology conditions, applicable building law, location, etc.

The actions described below have made material contributions to decarbonisation and will make corresponding contributions in the coming years as they are pursued further.

- Optimising operation: In the reporting year, software-supported optimisation of energy consumption saved around 48,000 MWh/year of electricity and thermal energy, which corresponded to CO_2e savings of around 10,000 tonnes. In 2024, the international roll-out continued, with two projects in Canada and four in Luxembourg. The specialised service provider is now working on projects for Deka Immobilien Investment GmbH involving a total of 145 properties in thirteen countries. By the end of the reporting year, a total of 90 real estate assets from nine different funds had been equipped with this technology.
- Renovation and refurbishment: Actions are implemented on a yearly basis to ensure that the Asset Management Real Estate business division contributes to CO_2e emission savings – and thus to climate change mitigation. The CRREM 2°C decarbonisation pathways – a science-based tool that calculates decarbonisation pathways for specific real estate assets in accordance with their property type and location – indicate how much carbon dioxide can be emitted at any given time while still ensuring that the target of limiting global warming to 2°C by 2100 can be met. The research project continuously adjusts the CRREM 2°C decarbonisation pathways – which are based on the 18 August 2023 version – to current developments and better data, while the climate target remains unchanged.
- Photovoltaic systems (renewable energy generation): Where technically and commercial feasible, photovoltaic systems are installed on real estate assets. The electricity these generate is used directly in the buildings to operate the technical building services, which reduces the amount of electricity drawn from the grid. With an appropriate electricity supply agreement, this helps to reduce the real estate assets' CO_2e emissions and achieve compliance with the CRREM 2°C decarbonisation pathway.
- Purchase of green electricity: Almost 28,000 tonnes of CO_2e per year can now be saved by procuring green electricity for the communal areas and shared technical installations in a large portion of the German and Austrian real estate assets in Deka Immobilien's portfolio.
- Purchase and sale of real estate assets: Achieving further CO_2e emissions intensity reductions through purchase and sale of real estate assets depends on the market situation and relies on individual fund planning. As a general principle, the CRREM 2°C target and the associated decarbonisation pathway is incorporated into investment decisions for transactions.
- Infrastructure decarbonisation: The Asset Management Real Estate business division has no direct influence on infrastructure decarbonisation. Progress in reducing emissions from electricity generation is primarily under the control of the energy supply companies. However, market conditions, such as increases or decreases in the demand for green electricity, can indirectly influence this progress. By purchasing green electricity, the Asset Management Real Estate business division helps to increase demand for it and thereby contributes to climate change mitigation. The Asset Management Real Estate business division has also signed a supply agreement for green district heating, which is helping it to gradually decarbonise its Frankfurt real estate portfolio.
- Green leases: Standard-form green clauses are gradually being incorporated into new and existing leases. At present, 29.5% of net contract rents are classified as green leases (2023: 21.4%).

E1-4 – Targets related to climate change mitigation and adaptation

Minimum disclosure requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets

(Fig. 74)

Specifying the target (general)

1. Fund-specific GHG emission reduction targets in line with the CRREM 2°C decarbonisation pathway for Article 8 products
2. The following targets apply to Article 8 products: Thresholds for exposure to energy-inefficient real estate assets and limits on investments in real estate assets linked to fossil fuels.

Relationship between target and policy

re: 1. and 2. The defined targets support the CO_2e emission reduction specified in the policies (see ESRS E1-2 22).

Target type and level

re: 1. The unit of measurement for target attainment is "kg CO_2e/m^2" (see ESRS E1-4 34 (e)).
re: 2. The following targets apply to Article 8 products: Limit exposure to fossil fuels through real estate assets to 5% of the market value of the real estate under management. Limit exposure to energy-inefficient real estate assets to 85% of the market value. The values are measured on four reporting dates per year and published at the end of the year in the form of an average in accordance with Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR).

Scope

re: 1. and 2. The environmental characteristics documented in the fund strategies (SFDR Article 8 products) that lead to a long-term reduction in CO_2e emission intensities apply to all properties of the respective fund in the respective countries. These investments of the Article 8 products break down as follows (as at 31 December 2024; real estate assets):

- Germany €11,317.3m
- European Monetary Union countries, excluding Germany: €14,735.7m
- Other European countries (non-eurozone): €8,019.8m
- Americas: €3,303.3m
- Asia/Pacific: €1,502.8m.

Thus 76.8% of real estate assets in the real estate (direct) funds exhibit environmental characteristics.
The targets presented here pertain to the Deka Group's downstream value chain (see ESRS 2 BP-1 5 (c)).

Baseline value and reference year

re: 1. Outcomes are measured against the baseline value for the achieved CO_2e reduction of "kg CO_2e/m^2 per year" and the base year is 31 December 2020.
re: 2. PAIs: Adverse fossil impact as a percentage of the investment fund; energy inefficiency ratio as a percentage of the investment fund.

Time period and interim targets

re: 1. For Article 8 products: No interim targets, as there is an annual comparison to CRREM 2°C decarbonisation pathways and GHG emission reduction targets must be achieved every year. The CRREM 2°C decarbonisation pathways is defined up to 2050. The interim targets required by the regulations are shown in table "Intensity-based GHG emission reduction targets".
re: 2. The defined PAI targets must be met continuously.

Methodology and assumptions

re: 1. The CRREM 2°C climate scenario (V2) is used to determine the benchmark values. The additional city-/region-specific benchmark values are taken into account for the US. A benchmark value is determined for each economic entity. This is done by calculating a weighted CRREM decarbonisation pathway on the basis of the floor-area-weighted share of CRREM asset classes within the economic entity. To determine the average decarbonisation pathway of a portfolio, the property-specific pathways are aggregated, weighted by floor area.
re: 2. The PAI thresholds are determined on the basis of currently available data and the conclusions that can potentially be drawn from it (for assumptions, see also ESRS E1-4 34 (e)).

The following applies to the fossil fuel PAI: This PAI shows the share of investments in properties in the real estate portfolios that are actively involved in the extraction, storage, transportation or production of fossil fuels for consumption or use by third parties (in particular, fuel distribution facilities or resale storage facilities). The relevant share of market value is determined by an external valuer.

The following applies to the energy inefficiency ratio PAI: If no letter scale for energy performance certificates exists in a given country (e.g. for commercial real estate in Germany), the conversion method agreed upon by BVI is used. For products that invest exclusively outside Europe (and therefore outside the scope of Directive (EU) 2024/1275 of 24 April 2024 on the energy performance of buildings), that pursue an ESG strategy and that therefore also take the PAIs into account, real estate is deemed energy inefficient if its primary energy consumption is categorised as energy inefficient according to national regulations or standards. If neither national regulations nor national standards exist, real estate is deemed energy-efficient if compared to similar real estate in a suitable geographical comparison area its primary energy consumption is lower than that of 75% of the real estate in the comparison group (e.g. according to the Energy Star label).

On the basis of these assumptions, thresholds were set for both PAI ratios that take into account both the strategic sustainability ambitions and realistic attainability in an environment where regulations continue to undergo dynamic change.

Use of scientific evidence

re: 1. The basis for the GHG emission reduction targets is the CRREM 2°C decarbonisation pathway.

Involvement of stakeholders
re: 1. and 2. No stakeholders were involved in setting the targets.
Progress and monitoring
re: 1. and 2. Internal processes are documented and implemented to monitor the environmental characteristics and how the targets are achieved. Information on achievement of targets relating to environmental characteristics is published in the annual reports for the relevant Article 8 real estate funds. At the corporate level, information on the fulfilment of PAI requirements is published in the annual PAI statement. The environmental characteristic targets are currently met in the fund strategies of the Article 8 products.

33 The Asset Management Real Estate business division pursues GHG emission reduction targets as shown in the following table entitled "Intensity-based GHG emission reduction targets" under ESRS E1-4 34 (a). For the exact methodology, see ESRS E1-4 34 (e).

34 (a), 34 (c) and 34 (d) The goal is to continuously reduce the CO_2e emissions (CO_2e in kg/m² per year) of the real estate assets in the real estate (direct) funds from the CRREM reference period in 2020 up to the target year of 2050. The following table entitled "Intensity-based GHG emission reduction targets" shows the GHG emission reduction targets for the Asset Management Real Estate business division in five-year periods starting from the base year of 2020.

Intensity-based GHG emission reduction targets *(Fig. 75)*

Asset class	Assets (€ million)	Base year	Intensity					
		2020	2025	2030	2035	2040	2045	2050
Real estate (direct) funds (implicitly including funds-of-funds with exclusively internal target funds)	50,612.5	48.7 kg CO_2e/m^2	36.1 kg CO_2e/m^2	24.8 kg CO_2e/m^2	16.7 kg CO_2e/m^2	11.0 kg CO_2e/m^2	7.1 kg CO_2e/m^2	4.2 kg CO_2e/m^2

The total assets of the Asset Management Real Estate business division for which targets have been set amount to €50,612.5m. This corresponds to a coverage rate of 85.4% of the total assets under management (AuM) (see ESRS E1-6 44). In the included assets for the real estate (direct) funds, the difference between the actual values from ESRS E1-6 (€49,858.0m) and the target values in ESRS E1-4 (€50,612.5m) is due to the fact that ESRS E1-6 only includes assets for which Scope 1, 2 and 3 emissions have been reported, while ESRS E1-4 includes the assets of all of the real estate (direct) funds.

The Asset Management Real Estate business division has also set the following targets for Article 8 products: limiting exposure to fossil fuels through investing in real estate assets to a maximum of 5% of the market value; and limiting exposure to energy-inefficient real estate assets to 85% of the market value.

34 (b) The intensity target values shown in the table entitled "Intensity-based GHG emission reduction targets" under ESRS E1-4 34 (a) above relate to the funds shown in ESRS E1-6 44 under "Real estate (direct) funds".

AR 25 (a) The CRREM 2°C decarbonisation pathways have been selected as the baseline value. CRREM provides these values for every year from 2020 to 2050. The calculation takes changes over time in influencing factors (e.g. changes in CO_2e emission factors for electricity and district heating) into account. The current CRREM 2°C decarbonisation pathways were determined on the basis of 2020, so 2020 is the base year for the indicated target reduction.

34 (e) The Asset Management Real Estate business division has opted for the science-based CRREM model for setting its GHG emission reduction targets. CRREM, which is the result of a research project involving several universities, translates the requirements of the target of limiting global warming to 2°C by 2100 for the real estate industry in numerous countries. This science-based tool is used to calculate property-specific decarbonisation pathways that are derived from the property type and location and indicate how much carbon dioxide can be emitted at any given time while still attaining the target. The research project continuously adjusts the CRREM 2°C decarbonisation pathways to current developments and better data, while the climate target remains unchanged.

The Asset Management Real Estate business division has set a goal of developing a sustainable product range, thereby supporting climate change reduction. To achieve this, an ESG strategy has been implemented in all open-ended mutual funds and one special fund (as at 31 December 2024), so these products are now classified as Article 8 products. This ESG strategy focuses primarily on CO_2e reduction and thus makes a significant contribution to climate change mitigation. These funds' GHG emission reduction targets are aligned with the CRREM 2°C decarbonisation pathways that apply to them. They are described specifically in the relevant pre-contractual information and can be summarised as follows:

- The CO_2e emissions caused by real estate assets are compared with the maximum value of the benchmark applicable to them depending on their use and location (currently the CRREM 2°C decarbonisation pathways) on fixed dates, but at least once per calendar year.
- As a result of the comparison, either (i) the sum of the CO_2e emissions of all real estate assets in the investment fund must fall below the maximum value determined from the benchmark for the investment fund, or (ii) the CO_2e emissions of a portion of real estate assets making up 20% – or 25% in one product – of the total market values of all real estate assets in the investment fund must fall below the maximum value determined from the benchmark for the specific property. If an investment decision is to be made concerning the acquisition of a real estate asset, the asset must be included in the comparison described above.

CRREM is derived from the various states' and countries' policy objectives. Country- and sector-specific CRREM benchmarks are available and are used in accordance with the property-specific distribution of property types. The CRREM 2°C climate scenario is used to determine the benchmarks. For the USA, the additional city-/region-specific benchmarks are included. A benchmark is determined for each economic entity by calculating a weighted CRREM decarbonisation pathway on the basis of the floor area-weighted proportions of CRREM property types within the business entity. To determine the average decarbonisation pathway of a portfolio, the property-specific pathways are aggregated, weighted by floor area.

Principal Adverse Impact (PAI)

The Asset Management Real Estate business division has also set the following targets for Article 8 products: limiting exposure to fossil fuels through real estate assets to a maximum of 5% of the market value and limiting exposure to energy-inefficient real estate assets to 85% of the market value. The values are measured on four dates per year and published at the end of the year in the form of an average in accordance with the SFDR.

The PAI thresholds are determined on the basis of currently available data and the conclusions that could potentially be drawn from it.

The following applies to the fossil fuel PAI: This PAI shows the share of investments in properties in the real estate portfolios that are actively involved in the extraction, storage, transportation or production of fossil fuels for consumption or use by third parties. These include fuel distribution facilities and resale storage facilities. They do not include buildings with heating oil tanks or gas tanks for direct operation of heating systems within properties, or with diesel tanks for emergency generators, for example. The relevant share of the market value is determined by an external valuer as part of the market value update process.

The following applies to the energy inefficiency PAI: If no letter scale for energy performance certificates exists in a given country (e.g. for commercial real estate in Germany), the conversion method agreed upon by the German Investment Funds Association (BVI) is used. For products that invest exclusively outside Europe (and therefore outside the scope of Directive (EU) 2024/1275 of 24 April 2024 on the energy performance of buildings), pursue an ESG strategy and therefore address the PAIs, real estate assets are deemed energy-inefficient if their primary energy consumption is categorised as energy-inefficient:

- in accordance with the national regulations applicable to it, or
- in the absence of national regulations, in accordance with appropriate national standards. If neither national regulations nor national standards exist, real estate assets are deemed energy-efficient if, compared to similar real estate assets in a suitable geographical comparison area, their primary energy consumption is lower than that of 75% of the real estate assets in the comparison group (e.g. according to the Energy Star label).

Based on the given assumptions, thresholds were set for the two PAI ratios that address both the strategic sustainability objectives and realistic attainability in an environment where the regulations continue to change dynamically.

AR 26 and AR 28 The following table entitled "GHG reduction pathways" shows the GHG reduction pathways for 2030 and 2050 for the Asset Management Real Estate business division in accordance with CRREM, starting from the base year of 2020 and the CRREM 2°C climate scenario (V2) (for the base data, see the table entitled "Physical intensities of GHG emission reduction targets").

GHG reduction pathways *(Fig. 76)*

GHG emission reduction pathways in line with CRREM, taking 2020 as base year	2030	2050
Real estate (direct) funds (implicitly including funds-of-funds with exclusively internal target funds)	–49%	–91%

34 (f) The decarbonisation levers and actions described in ESRS E1-1 16 (b) and ESRS E1-3 29 (a) are the basis for the CO_2e emission reduction planned by the Asset Management Real Estate business division and work together to achieve the targets.

AR 30 (c) This science-based tool provides information on the maximum permissible level of energy consumption and CO_2e emissions at specified points in time (taking a real estate asset's property type, location and other factors into account) in order to meet the EU climate targets. The research project constantly adjusts the CRREM decarbonisation pathways to reflect current developments and improved data; and the Asset Management Real Estate business division uses the relevant 2°C target pathway. The most recent such adjustment, which took the smaller remaining CO_2e budget into account, was made in 2023. Besides target pathways related to CO_2e emissions, CRREM also determines target pathways that take emissions from volatile gases into account. The division uses the target pathways without addressing volatile gases.

At the end of 2024, although the CRREM targets were significantly more demanding, a total of 68.2% of the market values in the overall portfolio were below their property-specific CRREM 2°C decarbonisation pathway, and therefore in line with the EU's climate targets. Although not all products in the Asset Management Real Estate business have Article 8 status, collecting information on the carbon footprint of all real estate assets in the investment funds under management serves as the basis for a division-wide assessment of the extent to which the long-term target of climate neutrality can be achieved.

In the reporting year, work continued as in previous years to improve the data available for calculating the carbon footprint. Further progress was made in filling in data gaps with real data. New CO_2 conversion factors were applied, analogous to the CRREM procedure.

CO_2e emissions are calculated on the basis of energy consumption values, using generally recognised conversion factors and taking heating, cooling, general electricity consumption and lessees' electricity consumption into account. This conversion from consumption values to emissions is based on the CO_2e factors for the relevant energy mix that are usual for the specific country or real estate asset.

E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters

(Fig. 77)

Metrics

Absolute CO_2e values in tCO_2e, divided into various asset classes (real estate [direct] funds including implicit funds of funds with exclusively internal target funds), other (capital market) funds and liquidity assets, including the percentage of emissions calculated using primary data, the PCAF score and the respective asset value.

Methodology, assumptions and limitations

re: real estate (direct) funds (including implicit funds of funds with exclusively internal target funds):
- Consumption data collected from the property managers.
- Processing, data plausibility verification and filling in of data gaps by service providers.
- Vacancy and weather adjustment: To ensure comparability of data, energy consumption values are adjusted for fluctuations due to vacancy and weather conditions.
- Limited in part due to data availability: Gaps in a property's data are filled in by extrapolating its energy consumption from other comparable time intervals; if this is not possible: use benchmark data.
- Energy consumption values are converted into CO_2e emissions using the relevant energy-source-specific emission factors provided by CRREM. If no CRREM factor is available for a given energy source, the service provider also consults other statistical and scientifically validated sources.

re: other (capital market) funds:
- This category comprises funds of funds with exclusively external target funds and credit funds. Therefore, the emissions represent the sum of the two product categories.

re: funds of funds with exclusively external target funds:
- Consumption data collected from the target fund managers.
- Processing, data plausibility verification and, if necessary, coordination with the target fund managers.
- The target fund data is incorporated according to the ownership share of the fund of funds.
- The emissions cannot be divided into Scopes 1, 2 and 3 due to insufficient information. Efforts are being made to improve the pool of data available.

re: credit funds: Attention was paid to compliance with the PCAF standard when calculating financed GHG emissions. Data published by counterparties was given preference. If no counterparty data was available, the procedure for commercial real estate was as follows: Working with an external real estate service provider, the data was collected or estimated on the basis of available data.

re: liquidity assets: For the absolute GHG emissions, the provider's data is used. This approach is used to provide data on the issuers of the portfolio positions in the investment funds and external target funds. For target funds from our own Group (excluding IQAM Invest GmbH, real estate funds), the look-through approach is used, and the attributable emissions are calculated independently. In each case, the data represents the most recently available information as at the analysis cut-off date and is prorated by the amounts attributable to Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. (by volume held). If data on issuers or external target funds is not available, the volume of the portfolio position is not taken into account.

re: PCAF weighted quality score: (high quality = 1, low quality = 5)
- The percentage stated relates to the underlying energy consumption values; otherwise, the emission factors would distort the result. PCAF scoring assumptions: 1: recorded value, 3: extrapolation/purchase model, 5: benchmark.

The emissions cannot be divided into Scopes 1, 2 and 3 due to insufficient information. Efforts are being made to improve the pool of data available.

External validation

The greatest care has been taken in preparing all the disclosures. The data and information have undergone multiple levels of internal quality assurance and validation processes to ensure that they are accurate and reliable, even without further external verification. An external service provider is used for validation and plausibility verification of the underlying consumption data for the properties.

Categorisation and description

The quality of the consumption data is shown with a corresponding indication (recorded value / extrapolation / benchmark) for each data record.

44, 51, AR 46 (g) The following table entitled "2024 gross GHG emissions" shows the absolute gross GHG emissions for the Asset Management Real Estate business division for the reporting year 2024, broken down by asset class. The CO_2e intensities are also shown in the table entitled "2024 CO_2e intensities".

It is currently not possible to clearly differentiate these and allocate them among Scope 1, 2 and 3 emissions, because the only available data on total energy also includes lessees' electricity.

2024 gross GHG emissions *(Fig. 78)*

Asset class	PCAF category	Assets (€ million) with Scope 1, 2, 3 counterparty emissions	GHG emissions (Scope 1, Scope 2 and Scope 3 counterparty emissions) (in metric tonnes of CO_2eq)			Primary data (Percentage of primarydata used for Scope 1, 2 & 3 emissions calculations)	PCAF (weighed quality score from 1 to 5 with regard to grosscarrying-value)
				Of which financed Scope 1 and 2 emissions	Of which financed Scope 3 emissions		
Real estate (direct) funds (implicitly including funds-of-funds with exclusively internal target funds)	Commercial Real Estate (PCAF 5.4)	49,858.0	454,678.7	N/A	N/A	50.5%	2.4
Other (capital market) funds	Unlisted Equity & Business Loans (PCAF°5.2)	581.1	135,412.2	N/A	N/A	1.0%	3.7
Liquidityassets	Commercial Real Estate (PCAF 5.4)	995.8	72,683.5	N/A	N/A	0.1%	4.0
Total		**51,434.9**	**662,774.4**	**N/A**	**N/A**	**34.9%**	**2.4**

The total value of the real estate assets and liquidity assets managed in the real estate (direct) funds plus the loan volumes and real estate assets managed in the other (capital market) funds amounted to €59,299.3m. CO_2e emissions were reported for €51,434.9m, which corresponded to a coverage rate of 86.7%. The remaining 13.3% were not covered by PCAF or lacked data coverage.

2024 CO_2 intensity *(Fig. 79)*

Asset class	Assets (€ million)	Intensity	Primary data (percentage of primary data used for Scope 1, 2 & 3 emissions calculations)	PCAF (weighed quality score from 1 to 5 with regard to gross-carryingvalue)
Real estate (direct) funds (implicitly including funds-of-funds with exclusively internal target funds)	49,858.0	38.9 kg CO_2e/m^2	50.5%	2.4

AR 39 (b), AR 39 (c), AR 46 (h) The Asset Management Real Estate business division's reporting on GHG emissions relied on the assumptions and methods explained below. The data on the real estate assets' energy consumption was provided by the property managers and was based on consumption data read off meters. The data was collected quarterly. An external service provider prepared the data and carried out a plausibility check. Gaps in the data due to data unavailability or implausibility were filled in by (a) extrapolating from existing data in adjacent time periods or, if this was not possible, (b) using benchmark data. This ensured that consumption data was available for evaluation of all the real estate assets. Information on the data quality (recorded value, extrapolation, benchmark) was added to the data records. The energy consumption data was reported with adjustments for vacancies and the weather. To determine the CO_2e emissions, the energy consumption figures were converted on the basis of the relevant emission factors (depending on the energy source). The CRREM emission factors were used. If no CRREM factor was available for a given energy source, the service provider also consulted other statistical and scientifically validated sources or derived data from existing sources. The energy consumption and CO_2e emission data supplied by the service provider underwent an internal plausibility check based on random samples. Any anomalies were addressed appropriately. The reported GHG emissions included CO_2e emissions based on energy consumption. Emissions based on volatile gases are not currently addressed.

AR 42 (c) There is a delay in data availability in relation to the collection date due to the scale of the process of collecting the consumption data, subjecting it to plausibility checks and preparing it. Analyses are always based on the last calendar year for which complete consumption data is available.

ESRS E1 – Climate change (Asset Management Securities business division)

E1-1 – Transition plan for climate change mitigation
16 (a) The companies belonging to the Asset Management Securities business division, namely Deka Investment GmbH and Deka Vermögensmanagement GmbH, joined the Net Zero Asset Managers (NZAM) initiative in 2021. NZAM has three recognised approaches for setting targets that it recommends to participants. The one selected for the business division's targets was the Net Zero Asset Owner Alliance Target Setting Protocol (TSP), which is in line with the target stated by the 2015 Paris Climate Change Conference of reducing global warming by 1.5°C. By joining NZAM, the division made a voluntary commitment to reduce CO_2 emissions in its AuM to net zero by 2050. In general, "net zero" means that CO_2 emissions are reduced to the greatest extent possible, and any remaining CO_2 emissions that cannot be reduced are removed from the atmosphere or offset. The division is currently focusing its objectives on reducing CO_2 emissions. Its interim goal is to halve the CO_2 intensity of a specified sub-portfolio by 2030. To this end, it uses the weighted average carbon intensity (WACI = CO_2e / € million revenue of the holdings; Scopes 1 and 2), compared to the base year of 2019 in the self-managed mutual funds (not yet including ETFs). Overall, the division's net zero strategy also applies to the assets of Deka Investment International S.A. that are managed by Deka Investment GmbH or Deka Vermögensmanagement GmbH. The goal is to gradually increase the proportion of assets that are managed in line with NZAM to 100% by 2050. To this end, an internal project is examining what requirements must be met for the various products and what preparations can already be undertaken to increase the proportion that is managed in line with NZAM (for details on the reduction targets, see ESRS E1-4 34 (a)).

Climate change mitigation plays a central role for the division. This is underscored by activities such as membership of the Principles for Responsible Investment (UN PRI) network. These principles, which were formulated by the UN, cover environmental, social and governance topics that are relevant to the financial markets. Deka Investment GmbH, Deka Vermögensmanagement GmbH, Deka International S.A. and IQAM Invest GmbH have signed these principles, emphasising their commitment to integrating ESG factors into their investment processes as part of their fiduciary responsibilities. The division reports annually to UN PRI on its own climate targets and efforts to limit global warming to 1.5°C and publishes its Climate Action Plan in accordance with market practice. These reports are published and evaluated by UN PRI.

Complementary to the net zero target, thresholds for the PAIs that are based on the SFDR are used in the investment decision-making processes for Deka investment funds and asset management companies. The companies' emissions intensity is regularly examined to determine whether these thresholds should be tightened in order to meet the climate targets and reduce climate risks.

16 (b) To manage target attainment, the Asset Management Securities business division has defined a number of actions that can be divided into three decarbonisation levers (and a precise description of the actions can be found under ESRS E1-3 29 (a)):

Decarbonisation levers in the investment process
- Exclusion criteria for direct investments by the self-managed, active mutual funds: Issuers that exceed a specified percentage of revenue deriving from coal activities are excluded from investment. For coal extraction, a revenue share of 30% or more excludes the company from investment; and for coal-based power generation, the exclusion threshold is 40% of revenue. For products with sustainability characteristics, including those of IQAM Invest GmbH, even stricter requirements apply in respect of coal

in the form of tighter thresholds for excluding companies. Since 1 January 2025, the exclusion criteria have been supplemented by a new Fossil Fuel Policy, which describes the approach and plans regarding investments in fossil fuels (www.deka.de/privatkunden/ueber-uns/deka-vermoegensmanagement-im-profil/nachhaltigkeit). This new policy will apply stricter exclusion criteria to coal activities for direct investments by active, self-managed mutual funds: For coal extraction, a revenue share of 15% or more will result in exclusion; and for coal-based power generation, the exclusion threshold will be 25% of revenue. Further details and information about its scope and various exceptions can be found in the Fossil Fuel Policy. Direct investments by active, self-managed mutual funds with sustainability characteristics are subject to individual revenue limits, which can be found in the funds' prospectuses; and the revenue limits and the activities to be included will be tightened up in the first half of 2025 for investments in fossil fuel issuers.
- PAI thresholds to reduce adverse sustainability impacts: The PAI indicators' thresholds for direct investments and target funds are applied depending on the specific product's alignment with sustainability in accordance with the SFDR, and thus according to its classification as an Article 6, 8 or 9 product. There is also a threshold for companies' emissions intensities and one for specified emissions-intensive sectors. These thresholds have already been applied to exclude some investments and have thereby contributed to the reduction in CO_2 emissions from the AuM. Details are available in the Article 4 SFDR disclosures for calendar years 2022 and 2023 (see www.deka.de/deka-gruppe/unsere-verantwortung/wie-wir-nachhaltigkeit-leben/nachhaltigkeitsbezogene-offenlegung).
- Application of the risk level model: The Asset Management Securities business division has developed an internal ESG risk level model in order to identify and manage climate-related risks in the investment process. Issuers are categorised into one of six risk classes (A–F) depending on their ESG risk profiles. An issuer's ESG risk level determines its degree of exclusion, i.e. whether the exclusion applies only to products with sustainability characteristics or to all products of Deka Investment GmbH, Deka International S.A., Deka Vermögensmanagement GmbH and IQAM Invest GmbH. The risk level model can also function as a lever for the decarbonisation targets if an issuer's sustainability risk – taking the specific sector into account – is mainly caused by high GHG emissions and associated climate-related risks.

Decarbonisation levers as part of the net-zero strategy
- Reduction of WACI Scope 1 and 2 emissions in the net-zero portfolio: As participants in the NZAM initiative, Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. are aiming to achieve net-zero GHG emissions for all AuM by 2050. Their interim target is to halve the weighted GHG intensity in the self-managed mutual funds (excluding exchange-traded funds (ETFs)) by 2030 compared to 2019. The activities that result from participation in the initiative are an important decarbonisation lever. Target attainment is monitored every six months through Asset Management Securities' special-purpose internal control dashboard, and appropriate actions are initiated if necessary. To date, the weighted CO_2 intensity (WACI) metric of the net zero portfolio has been below the IEA's 1.5°C target pathway.

- Engagement with the most GHG emissions-intensive issuers: Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. regularly identify the most GHG-intensive issuers in the self-managed mutual funds (excluding ETFs) in order to focus on them in their dialogue with companies. These issuers are called upon to set science-based climate targets. This increases the likelihood that the companies will meet their targets and thereby have a positive impact on the investment management companies' decarbonisation and target attainment. Ideally, the climate targets that are set should be validated by SBTi and adhere to the 1.5°C target. The overall aim is to increase the proportion of issuers with SBTi-validated targets in the portfolios of Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A.

Decarbonisation levers as part of Deka Stewardship

- Active dialogue/engagement: The Asset Management Securities business division examines various ESG factors (including GHG intensity) for the issuers in its portfolios. It regularly investigates, in direct dialogue with the representatives of the investee companies, whether and to what extent the issuers invest in sustainable technologies and forego new coal, oil and gas projects. Companies that continue to invest in fossil fuels can be downgraded in the risk level model and categorised as non-investable for some or, possibly, all products.
- Exercise of voting rights: The division also takes climate-related factors into account when exercising voting rights at companies' general meetings. As part of PAI management of proxy voting, issuers are assessed during the voting process with regard to their GHG intensity, their energy intensity and their overall climate strategy. Minimum standards are set for the individual criteria. If the companies fail to meet the minimum standards, votes can be cast against re-election of board members and/or formal discharge of the supervisory board and board of management. Deka Investment GmbH has established the fundamental principles of its voting behaviour in its "Principles of the Voting Policy for General Meetings", which are published at www.deka.de/luxembourg/deka-international/governance, along with an overview of the general meetings at which Deka Investment GmbH voted during 2024.

16 (d) Issuers with higher GHG emissions may potentially be investable for Asset Management Securities products without sustainability characteristics, as less strict exclusion criteria and/or thresholds apply to these products in the investment process. Specifically, this relates to products classified under Article 6 SFDR. These have higher (absolute) thresholds for PAI 3 (GHG intensity of investee companies) and PAI 6 (Energy consumption intensity per high impact climate sector) than the thresholds of products classified under Articles 8 or 9 SFDR. (For details, see ESRS E1-3 29 (a) and 29 (b).)

The initial portfolio target, adopted from the NZAM initiative, of halving the CO_2 intensity (Scopes 1 and 2) by 2030, starting from the base year of 2019, has so far included the self-managed mutual funds (excluding ETFs), as Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. have direct control only over these AuM. In order to gradually increase the proportion of fund products that fall under the net-zero strategy, efforts are being made through direct dialogue and engagement to persuade relevant parties, such as external asset managers and investment management companies, to adopt the net zero strategy. However, this does not mean that products that are not yet covered by the net-zero strategy target necessarily include higher GHG emissions or threaten to undermine the target attainment.

In general, the plan is to extend the net-zero strategy over time to other fund products in addition to the self-managed mutual funds. For this reason, the division-internal ESG Integration project is already examining what actions are required to reduce emissions in these products (for details, see ESRS E1-4).

During the reporting year, transition risks in the emissions-intensive sectors were assessed relative to each other for the first time, and the process of setting up net-zero management took the findings into account. These findings are integrated into engagement activities and the sector-specific issuer assessments (for details, see ESRS E1-3 29 (a) and 29 (b)).

16 (h) The NZAM targets are an essential element of the Asset Management Securities business division's transition plan and support the overarching goals of the Deka Group's business strategy. The strategic ESG actions in the business division, including the actions in the transition plan, are being planned, coordinated and budgeted as part of the division-internal ESG Integration project. The project budget is being funded in accordance with the cross-divisional project financing process.

16 (i) The Boards of Management of the above-mentioned companies and DekaBank approved the decision for Deka Investment GmbH and Deka Vermögensmanagement GmbH, including Deka International S.A., to join the NZAM initiative. This is the fundamental principle of the transition plan. The division-specific transition plan was published as part of the UN PRI report in accordance with the NZAM guidelines.

16 (j) As part of their participation in NZAM, the weighted emissions intensity of the actively managed mutual funds (the WACI metric) is being determined for Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. for the portfolio target every six months starting from the base year of 2019. The starting point in 2019 was a WACI of 185 tCO_2e / € million of revenue, which has continuously reduced since then. As at the reporting date of 31 December 2023, the WACI was below the target pathway. No further action has been required so far (for details, see ESRS E1-4 34 (a)).

E1-2 – Policies related to climate change mitigation and adaptation

Minimum disclosure requirement – Policies MDR-P – Policies adopted to manage material sustainability matters *(Fig. 80)*

Policies
1. ESG Policy (see www.deka.de/privatkunden/ueber-uns/deka-vermoegensmanagement-im-profil/nachhaltigkeit and www.deka.de/privatkunden/ueber-uns/deka-vermoegensmanagement-im-profil/corporate-governance) 2. Deka Stewardship (www.deka.de/privatkunden/ueber-uns/deka-vermoegensmanagement-im-profil/corporate-governance) 3. Principles of Deka's voting policy for Annual General Meetings (see www.deka.de/privatkunden/ueber-uns/deka-vermoegensmanagement-im-profil/corporate-governance)
Key contents
re: 1. Presentation of ESG implementation at the relevant investment management companies – Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. – with a focus on the following elements: - ESG strategy / engagement / NZAM - Stewardship (fiduciary duty) - Investment process (tools and criteria for sustainable investments and addressing sustainability risks in the investment process) - Products and exclusions - Strategies for incorporating sustainability risks into investment decisions re: 2. Understanding and implementation of stewardship (monitoring function) re: 3. Description of how the relevant investment management companies exercise their voting rights and the principles they follow when doing so. The focus includes the following topics: - Exercise of voting rights - Social & environmental responsibility (human rights, climate change mitigation and protection of biodiversity) - Deka's voting principles
General objectives
re: 1. Explain how ESG is implemented at the relevant investment management companies to ensure that ESG issues are embedded in business activities such as investment processes and stewardship re: 2. Describe how the relevant investment management companies exercise their voting rights and the principles they follow when doing so re: 3. Transparency about how investment management companies vote as fiduciaries for customers
Material impacts, risks and opportunities
re: 1. to 3. The ESG policy reflects the positive impact of investments in companies in the renewable energy sector and in non-energy-intensive industries. The opportunity to minimise/prevent costs due to climate-related physical and transition risks is reflected in both the ESG policy and the voting policy.
Monitoring process
re: 1. to 3. Compliance with the policies is comprehensively ensured through the following monitoring processes: - Double verification principle during execution - Management of ESG units (ongoing process) - Internal audit (ad hoc) - Compliance monitoring activities (ad hoc) - Environmental audit (once a year)

Scope of application

re: 1. to 3. Deka Investment GmbH, Deka Vermögensmanagement GmbH, Deka International S.A. (Luxembourg).
Additional information on NZAM: Deka International S.A. has not formally joined NZAM, but, to reduce reputational risks, the decision has been taken to include the assets under management of Deka International S.A. insofar as Deka Investment GmbH or Deka Vermögensmanagement GmbH is responsible as the asset manager.
Affected stakeholder groups: All existing and potential customers and other stakeholders, such as NGOs (non-governmental organisations).

Responsible organisational level

re: 1. to 3. Member of the Board of Management responsible for Asset Management

Reference to third-party standards or initiatives

re: 1. to 3. Compliance with the following principles, guidelines and indicators:
- UN Global Compact
- EU climate targets
- Sustainable Development Goals (SDGs; especially SDG 13: "Take urgent action to combat climate change and its impacts")
- Task Force on Climate-Related Financial Disclosures (TCFD)
- Carbon Disclosure Project
- Science Based Targets initiative (SBTi)
- German Corporate Governance Code
- DVFA Scorecard for Corporate Governance (German Association for Financial Analysis and Investment Consultancy [*Deutsche Vereinigung für Finanzanalyse und Anlageberatung*])
- UN PRI
- NZAM, TSP
- BVI Guidelines/Rules of Conduct (*Bundesverband Investment und Asset Management e.V.*)
- DVFA Stewardship Guidelines

Consideration of stakeholders' interests

The policies listed here take nature into account indirectly as a silent stakeholder.
re: 1. to 3. The following stakeholders have been taken into account:
- Investors (private customers & institutional customers): flow of information among the affected units/transparent presentation, customer surveys
- Investee undertakings: transparent presentation of requirements in dialogue/engagement
- Association work

Availability of policies to stakeholders

re: 1. to 3. The policies are made available to stakeholders on the Deka website.

22 ESG Policy: The ESG Policy of Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. describes the key processes and fundamental principles of their approach to ESG. It serves to ensure that ESG considerations are embedded in their business activities and has the following elements:
- ESG strategy / NZAM: A description of the targets and activities within the NZAM initiative that play a central role in the climate strategy.
- Commitment: A description of the basis of the division's committed activities, including the principles, guidelines and indicators in relation to the EU climate targets, the SDGs and the Task Force on Climate-Related Financial Disclosures (TCFD).
- Stewardship: A description of how engagement activities are taking greater account of ESG considerations, including environmental issues, not only in targeted dialogue with companies but also in proxy voting.
- Investment process: A description of tools and criteria for sustainable investments and how sustainability risks are addressed in the investment process. The description of the investment process specifically mentions the sustainable thematic funds that focus on climate issues and environmental protection.
- Products and exclusions: A list of the exclusion criteria, including the defined revenue limits for coal. These have been tightened up with effect from 1 January 2025. The ESG Policy is being updated accordingly with a new Fossil Fuel Policy (as an appendix).
- Strategies for incorporating sustainability risks into investment decisions: Mitigation of sustainability risks and negative impacts on sustainability (including climate change mitigation issues), for example by downgrading issuers (within the risk level model) that exhibit and/or cause climate-related risks and fail to take countermeasures.

Deka Stewardship: This document describes the stewardship activities of Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A., i.e. the active and committed exercise of shareholder rights in a fiduciary capacity and its integration into the investment process. It also describes actions to avoid and manage conflicts of interest.

Deka's Principles of Voting Policy for General Meetings: This document describes the principles on which Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. exercise their voting rights, including their criteria for discharging board of management and supervisory board members, their requirements for transparency and sustainability, and their expectations for remuneration structures and for companies' social and environmental responsibilities. It establishes detailed policies for various voting issues to encourage responsible and sustainable corporate governance. It includes the following:
- Principles for exercising voting rights
- Exercise of voting rights by Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A.
- Deka's requirements in respect of annual reports and financial statements, appropriation of profits and governance
- Guidelines for formal discharge of board members
- Voting on the remuneration of boards of management and supervisory boards

24 The following sections describe how the Asset Management Securities business division handles the main IROs related to climate change mitigation. Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. are having a positive impact on the environment and climate change through their investments in companies in the renewable energies sector and their increased investments in non-energy-intensive sectors and in companies that reduce their energy consumption through progress and innovation. This is formalised in the ESG Policy, for example through NZAM and the sustainable thematic funds.

There is an opportunity to invest in companies that are actively adapting to climate change and setting their own decarbonisation targets to mitigate climate risks, which can reduce or avoid costs caused by physical or transition climate risks. The ESG Policy implements this approach by including sustainability risks in investment decisions, the risk level model, the net-zero strategy and PAI management. The voting policy also offers an escalation option if requirements from the engagement activities are not met for climate-related risks.

25 (a) The ESG Policy addresses the topic of climate change mitigation at various points, including (a) the NZAM initiative, stewardship, the principles of engagement activities, sustainable thematic funds, and exclusion criteria, (b) the risk level model, which downgrades issuers that exhibit and/or cause climate-related risks and fail to take countermeasures for climate change mitigation, and (c) the description of the application of PAI thresholds for "Climate and other environment-related indicators", including PAI 3 (GHG intensity of investee companies), which also contribute to climate change mitigation.

The Deka Stewardship Policy refers to the 17 SDGs of the UN 2030 Agenda as a source of guidance on stewardship activities, such as addressing environmental targets. The issues to be addressed when analysing portfolio companies/issuers explicitly include an assessment of the resilience of their business models with regard to climate change mitigation. The EU's climate targets and the TCFD's requirements are key topics in the dialogue with companies.

The Principles of Voting Policy for General Meetings also refer to the 17 SDGs of the UN 2030 Agenda for the topic of environmental responsibility. Especially significant topics include the environmental targets and the TCFD requirements that serve the purpose of climate change mitigation. The stewardship activities also address the net-zero strategy.

- In their engagement discussions, Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. encourage companies to develop climate strategies in line with the IEA's 1.5°C scenario and to set appropriate interim targets. They support issuers in aligning their climate targets with the Paris Agreement on climate change and basing them on scientific evidence as far as possible. In sectors for which SBTi has formulated standards, they require companies to have the SBTi validate their strategies, as this achieves demonstrable progress towards transformation. They require companies not only to formulate climate strategies but also to invest in the transition and achieve observable GHG emission reductions immediately. Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. reserve the right to vote against the formal discharge of supervisory board and board of management members if companies fail to present a plausible climate strategy, invest sufficiently in the transition and achieve perceptible GHG emission reductions. They support shareholder proposals requiring companies to align their climate strategies with the Paris climate targets, with the exception of companies that already demonstrate a science-based climate strategy.

  The policy describes how ESG-related shareholder proposals are reviewed and, if found to be in line with the principles of Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A., approved. This applies especially in respect of climate change mitigation.

- The section on the formal discharge of boards of management emphasises the expectation that the boards will develop climate strategies that are committed to achieving net-zero emissions by 2050 at the latest, set specific interim targets and communicate and implement progress transparently. In critical sectors – most notably, electricity generation – companies should set science-based climate targets and submit them to the SBTi for validation. If a company's management is unable to demonstrate such a climate strategy or repeatedly falls short of the targets, Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. reserve the right to vote against the formal discharge of its board of management. They also reserve the right not to formally discharge the board of management if the company does not ensure sufficient transparency with regard to its management of sustainability-related risks.

25 (b) The ESG Policy addresses climate change adaptation at various points, including through the NZAM initiative, stewardship, the principles of the engagement activities, the sustainable thematic funds and the exclusion criteria. The description of negative impacts on sustainability also addresses indicators that provide information on an issuer's adaptation to climate change. Applying the appropriate PAI thresholds excludes issuers that fail to adapt or transform sufficiently.

As described in ESRS E1-3 25 (a), the Deka Stewardship Policy requires an assessment of the resilience of portfolio companies/issuers' business models with respect to climate change adaptation.

25 (c) The ESG Policy addresses the topic of energy efficiency at various points, including through the NZAM initiative, stewardship, the principles of engagement activities, the sustainable thematic funds and the exclusion criteria. It describes the application of the PAI thresholds, specifically including PAI 6 (Energy consumption intensity per high impact climate sector) in the context of mitigating sustainability risks and reducing adverse impacts on sustainability. If the issuer's indicator exceeds the established threshold, it will be excluded.

25 (d) The ESG Policy addresses the topic of renewable energy deployment at various points, including through the NZAM initiative, stewardship and the principles of engagement activities. It addresses PAI 5 (Share of non-renewable energy consumption and production) in the context of mitigating sustainability risks and reducing negative impacts on sustainability.

As described in ESRS E1-3 25 (a), the Deka Stewardship Policy is used to assess the resilience of portfolio companies/issuers' business models with regard to their use of renewable energy.

E1-3 – Actions and resources in relation to climate change policies

Minimum disclosure requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters *(Fig. 81)*

Actions / action plans
1. Exclusion criteria for investment decisions 2. PAI thresholds to reduce adverse sustainability impacts 3. Application of risk level model 4. Managing achievement of the net-zero target a) Reducing the WACI Scope 1 and 2 emissions of the companies in the net-zero portfolio b) Engaging the most emissions-intensive issuers in the net-zero portfolio 5. Cooperation policy/engagement a) Active dialogue/Deka Stewardship b) Exercising voting rights
Outcome / contribution of key actions in the reporting year
re: 1. Specification of sustainability criteria that can lead to an issuer being excluded from a portfolio re: 2. PAI thresholds which use defined criteria to assess the severity of issuers' impacts and exclude them from the portfolio if the threshold is exceeded or, for funds without explicit sustainability characteristics, only permit investment under certain conditions – i.e. if the investment is well-founded – depending on the threshold re: 3. Risk level model for the investment process, which uses defined criteria to assess the severity of issuers' risks and excludes them from the portfolio if these criteria are not met re: 4. a) Reduction in WACI Scope 1 and 2 emissions of the companies in the net-zero portfolio by 51% at the end of 2023 for 37.4% of the AuM compared to the base year 2019 re: 4. b) The most emissions-intensive issuers in the net-zero portfolio identified and CO_2 reduction targets in line with the 1.5°C target actively required re: 5. a) Targeted dialogue with companies to induce them to operate more sustainably and responsibly re: 5. b) Exercising of voting rights to induce companies to operate more sustainably and responsibly
Outcome/contribution of key future actions
The "Climate change mitigation" and "Climate change adaptation" actions that are already ongoing will continue in the future: re: 1. The exclusion criteria limit the investment universe so that it is not possible to invest in issuers whose adverse sustainability impacts are deemed especially severe and unacceptable according to the company's understanding of sustainability. re: 2. and 3. Reduction of adverse sustainability impacts in the portfolio by continuously monitoring issuers. re: 4. a) Reduction of WACI Scope 1 and 2 emissions of the companies in the net-zero portfolio for the self-managed mutual funds (excluding ETFs) of Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. by 50% up to 2030 and by 100% up to 2050 compared to the base year 2019. re: 4. b) Reduction of GHG emissions and negative impacts on sustainability by actively approaching the most emissions-intensive issuers in the self-managed mutual funds (excluding ETFs) of Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. re: 5. a) and b) Reduction of GHG emissions in the self-managed mutual funds of Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. by actively requiring CO_2 reduction targets in line with the 1.5°C target. In addition, a Fossil Fuel Policy with stricter exclusion limits for coal activities has been in place since 1 January 2025.
Scope
re: 1. The climate-related exclusion criteria apply to all actively managed mutual funds of Deka's capital management companies until further notice. They were tightened up by the implementation the Fossil Fuel Policy of the Asset Management Securities business division in January 2025. In addition, Deka funds with sustainability characteristics (SFDR Article 8 or Article 9 funds) are subject to additional exclusion criteria and different thresholds, which can be found in the pre-contractual information for the specific fund. re: 2. Portfolios managed by the Asset Management Securities business division, unless they are excluded at the express request of the customers by a decision of the subsidiary Board of Management. re: 3. The risk level model is being implemented in the Asset Management Securities business division. re: 4. a) NZAM applies to the self-managed mutual funds (excluding ETFs) of Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. re: 4. b) Contacting the most emissions-intensive issuers in the self-managed mutual funds (excluding ETFs) of Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. as part of NZAM. re: 5. a) and b) Active dialogue and the voting policy are being implemented in the Asset Management Securities business division and taken into account at IQAM Invest GmbH on an individual basis for selected equity mutual funds.

Time horizon
re: 1. to 5. The overarching target of Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. is to achieve net zero by 2050. Therefore, implementation of the above actions and other measures will continue in this or a similar form until 2050.
Mitigation measures
re: 1. to 5. The actions listed cause no harm to stakeholders through actual material impacts. For this reason, no mitigation measures are carried out.
Type of resources applied in the reporting year
re: 1. to 5. The ongoing actions listed are already covered by the operating activities. They do not require any additional financial resources.

29 (a) The policies of the Asset Management Securities business division that have been presented in ESRS E1-2 22 above include specific actions that can be associated with three decarbonisation levers:

"Investment process" decarbonisation lever

- Exclusion criteria for investment decisions: Specific product-specific sustainability criteria are established to exclude companies from the portfolio. A distinction is made based on the requirements of Directive (EU) 2019/2088 on sustainability-related disclosures in the financial services sector of November 27, 2019 (SFDR):

  Active self-managed mutual funds without specific sustainability characteristics (Directive (EU) 2019/2088 on sustainability-related disclosures in the financial services sector of November 27, 2019 [SFDR] on Article 6 products and excluding ETFs):

  – The company generates at least 30% of its revenue from coal mining.
  – The company generates at least 40% of its revenue from coal-based electricity generation.
  – These limits were tightened with effect from 1 January 2025. Further details can be found in the Fossil Fuel Policy, which is published at www.deka.de/privatkunden/ueber-uns/deka-vermoegensmanagement-im-profil/nachhaltigkeit.

  Mutual funds with sustainability characteristics: For active self-managed mutual funds that promote environmental and social characteristics (Article 8 or 9 SFDR), stricter fund-specific exclusion criteria, which can be found in the associated prospectuses, apply in addition to the company-wide exclusion criteria for all actively managed and self-managed funds.

- PAI thresholds to reduce adverse sustainability impacts: Thresholds for adverse impacts on sustainability and PAIs for specific PAI indicators have been defined depending on the alignment of the Asset Management Securities products with the sustainability objective and their classification in accordance with the SFDR. PAI 3 (GHG intensity of investee companies) and PAI 6 (Energy consumption intensity per high impact climate sector) are addressed with respect to climate impacts. The PAI thresholds are defined both for products without sustainability characteristics (Article 6 SFDR) and for products with sustainability characteristics (Article 8 or 9 SFDR), and for both their direct investments and their investments in target funds. For example, higher GHG intensity is permitted for issuers in Article 6 products than in Article 8 or 9 products. Application of these thresholds has already led to the exclusion of some investments or, in the case of Article 6 products, to an investment only in justified exceptional cases and depending on which threshold has been exceeded. This has contributed to progress in CO_2 reduction for the AuM.

Besides implementing the thresholds in the internal monitoring systems, the ESG analysts in the Asset Management Securities business division monitor and evaluate as part of their sector responsibilities how the issuers' PAI values develop. If they identify any deficiencies in complying with the principles of sustainable development or the principles and targets mentioned above, these will be addressed in the engagement dialogue with the issuers. If a company fails to address the deficiencies, it can be excluded from the investment universe as a last resort. In principle, it can be excluded not just from specific sustainability products, but from all relevant investment products of the Asset Management Securities business division. The PAI thresholds for both direct investments and target fund investments are reviewed regularly, and the plan is to gradually tighten them over the coming years to further reduce the risk of adverse sustainability impacts. The focus is on the companies reducing their CO_2 emissions and implementing climate strategies.

- Application of the risk level model: The purpose of the risk level model is to reduce climate-related and other sustainability risks in the self-managed assets and to drive the transformation of emissions-intensive companies. The risk level model, a cascade model consisting of six risk classes (A–F), is based on the results of proprietary ESG research and integrates data and information from qualified external providers. Irregularities in the overall universe or of exposed issuers are identified on the basis of an established catalogue of criteria, either through automatic signals when changes in ESG data occur (based on inside-out and outside-in information) or through the division's own ESG analysts' proprietary research on risk detection and assessment. This allows additional ad hoc identification of event-related sustainability risks, as (external) ESG data is published with a time lag.

  Issuers are assigned to one of six risk levels depending on their ESG risk profile. Issuers that appear risky from an ESG perspective are assigned to the upper risk levels (D–F), while lower-risk issuers are classified in the lower levels (A–C). The ESG risk level of an issuer determines the degree of their exclusion from the products of the Asset Management Securities business division, i.e. whether the exclusion only applies to products with sustainability characteristics or to all products. These classifications are reviewed regularly and on an ad hoc basis and are integrated into the investment process. In this way, sustainability risks in the self-managed assets can be controlled, and the investment universe can be specifically aligned with the product characteristics.

"Net-zero target attainment management" decarbonisation lever

- Reduction of WACI Scope 1 and 2 emissions in the net-zero portfolio: The voluntary commitment to the NZAM initiative is concerned with the reduction of WACI Scope 1 & 2 emissions in the net-zero portfolio. As already discussed in ESRS E1-1 16 (a), Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. are pursuing the target of net-zero GHG emissions in the self-managed assets by 2050. When they joined the NZAM initiative in 2021, Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. set themselves an interim sub-portfolio target of halving the weighted GHG intensity (Scopes 1 & 2) in the self-managed mutual funds (so far excluding ETFs) by 2030, taking 2019 as the base year. The weighted GHG intensity is expressed by the WACI metric (CO_2e / € million of revenue of the holdings; Scope 1 & 2).

  The goal is to increase the proportion of assets managed in line with the net-zero target to 100% over time up to 2050. To this end, a project is already examining what requirements must be met for the various products and what preparations for the expansion of the net-zero scope could be initiated immediately.

  The activities that result from joining the NZIAM Initiative are important actions for Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. Target attainment is monitored every six months, and appropriate actions are initiated if necessary.

- Engagement with the most emissions-intensive issuers: The NZAM Initiative's defined interim target of reducing the Scope 1 and 2 emissions by 50% by 2030 is used as the basis for screening the portfolios of Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. for the most emissions-intensive issuers.

The initial focus of the engagement is the most GHG-intensive issuers in the self-managed mutual funds (excluding ETFs). These issuers are required to set themselves science-based climate targets, as this will increase the likelihood that they will meet the targets and thereby have a positive impact on decarbonisation and target attainment for Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. Ideally, these climate targets should be validated by SBTi and be in line with the 1.5°C target. Overall, the aim is to increase the proportion of issuers with SBTi-validated targets in the overall Asset Management Securities portfolio, as target attainment and GHG reduction by the issuers will also reduce the GHG emissions in the portfolios. Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. actively support and encourage companies on their path of transformation to climate neutrality. However, if a company fails to achieve a comprehensible transition over time, disinvestment will be considered. Any actions are presented to the Sustainability Risk Committee (SRC); and the committee will then formulate recommendations to the Boards of Management of DekaBank and its subsidiaries, which will decide on the possibility of exclusion.

The signatories of the voluntary commitment monitor the development of emissions-intensive sectors by comparing the financed emissions and physical intensities with the IEA's sector-specific reduction pathways, which are aligned with the 1.5°C target. The focus is on issuers that exercise an especially strong impact on the carbon footprint, with the goal of involving them in future engagement activities.

"Stewardship" decarbonisation lever

- Engagement (active dialogue): The Asset Management Securities business division reviews various ESG factors and metrics for the issuers in its portfolio, including their GHG intensities in a sector comparison. If an issuer fall short of the sector average, the division will raise the issue in a dialogue with representatives of the issuer and will require appropriate actions, which will then be tracked over the appropriate time period. It also examines and discusses whether the issuers invest in sustainable technologies and, if so, to what extent. With companies that operate in the fossil fuel sector, the engagement activities will include discussions of any expansion plans that they may have. In these discussions, the companies are encouraged to forego new coal, oil and gas projects. This is regularly reviewed within the division. Companies that continue to expand through new fossil fuel projects may, depending on the scope of the projects, be downgraded through the internal ESG risk level model, making them no longer investable for some or all products.
- Exercise of voting rights: The division's exercise of voting rights, either directly or through proxies, is governed by clearly defined criteria, in accordance with which the Bank exercises its shareholder voting rights in a fiduciary capacity for its fund investors. The "Principles of the Voting Policy for General Meetings" summarise these criteria (see ESRS E1-2 22). These principles provide a framework to enable transparent, accountable decisions in each case. They are based on the division's extensive experience as part of the Deka Group, which itself is one of the largest fund providers and therefore shareholder representatives. Voting behaviour is also used to oppose emissions-intensive projects and support climate-friendly initiatives. The division aims in this way to contribute to emissions reductions in its portfolio companies.

29 (b) The outcomes of the climate change mitigation actions – whether achieved or expected – for the Asset Management Securities business division are presented below, broken down by action:

- Exclusion criteria for investment decisions: As an outcome of this action, issuers that exceeded the revenue limits for coal – or, for funds with sustainability characteristics, the then fund-specific additional revenue limits for oil and gas – have already been excluded from the relevant products. In addition, financial incentives are being created for companies to implement more sustainable practices. The action of excluding carbon-intensive industries from investment decisions also helps to channel more capital into lower-emissions sectors, such as renewable energies and sustainable infrastructure. The division is thereby actively contributing to global CO_2 emissions reduction.
- Reduction of adverse sustainability impacts: An outcome of applying the climate-related PAI thresholds is that issuers that exceeded the defined issuer-specific thresholds for SFDR Article 6, 8 or 9 products have already been excluded.

- Application of the risk level model: The Deka-internal ESG risk level system – a cascade model consisting of six risk classes (A–F) which is firmly embedded in the investment process – is based on the results of proprietary ESG research and integrates data and information from qualified external providers. Irregularities in the overall universe or of exposed issuers are identified on the basis of an established catalogue of criteria, either through automatic signals when changes in ESG data occur (based on inside-out and outside-in information), or through the division's own ESG analysts' proprietary ESG research on risk detection and assessment. This allows additional ad hoc identification of event-related sustainability risks, as (external) ESG data is published with a time lag.
- Net-zero target attainment management:
  - Starting from the base year of 2019, the weighted emissions intensity, measured by the WACI Scope 1 & 2 emissions metric, had already reduced by more than half to 89 tCO_2e / € million of revenue as at the reporting date of 28 June 2024 (2019: 185 tCO_2e / € million of revenue). A further reduction of around 8% from the figure for mid-June 2023 has been achieved.
  - Progress has already been made by engaging with the most emissions-intensive issuers in the net-zero portfolio and actively demanding CO_2 reduction targets in line with the 1.5°C target. The emissions data shows a reduction in most cases.
- Exercise of voting rights: In 2024, Deka Investment GmbH exercised voting rights in the interests of fund investors at 1,292 general meetings. German general meetings accounted for around 11% of these. Votes were cast on a total of 19,288 agenda items. Deka Investment GmbH opposed around 18% of the agenda items and abstained on 1%. Deka Investment GmbH participated and exercised its right to speak or, in the course of virtual general meetings, submitted questions to companies at 27 general meetings.

E1-4 – Targets related to climate change mitigation and adaptation

Minimum disclosure requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets *(Fig. 82)*

Specifying the target (general)
Reduction targets were defined in the form of intensity values (tCO_2e/€m of revenue). The target values apply to the mutual funds actively managed under NZAM (not yet including ETFs). The aim is to halve GHG intensity by 2030 and achieve net-zero GHG for 100% of the AuM by 2050.
Relationship between target and policy
The ESG policy sets out the ESG strategy of Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. and describes the net-zero strategy and its targets.
Target type and level
The aim is to halve the WACI metric for the net-zero strategy (actively managed mutual funds) by 2030, reducing it to 92.5 tCO_2e/€ million of revenue from a baseline of 185 tCO_2e/€m of revenue in the base year 2019. By 2050, the aim is to meet the net-zero GHG target in 100% of the AuM.
Scope
The targets pertain to the actively managed mutual funds (excluding ETFs) of Deka Investment GmbH and Deka Vermögensmanagement GmbH and the assets under management of Deka International S.A., insofar as Deka Investment GmbH or Deka Vermögensmanagement GmbH acts as the asset manager for these investment funds. All asset classes and portfolios for which the required emissions data and an accepted emissions calculation method exist are included. Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. follow the TSP recommendations. For this reason, some asset classes, including government bonds and derivatives, have not yet been included. The emissions included are mainly Scope 1 and 2 emission of the undertakings or issuers; Scope 3 emissions are included if available. The targets presented here pertain to the Deka Group's downstream value chain (see ESRS 2 BP-1 5 (c)).
Baseline value and reference year
Baseline value: WACI 185 tCO_2e/€m of revenue Reference year: 2019
Time period and interim targets
2019–2050 is taken as the time period. The interim target is set for 2030. The initial portfolio target (interim target) up to 2030 pertains to a portion of the self-managed mutual funds (excluding ETFs) and includes a voluntary commitment to initially reduce the WACI for the self-managed mutual funds (excluding ETFs) by 50% up to 2030. For the entire period up to 2050 (final period), the target is to expand the scope to up to 100% of AuM. In addition, the current status of the WACI is ascertained every six months and compared with the IEA 1.5°C target pathway.

Methodology and assumptions
- Targets are set on the basis of the method recommended by NZAM: the TSP. - The initial portfolio target was set on the basis of IEA's 1.5°C target pathway. For detailed information, see ESRS E1-4 34 (e).
Use of scientific evidence
The target is based on NZAM, which is derived from Report of the Intergovernmental Panel on Climate Change (IPCC report). Deka Investment GmbH and Deka Vermögensmanagement GmbH have also decided to implement NZAM using the TSP.
Involvement of stakeholders
The focus of NZAM is primarily on the actively managed mutual funds of Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. Other stakeholders are informed transparently and publicly (through channels including the website). Nature is taken into account indirectly as a silent stakeholder.
Progress and monitoring
To monitor the WACI metric, data is collected every six months on 30 June and 31 December of each year. The result obtained is then compared with the IEA's 1.5°C target pathway using the management dashboard (data repository). In accordance with the ESG governance rules of Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A., the results are then presented to the "Net Zero" operational steering committee and the SRC. The SRC uses the results to develop action recommendations for the boards of management of the various subsidiaries, which then decide on them. So far, there have been no significant changes in company performance; the trend shows corresponding decarbonisation in line with the target.

33 GHG emission reduction targets are being pursued in accordance with the table set out under ESRS E1-4 34 (a). For the exact methodology, see ESRS E1-4 34 (e).

34 (a), 34 (c), 34 (d) The WACI of the net-zero portfolio, which consists of actively managed mutual funds, is to be halved from 185 tCO_2e / € million of revenue in 2019 to 92.5 tCO_2e / € million of revenue by 2030, thereby addressing Scopes 1 and 2 emissions.

The following table entitled "Intensity-based GHG emission reduction targets" presents the GHG emission reduction targets for 2030 in intensities (tCO_2e / € million of revenue), starting from the base year of 2019.

Intensity-based GHG emission reduction targets *(Fig. 83)*

		Base year	Intensity
Asset class	**Assets (€ million)**	**2019**	**2030**
NZAM class (fund for NZAM scope)	133,678.0	185 t CO_2e/€ million of revenue	92.5 t CO_2e/€ million of revenue

The total assets of the Asset Management Securities business division for which targets have been set amounted to €133,678.0m. This corresponded to a coverage rate of 39.4% of the total AuM (see ESRS E1-6 44). With a value of 82.6 tCO_2e / € million of revenue, the WACI as at 31 December 2024 was already below the 2030 target value. In the assets included for the NZAM class, the difference between the actual values from ESRS E1-6 (€111,469.5m) and the target values in ESRS E1-4 (€133,678.0m) was due to the fact that ESRS E1-6 44 only included assets for which Scopes 1, 2 and 3 emissions were reported, while ESRS E1-4 included the assets of the entire NZAM fund holdings.

34 (b) The GHG emission reduction targets shown relate to the funds shown in ESRS E1-6 44 under the "NZAM class".

AR 25 (a) The baseline value, which is measured with the WACI metric (2019 value: 185 tCO_2e / € million of revenue), was selected on the basis of the NZAM Initiative and TSP recommendations. In the base year of 2019, the initial net-zero portfolio represented around 37% of the AuM, and the data covered around 26% of the emissions.

2019 was chosen as the base year in accordance with common market practice, as there were no distortions at that time due to the subsequent COVID-19 pandemic.

AR 25 (b) Neither the baseline value nor the base year have yet been changed.

34 (e) Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. aim to manage all of their assets in accordance with the NZAM targets in the long term. Taking the current methods and data coverage into account, around 40% of the AuM were managed in accordance with a 1.5°C pathway as at 28 June 2024. Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. are following the TSP recommendations and using the IEA's 1.5°C target pathway as a basis. The target is to halve the WACI metric for the net-zero portfolio, which consists of actively managed mutual funds, by 2030. This metric describes the WACI of a portfolio by measuring the GHG emissions of a company in which a fund invests relative to that company's revenue. The figure determined for the company's GHG emissions is then multiplied by the investment's share in the overall portfolio. The result provides information on whether a portfolio invests in companies with higher or lower GHG intensities compared to other portfolios or a suitable benchmark. WACI is therefore an important metric both for specific investment decisions about individual companies and for portfolio management.

The plan is to increase the entire portfolio's coverage gradually from around 40% in 2024 until all portfolios of Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. meet the net-zero emissions target by 2050. With effect from the base year of 2019, data is collected and documented every six months to form a historical time series and manage the development of the relevant portfolios' emissions intensities in accordance with the NZAM targets. Data on Scopes 1 and 2 emissions is also available for portfolios that are not subject to the NZAM requirements. Data on Scope 3 emissions is also available for some of the portfolios managed by Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. This data is provided by the ESG rating agency MSCI. The respective metrics for all securities in the portfolio have been published in aggregated form on the respective Deka capital management companies' websites since 30 June 2023.

AR 26, AR 28. The following table entitled "GHG reduction pathways" shows the GHG reduction pathway according to NZAM for Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. based on the base year of 2019 and the 1.5°C climate scenario for 2030 and 2050 (for the base data, see the table entitled "Physical intensities of GHG emission reduction targets").

GHG reduction pathways *(Fig. 84)*

GHG emission reduction pathways to net zero, taking 2019 as base year	2030	2050
NZAM class (fund for NZAM scope)	–50%	–100%

34 (f) The decarbonisation levers described in ESRS E1-1 16 (b) and ESRS E1-3 29 (a) are the basis for the planned GHG emission reduction and work together to achieve the established targets.

AR 30 (c) Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A. have based their GHG emission reduction targets on the NZAM recommendations and the IEA scenario's 1.5°C target pathway.

E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters

(Fig. 85)

Metrics
Absolute CO_2 values in tCO_2e and CO_2 intensities in tCO_2e/€m of revenue (WACI), subdivided into various asset classes (NZAM class [funds for NZAM scope], mutual funds [non-NZAM of Deka Investment GmbH, Deka Vermögensmanagement GmbH and Deka International S.A.], special funds and IQAM funds), including the percentage of emissions calculated using primary data, the PCAF score and the corresponding asset values.
Methodology, assumptions and limitations
For the absolute GHG emissions, the provider's data is used. For detailed information, see ESRS E1-6 AR 39 (b).
External validation
The greatest care has been taken in preparing all the disclosures. The data and information have undergone multiple levels of internal quality assurance and validation processes to ensure that they are accurate and reliable, even without further external verification.
Categorisation and description
See tables "2024 Gross GHG emissions" and "2024 CO_2 intensity"

44, 51, AR 46 (g) The following table entitled "2024 gross GHG emissions" shows the absolute gross GHG emissions for the Asset Management Securities business division for the reporting year 2024, broken down by asset class. The CO_2 intensities are also shown in the table entitled "2024 CO_2 intensities".

2024 gross GHG emissions *(Fig. 86)*

Asset class	PCAF category	Assets (€ million) with Scope 1, 2, 3 counterparty emissions	GHG emissions (Scope 1, Scope 2 and Scope 3 counterparty emissions) (in metric tonnes of CO_2eq)	Of which financed Scope 1 and 2 emissions	Of which financed Scope 3 emissions	Primary data (percentage of primary data used for Scope 1, 2 & 3 emissions calculations)	PCAF (weighed quality score from 1 to 5 with regard to gross carrying-value)
NZAM class (fund for NZAM scope)	Listed Equity & Bonds (PCAF 5.1)	111,469.5	43,466,685.4	5,028,030.9	38,438,654.5	10.7%	3.8
Mutual funds (DI, DIL, DVM not NZAM)	Listed Equity & Bonds (PCAF 5.1)	33,929.0	14,897,368.9	1,767,378.5	13,129,990.4	10.8%	3.9
Special funds / asset management mandates	Listed Equity & Bonds (PCAF 5.1)	75,411.2	31,519,241.8	4,143,434.3	27,375,807.5	12.0%	3.8
IQAM-funds	Listed Equity & Bonds (PCAF 5.1)	6,289.1	2,045,997.6	245,775.3	1,800,222.3	10.4%	3.9
Total		**227,098.8**	**91,929,293.7**	**11,184,619.0**	**80,744,674.7**	**11.2%**	**3.8**

The total value of the NZAM class (funds for NZAM scope), mutual funds (DI, DIL, DVM excluding NZAM and ETFs), special funds, asset management mandates and IQAM funds was €338,981.1m. CO_2e emissions were reported for €227,098.8m, which corresponded to a coverage rate of 67.0%. The remaining 33.0% were not covered by PCAF or lacked data coverage.

2024 CO_2 intensity *(Fig. 87)*

Asset class	Assets (€ million)	Intensity (WACI)	Primary data (percentage of primary data used for Scope 1, 2 & 3 emissions calculations)	PCAF (weighed quality score from 1 to 5 with regard to gross carryingvalue)
NZAM class (fund for NZAM scope)	111,469.5	82.6 t CO_2e/€ million of revenue	10.7%	3.8

AR 39(b), AR 39(c), AR 46(h) The underlying methods, assumptions and emission factors for calculating and measuring GHG emissions are described below. The provider’s data was used for the absolute GHG emissions. This approach provided data on the issuers of the portfolio positions in the investment funds and external target funds. Target funds from the Group itself (excluding IQAM Invest GmbH and real estate funds) are not addressed, as this would lead to double counting. Derivatives and negative portfolio positions are not currently included in the calculation. The methodology is limited in that it cannot take the volume of the portfolio positions into account if data on issuers or external target funds is not available.

Social information

ESRS S1 – Own workforce

To establish and safeguard a permanent basis for success in its business, it is essential for the Deka Group to attract and retain appropriately qualified employees. The policies set by the Deka Group establish a clear framework within which employees can apply their skills and abilities and develop them further. Various procedures exist to involve employees in further developing the policies and the offerings to them. This is also the approach taken for developing and implementing actions to promote positive impacts and minimise the risk of an ageing workforce. As a result, the Deka Group is an attractive employer, and it aims to remain so in the future. Accordingly, the targets are defined as objectives to be achieved on an ongoing basis and are reviewed regularly. In ESRS S1, the Deka Group presents this procedure in detail and provides relevant quantitative evidence. The Deka Group's Strategy & HR corporate centre is responsible for all companies within the CSRD consolidation scope except IQAM Invest. IQAM Invest generally follows the Deka Group's procedures. The required disclosures are therefore made jointly for the entire Deka Group.

S1-1 – Policies related to own workforce

Minimum disclosure requirement – Policies MDR-P – Policies adopted to manage material sustainability matters

(Fig. 88)

Policies
1. Deka Group Code of Ethics
2. DekaBank Declaration of Principles
3. Agreements with employee representative bodies
4. Deka Group Equality Plan
5. Diversity strategy
6. Inclusion agreement of DekaBank, Deka Immobilien Investment GmbH (DII) and Deka Investment GmbH (DI)
7. "Occupational Safety" work instruction
Key contents
re: 1. The Deka Group's Code of Ethics is a framework that guides the behaviour of employees and is intended to ensure a work environment characterised by integrity (error culture, respect and tolerance).
re: 2. DekaBank publishes a Declaration of Principles in accordance with the LkSG. This declaration describes how respect for human rights and environmental considerations are tracked in own operations and how they are promoted and tracked in the organisations of service providers and suppliers (including a risk analysis and prevention and mitigation measures).
re: 3. The agreements with the employee representative bodies include rules governing remuneration, benefits, working conditions, IT systems, reintegration after prolonged absence due to illness and skills development. They ensure that the interests of staff are taken into account in the event of changes to general working conditions.
re: 4. The Equality Plan strives for equality of opportunity for women and men and seeks to anchor this commitment in the company's culture for the long term. To achieve equality of opportunity at all levels, it is essential to identify and eliminate structural disadvantages. The plan also serves to ensure a good work–life balance.
re: 5. The diversity strategy defines medium-term diversity management targets along the diversity dimensions and derives actions from them.
re: 6. The inclusion agreements contain rules governing HR planning, workplace design, working hours, the work environment, awareness-raising among managers, prevention and reintegration following illness.
re: 7. This directive addresses compliance with, implementation of and monitoring of the laws and internal rules concerning occupational and travel safety within the Deka Group in Germany. It also describes individual actions in the areas of occupational and travel safety.

General objectives

re: 1. To promote and bolster integrity, professionalism, responsibility and trust, collegiality, compliance, sustainability, respect, communication and consistency in the company.

re: 2. To provide transparency about how human rights and environmental considerations are addressed in our own operations and the supply chain.

re: 3. To establish clear rules for employees, weighing all interests.

re: 4. Four objectives have been defined:

a) Equality of opportunity: Significantly increase the proportion of women in management and specialist career roles, in project management, in positions with salaries above the collectively negotiated pay scale and in junior staff programmes.
b) Sustainably ensure a positive framework supporting the compatibility of work and family life for women and men.
c) Motivate male colleagues to make greater use of options supporting the compatibility of work, family and caring responsibilities.
d) Anchor equality targets in the diversity strategy.

re: 5. Strengthen the organisational environment and corporate culture for greater diversity within the Deka Group.

re: 6. Support the professional integration of persons with severe disabilities or equivalent status.

re: 7. Ensure compliance with German law and internal occupational safety regulations while guaranteeing effective occupational health and safety.

Material impacts, risks and opportunities

re: 1. The Code of Ethics has an overarching impact on all IROs by establishing rules of cooperation and ensuring ethically and morally correct conduct and action within the Deka Group’s own workforce. This fosters the material positive impacts with regard to working conditions, equal treatment and opportunities for all and other work-related rights and reduces potential negative impacts.

re: 2. The Declaration of Principles describes DekaBank’s overarching stance on human rights and the environment. Due to the high standards in Germany, no material IROs are addressed.

re: 3. The agreements with employee representative bodies ensure that the interests of the organisation’s own workforce are taken into account in relation to the sustainability matters of working conditions and other work-related rights, and so foster the material positive impacts associated with these.

re: 4. The Deka Group’s Equality Plan has a positive impact on equal treatment and opportunities for all, as well as on working conditions. This is reflected in the targets under the plan, which are to significantly increase the proportion of women in management and specialist career roles, ensure a positive framework supporting the compatibility of work, family and caring responsibilities, and to motivate male colleagues to make use of options supporting the compatibility of work, family and caring responsibilities.

re: 5. The diversity strategy counteracts the risk associated with an ageing workforce and promotes equal treatment and opportunities for all by incorporating the targets under the strategy into the relevant HR activities such as recruitment, talent management, succession planning and flexible and part-time working arrangements. The actions focus among other things on the dimensions of sex/gender and age/generational mix.

re: 6. The inclusion agreements positively impact equal treatment and opportunities for all and working conditions because the rules they contain have positive impacts for these sustainability matters.

re: 7. The Occupational Safety directive has a positive impact on working conditions and other work-related rights by ensuring compliance with the relevant laws and regulations.

Monitoring process

re: 1. As part of the employee review, all employees are evaluated annually for compliance with the Code of Ethics by their managers. Managers and employees are responsible for monitoring compliance throughout the year.

re: 2. The Chief Human Rights Officer monitors compliance as part of the control processes (see ESRS S2-1).

re: 3. Where possible, conduct contrary to the agreements is prevented by technical means. If specific individuals fail to comply with the agreements, a reporting and escalation process can be initiated. Regular reviews are carried out to identify possible violations.

re: 4. The Board of Management and all managers are responsible for pursuing the objectives and regularly receive personnel-related data to enable them to assess personnel changes within their areas of responsibility. They are supported in this by the Equal Opportunities Officer and the Strategy & HR corporate centre. Objective 4d is also considered by the Diversity Council.

re: 5. Progress is reviewed and further actions are discussed in regular communication between Diversity Management, members of the Board of Management and the head of the Strategy & HR corporate centre.

re: 6. To ensure prompt, targeted action, the employer, the Staff Committee or Works Council, the Equal Opportunities Officer, and the bodies representing employees with severe disabilities and young employees and apprentices work together closely. This includes regularly discussing personnel changes with a focus on inclusion.

re: 7. Compliance is ensured first and foremost by the managers, who inform their staff about occupational safety in an appropriate manner and keep an eye on the behaviour of employees in the Deka Group’s office buildings. The Strategy & HR corporate centre also monitors compliance with occupational safety via the systems used.

Scope of application

re: 1. Applies to all employees regardless of activities, business operations and location

re: 2. Applies to DekaBank’s own operations and to its service providers and suppliers

re: 3. Applies to all employees in Germany and Luxembourg regardless of their activities and business operations; where applicable, the policies also apply outside Germany

re: 4. Applies to all Deka Group employees in Germany, regardless of their activities, business operations and location

re: 5. Applies to all employees regardless of activities, business operations and location

re: 6. Applies to persons with severe disabilities or equivalent status in Germany who are employees of DekaBank, DI or DII, regardless of their activities

re: 7. Applies to all employees in Germany regardless of their activities and business operations

Responsible organisational level

re: 1. The Board of Management of the Deka Group

re: 2. DekaBank’s Chief Human Rights Officer is responsible for operational implementation on behalf of the Board of Management

re: 3. Group Board of Management and boards of management of Deka Group subsidiaries

re: 4. The Board of Management of the Deka Group

re: 5. Diversity Council consisting of members of the Board of Management, head of the Strategy & HR corporate centre, Diversity Management

re: 6. Head of the Strategy & HR corporate centre

re: 7. Head of the Strategy & HR corporate centre

Reference to third-party standards or initiatives

re: 1. Diversity Charter

re: 2. Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, LkSG)

re: 3. Collective agreement for public banks, German Staff Representation Act (Personalvertretungsgesetz, PersVG), German Works Constitution Act (Betriebsverfassungsgesetz, BetrVG)

re: 4. Women’s Empowerment Principles, German Federal Equal Opportunities Act (Bundesgleichstellungsgesetz, BGleiG), workandfamily audit (berufundfamilie)

re: 5. Sustainable Development Goals, Diversity Charter

re: 6. Ninth Book of the German Social Code (Sozialgesetzbuch, SGB IX) and German Federal Participation Act (Bundesteilhabegesetz, BTHG)

re: 7. German Occupational Health and Safety Act (Arbeitsschutzgesetz, ArbSchG), German Occupational Safety Act (Arbeitssicherheitsgesetz, ASiG), German Technical Rules for Workplaces (Technische Regeln für Arbeitsstätten, ASR), German Workplace Ordinance (Arbeitsstättenverordnung, ArbStättV), German Social Accident Insurance (Deutsche Gesetzliche Unfallversicherung, DGUV) regulations, SGB 7

Consideration of stakeholders’ interests

re: 1. The Code of Ethics was developed jointly by the employee representative bodies and the Board of Management.

re: 2. The Chief Human Rights Officer drew up the policy together with the Human Rights Coordinators and fine-tuned it with top management.

re: 3. The company and the employee representative bodies negotiated the agreements to give due consideration to both sides.

re: 4. The Equality Plan serves to achieve the objectives of the Federal Equal Opportunities Act and is a key tool for personnel planning and especially personnel development. As an elected representative, the responsibilities of the Equal Opportunities Officer include identifying actions needed to achieve the equality targets and obtaining the opinions of those potentially affected by those actions, via surveys for example. She is also available to advise and support all employees and offers regular opportunities for discussion.

re: 5. To take the interests of employees into account, regular feedback is obtained through activities including surveys. This knowledge is incorporated into the design and further development of the diversity strategy.

re: 6. As an elected body, the representative body for employees with severe disabilities has the task of promoting participation of those it represents, advising them and monitoring compliance with laws and agreements.

re: 7. This directive was drawn up by the organisational unit and fine-tuned with the interfaces involved.

Availability of policies to stakeholders

re: 1. The Code of Ethics is published on the Deka Group’s intranet and website.

re: 2. The Declaration of Principles is published on the Deka Group’s intranet and website.

re: 3. The agreements are published on the intranet.

re: 4. The Equality Plan is published on the Deka Group’s intranet and website.

re: 5. The Diversity Strategy is published on the Deka Group intranet.

re: 6. The inclusion agreements are published on the Deka Group intranet.

re: 7. The “Occupational Safety” work instruction is published on the Deka Group intranet.

Cross-reference to other topical ESRSs
re: 1. No cross-references
re: 2. ESRS S2
re: 3. to 7. No cross-references
Scope limitations
re: 1. to 5. Applies only to employees of the Deka Group, not to external employees, service providers or suppliers.
re: 6. Applies only to employees of DekaBank, DII or DI within Germany, not to other segments of the own workforce of Deka Group, DekaBank, DII or DI outside Germany.
re: 7. Applies only to employees of the Deka Group within Germany, not to other segments of its own workforce outside Germany.

20 (a), 20 (b) In addition to the policies listed for managing the material impacts on its own workforce and the material risk (an ageing workforce), the Deka Group has established processes and mechanisms for monitoring the observance of human rights. In the context of observing human rights, including labour rights, the responsibilities of HR Management include successful recruitment, suitable placement, long-term retention and continuous development of the employees, the design of a sustainable and healthy working environment and the promotion of diversity and equality of opportunities. To meet these responsibilities, which are embedded in a sustainable human resources (HR) strategy, and to safeguard its own operations, the Deka Group strives for permanent employment contracts for its own work force and implements them wherever possible. The Deka Group's employee benefits (see ESRS S1-4 38 (a), 38 (b) and 38 (c)) mostly apply to both temporary and permanent employees.

The Strategy & HR corporate centre ensures through regular communication at various levels that HR actions are aligned with current and future needs. The fundamental impetus for the alignment and further development of HR tools and offerings is derived from discussions with and within the management, including DekaBank's Board of Management. Specific professional development needs for individual employees are identified on the basis of direct feedback in the context of HR support, the annual appraisals and feedback from managers. Specific actions for all employees or for individual groups of employees result from, among other things, surveys, consultation hours, direct contact and continuous dialogue with the Equal Opportunities Officer and the representative bodies for the employees, employees with severe disabilities, and young employees and trainees (although the latter has been vacant since 1 June 2024). Embedding diversity management within the Strategy & HR corporate centre ensures that all HR processes take a diverse range of requirements into account. The various communications channels are announced to all employees in induction sessions, on the intranet and through individual contacts. These are generally available to all employees.

At the end of the reporting year, the Deka Group signed various voluntary commitments to develop the sustainability of the entire Group and its projects. It thereby demonstrated a dedication to sustainable development that goes well beyond compliance with the regulatory requirements. These commitments are publicly available (see the Deka Group's website: https://www.deka.de/deka-gruppe/unsere-verantwortung/wie-wir-nachhaltigkeit-leben/in-der-unternehmensfuehrung/wirtschaft-menschenrechte). Respect for human rights and labour rights is a matter of course in the Group's implementation of its human rights policy and is covered by the commitments it has made and its Code of Ethics. The UN Global Compact, the Diversity Charter and the Women's Empowerment Principles (WEPs) are especially relevant in this context. The above commitments apply to all activities related to the Group's own workforce and, where applicable, must also be fulfilled for the upstream and downstream value chains. They also apply to all geographical areas in which the Deka Group operates and, where relevant, to all affected stakeholder groups, insofar as the commitment is applicable and the Deka Group is able to exert influence. DekaBank's Board of Management is responsible for establishing the general framework and ensuring compliance; and the Strategy & HR corporate centre supports it in this.

To ensure that it fulfils its commitments, the Deka Group annually examines key performance indicators (KPIs), such as employees' compliance with the Code of Ethics (the number of violations), the number of complaints related to HR issues, gender distribution in management roles (both relative and absolute) and options for minority group advancement (target quotas). These are examined as part of HR management and in the strategic dialogue between HR and the specialist units. If individual KPIs show a significant deterioration, the Deka Group will take appropriate countermeasures. These include escalation procedures for violations of the Code of Ethics, investigation and corrective action addressing the causes of a complaint, and support programmes for individual groups within the Group's own workforce.

When hiring additional workers through third parties (i.e. temporary agency work), the Deka Group ensures that working conditions for these individuals correspond to the working conditions of its own employees. In the reporting year, only service providers from Germany and Luxembourg were used for this purpose, so compliance with the applicable standards of the International Labour Organization (ILO) was ensured by national legislation. When deploying workers provided by service providers or suppliers, the safety or the workers and the avoidance of precarious employment relationships must be addressed by the third parties. The Deka Group does not work with service providers or suppliers that are associated with human trafficking, forced labour or child labour.

20 (c) Providing or contributing to remedial actions for negative impacts on human rights is another concern. No negative impacts on such rights were identified in the reporting year. If it emerges that the human rights of the Deka Group's own workforce are being negatively impacted within the Group, the causes will be identified and corrective actions will be taken. The actions will be selected to suit the specific situation. For example, if individual employees discriminate against others, thereby failing to act in accordance with the Code of Ethics, their variable remuneration may be reduced.

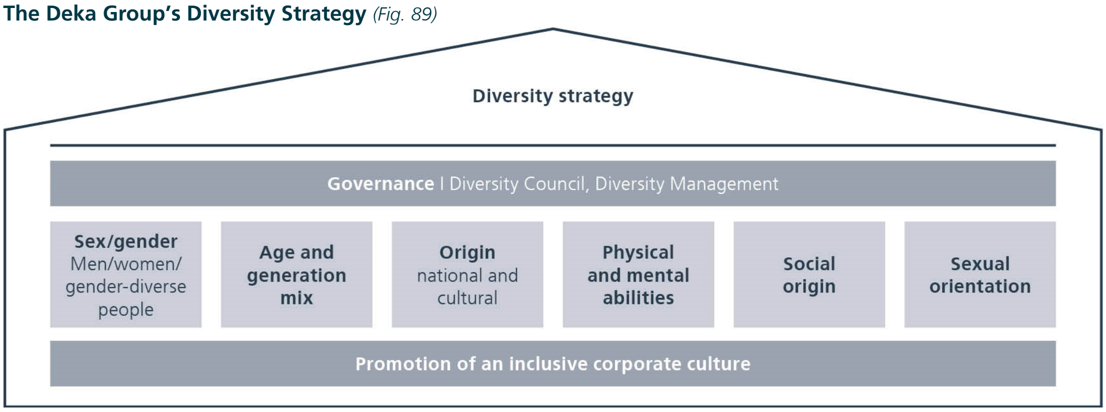
21 When developing and implementing labour-related policies, the Deka Group always ensures that it complies with the UN Guiding Principles on Business and Human Rights. This is guaranteed by Germany's high legal standards, which provide the basis for developing and implementing Deka-wide policies. In some cases, the policies go beyond the legal requirements, for example with respect to mobile working.

22 The Deka Group takes a zero-tolerance approach to modern slavery and human trafficking. It has explicitly addressed the goals of excluding forced labour and participating in the abolition of child labour by joining the UN Global Compact.

23 The Deka Group has policies for the prevention of occupational accidents. The prevention of occupational accidents is one of the actions within the framework of the Deka Group's workplace health management (WHM) programme, which focuses on employees' needs and offers comprehensive services in various subject areas throughout the employee lifecycle. These include far-reaching actions related to occupational health and safety support in cooperation with experts such as the company doctor and the safety officer. These actions are accompanied by regular mandatory occupational safety training for the Group's entire workforce.

24 (a) The Deka Group promotes diversity, inclusion and equality of opportunity through its policies. The diversity of experience and perspectives among the whole workforce is a key factor in keeping the Group competitive and prepared for the future and is reflected in a variety of policies. These are based on the principle of actively encouraging an open, respectful and inclusive corporate culture that promotes equal opportunities and eliminates discrimination. This is codified in the Diversity Strategy and applies in particular to the following diversity dimensions: sex/gender, age structure and generational mix, cultural background / national origin (including ethnicity and skin colour), physical and mental abilities (disability), social origin and sexual orientation. This strategy forms part of the business strategy and represents a long-term commitment by the Group to diversity and equal opportunities. The current objectives of the Equality Plan are an integral part of the strategy.

The Deka Group's Diversity Strategy *(Fig. 89)*



The Deka Group's first step in this context is to focus on reducing the under-representation of women in management, specialist career and project management positions and on establishing a balanced age structure and sustainable generational mix. To pursue these objectives, the relevant HR management tools and the structural conditions (such as service agreements) are undergoing continuous fine-tuning and development. Openness to diversity is firmly embedded in the HR strategy and forms the basis for all HR actions, including the targeted promotion of diversity during the life-phases in the employee lifecycle.

Besides DekaBank's Board of Management, the Diversity Council is the most important body for promoting diversity in the Deka Group. Its members are the Chairman of DekaBank's Board of Management and two other members of the Board of Management, the head of the Strategy & HR corporate centre, the Equal Opportunities Officer and the Diversity Management team. This body discusses and reviews the progress of the Diversity Strategy actions on a quarterly basis. The bodies representing employees with severe disabilities discharge another important element of the responsibilities for implementing the Diversity Strategy. They have professionally qualified contact partners and trusted representatives who are available to all employees. The inclusion agreements of DekaBank, Deka Immobilien Investment GmbH and Deka Investment GmbH form the basis for their actions and supplement the Diversity Strategy with a special focus on persons with severe disabilities or an equivalent status. The aim is to promote and further develop the inclusion of persons with severe disabilities or an equivalent status.

It is crucially important to establish a general framework to ensure the prevention of discrimination, sexual harassment and bullying. The Code of Ethics provides this framework, and all employees must adhere to it. Violations of the Code of Ethics and other actions that legally constitute discrimination, as well as threatening, hostile or abusive behaviour, are not tolerated.

24 (b) The protected characteristics and actions to prevent discrimination are explicitly set out in the Deka Group's policies (especially the Code of Ethics), which all employees must follow. As the basis for preventing discrimination, it requires equal treatment regardless of origin, skin colour, gender, nationality, age, ideology, religion, disability, marital status, pregnancy, sexual orientation, identity or any other characteristics that are protected by local law. The Diversity Strategy also addresses these protected characteristics. The inclusion agreements focus on disability as a protected characteristic.

24 (c) The Deka Group pursues policy-related commitments in terms of inclusion and support actions to support particularly vulnerable groups within its own workforce. For example, it is working to address under-representation of women in management, specialist career and project management positions, as stipulated in agreements with the employee representative bodies and in the Equality Plan. The inclusion agreements of DekaBank, Deka Investment GmbH and Deka Immobilien Investment GmbH support the participation in working life of all persons with severe disabilities or an equivalent status and apply to all employees in these companies. The Group has overarching regulations governing the reintegration of employees who return to work after a prolonged absence (at least six weeks) due to illness. The managers and employees implement these agreements with the support of the Strategy & HR corporate centre, the Equal Opportunities Officer and the Disability Officer. Employees can view on the intranet how the obligations arising from the German Act on Gender Equality (*Bundesgleichstellungsgesetz*, BGleiG), the German General Act on Equal Treatment (*Gleichbehandlungsgesetz*, AGG) and the Ninth Book of the German Social Security Code (*Neuntes Buch Sozialgesetzbuch*, SGB IX) have been implemented.

24 (d) The Diversity Strategy is being implemented to prevent or curtail discrimination and to promote diversity and inclusion. Two employees have been hired who are exclusively responsible for this action. Centralised training in the form of in-person and online training via DekaLearning (a Group-wide internal training tool) is being offered to all employees and managers to raise their awareness of the broad range of issues that surround diversity in the workplace. In addition, unconscious bias training has been provided to managers specifically to teach them how to deal with their unconscious thought patterns. Networks and communities offer additional points of contact for employees who are affected or interested. A guide to gender-sensitive language is also available to support inclusive writing. Various management and other events during the reporting year included activities for raising awareness of the need for inclusivity in order to promote an inclusive corporate culture. For example, Diversity Weeks were celebrated during the reporting year, offering a wide range of activities for all employees, both on-site and digitally: workshops and presentations, information booths and interactive activities (including a wheelchair obstacle course) helped to raise awareness of diversity and inclusion.

The Equal Opportunities Officer and the representative body for persons with severe disabilities are involved on an ad hoc basis, or are actively included, during employee-oriented processes (e.g. recruitment, professional development and appraisals) in order to prevent potential discrimination. As part of the operational reintegration programme, the Strategy & HR corporate centre offers employees support to make their return to work easier.

Since people with invisible disabilities often keep their disabilities secret out of fear of prejudice or discrimination, the Deka Group actively promotes a culture that builds trust to support people with limited physical or mental abilities. For this purpose, various communication actions were taken in 2024 to counteract prejudice against persons with disabilities.

The Deka Group has designed its offices to provide a good working and development environment for employees with physical disabilities. All of its buildings are fully accessible and the equipment provided is generally of a higher standard than required by law. The Employee Assistance Programme offers another point of contact to support employees with disabilities in the Deka Group, in addition to the bodies representing employees with severe disabilities and the ombudsman.

If a case of discrimination within the Deka Group is reported, HR Management will immediately conduct a systematic investigation. The first step is direct dialogue with the persons concerned. If there is no improvement, the Deka Group will then consider additional steps and weigh the options on a case-by-case basis. These may extend to disciplinary or employment-law actions.

S1-2 – Processes for engaging with own workers and workers' representatives about impacts

27 (a) The Deka Group has several processes in place to incorporate its workforce's views into its decisions and activities. These include employee surveys, individual dialogue and regular communication with the employee representative bodies.

Employee surveys

Surveys are an important tool for systematically collecting information on the opinions and requirements of the Deka Group's employees. Compact anonymous employee surveys, known as pulse checks, are being conducted with increasing frequency – not only as a strategic tool but also to support the continuous, participative and sustainable development of the Deka Group. Involving employees through pulse checks is considered a crucial factor in meeting the corporate objectives and achieving the sustainable development of the Deka Group.

Individual dialogue

This provides a direct channel of communication through which the Deka Group can involve its employees. They can submit their concerns by email, by chat message, by telephone, in direct conversations, as comments on the intranet or the ideas platform, or through the familiar complaints procedures. In addition, two mandatory meetings are scheduled each year between the managers responsible for the specialist units and their employees; and these meetings offer an opportunity for structured one-to-one dialogue.

Regular dialogue with the employee representative bodies and the equal opportunities officers

Employees are represented in Germany by staff and works councils and in Luxembourg by staff councils. HR Management also receives suggestions in monthly dialogue sessions with the employee representative bodies and the equal opportunities officers, and in consultation hours for employees; and they incorporate these suggestions into the refinement of existing HR tools and the development of new ones. HR also provides feedback on the suggestions and issues raised. An overarching framework agreement exists with the Group's staff and works councils concerning the introduction and use of IT systems, which provides the basis for discussing and regulating IT applications. This ensures that, when new software is introduced, it does not disadvantage any specific groups of employees. Communication, involvement and co-determination in connection with HR tools are standard practice and go beyond the legal requirements. A monthly regular meeting has been instituted between the chairs of the employee representative bodies and the head of the Strategy & HR corporate centre, at which overarching topics are discussed without a fixed agenda. For significant pilot projects, members of the employee representative bodies are actively involved or are given an opportunity to participate in the pilot phase.

The Deka Group maintains regular dialogue with the employee representative bodies concerning the Group's actual and potential impact on its own workforce. Depending on the specific issues involved, it may also involve members of its workforce when making decisions. This is done through direct contact with the HR corporate centre, additional committees, project work and consultation hours.

27 (b) In the reporting year, a total of three pulse checks were carried out as tools to actively involve the Deka Group's employees. The feedback from them is directly incorporated into further developing the topics they addressed. Pulse checks are normally carried out every six months on selected topics.

The Deka Group involves the employee representative bodies, representative bodies for persons with severe disabilities, and any other interested employees, when key decisions are to be made, or in the potentially iterative development process when an initial result is available to present, so that it can incorporate the employees' views in the development (or further development) of HR tools. The Group considers it important to involve the employees at an early stage, so that it can take adequate account of its workforce's needs. It does this when it is in its own interest, and also when required by law or requested by stakeholders. The equal opportunities officer is also involved in parallel. The results of this involvement are incorporated into the relevant decision-making process. The participants are not required to possess any special skills, qualifications or capacities in order to give feedback.

27 (c) Involving the Deka Group's workforce in decisions and activities that affect them is one of the core responsibilities of the head of Strategy & HR, and the HR corporate centre's employees all support this process as well. DekaBank's Board of Management has ultimate responsibility for the pulse checks and for using their results.

27 (d) Respect for the human rights of the Deka Group's workforce is embodied in the employee representative bodies, the service and works agreements on variable remuneration, and the appraisals. The Code of Ethics is used as the standard for correct conduct. Every employee's compliance with the Code of Ethics is reviewed annually. Substantive changes to the Code of Ethics are discussed in advance with the co-determination bodies insofar as they involve issues relevant to co-determination.

27 (e) Various KPIs reflect the Deka Group's successful engagement with its own workforce. These include employee satisfaction (measured in the pulse checks) and the staff turnover and sickness rates. The Group's high level of employee satisfaction and low staff turnover and sickness rates demonstrate its attractiveness as an employer. This shows that the approach of involving the employees is working. The employee representative bodies, the equal opportunities officer and the representative bodies for persons with severe disabilities also contribute suggestions actively, which are then refined in a collaborative process.

28 The Deka Group has filled various positions to gain insights into the perspectives of individuals who are especially vulnerable to negative impacts or marginalisation. The Diversity Management team, the employee representative bodies, the representative bodies for persons with severe disabilities and the equal opportunities officer are available as internal points of contact for problems in the workplace. The representative body for youth and trainees represents the interests of trainees and interns within the Group. Alongside the employee representative bodies, these representatives are regularly involved in assessing potential impacts and represent a mouthpiece for the affected groups. This can take the form of early involvement of the representatives in initial development or refinement of the Group's HR tools and benefits for its own workforce, for example. This ensures that such developments do not disadvantage particular minorities.

S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

32 (a) Across the Deka Group, there are procedures to address potential negative impacts on the Group's workforce and channels through which concerns can be raised. If negative impacts on the Group's workforce are observed whose cause lies within the Group, the Strategy & HR corporate centre will discuss with the responsible parties how they can be remedied. If no solution can be found through direct discussion, further persons (such as the immediate superior) will be involved. This approach is considered effective, given that the number of material negative impacts is consistently very low and that, when such impacts arise, they are rapidly remediated.

32 (b) Various channels are available for the Deka Group's workforce to raise concerns, which will then be investigated by the relevant Group units. These channels include the Group's employee representative bodies, the anti-discrimination officer, the equal opportunities officer, the disability officer and the representative bodies for youth and trainees, as well as direct contact with the Strategy & HR corporate centre by phone, by email, by chat message, in dialogue meetings, through the pulse checks and in person. There is also an official complaints management system (including a whistleblower system address) through which complaints can be submitted (including anonymously) via an ombudsman from an external law firm; and the Group is required to respond to the complaints promptly. Regular dialogue with the employee representative bodies and the equal opportunities officers ensures continuous communication so that any concerns raised by the Group's workforce can be addressed and followed up.

32 (c) Complaints from the Deka Group's own workforce can be communicated through a variety of processes: direct contact with the Strategy & HR corporate centre, discussions with line managers and the official complaints procedure via the Group's ombudsman (for further details, see the Group's website: https://www.deka.de/deka-gruppe/wer-wir-sind/unsere-kultur-und-standards/hinweisgeberstelle and ESRS S4-3 25). Complaints are addressed through the complaints management process. Issues can also be raised with the employee representative bodies, which will then address them in their regular monthly meetings with the Strategy & HR corporate centre.

32 (d) Employees have an opportunity to choose their representatives through regular elections for the employee representative bodies, the equal opportunities officer, the Disability Officer and youth and trainee representatives. The Deka Group provides the necessary financial and human resources to support the elections. Information on the contact persons and all further channels is published on the intranet. Information events are advertised via the intranet. All employees have access to the technical equipment necessary for them to make direct use of these various channels. If no one stands for a particular representative role in a given election, the role will remain vacant for the term of office. By supporting the elections, the Group ensures that the representatives that its workforce elects – and thus identifies as suitable representatives – are able to address potential complaints as representatives of the workforce.

32 (e) Problems reported through these channels are forwarded to the responsible person for further processing. In dialogue with the employee representative bodies, the Strategy & HR corporate centre documents the status of the processing and the responses to problems submitted by the employee representative bodies and tracks them to ensure that the processing is transparent. During topic-specific consultation hours for the workforce, the Strategy & HR corporate centre regularly requests feedback and enquires whether consultation hours are needed for other topics. At the end of the pulse checks, employees always have an opportunity to raise further issues. If the feedback identifies a particular issue as especially important, it will be followed up on. Solutions to complaints are found through dialogue with the affected parties, to ensure that the solutions are in the interest of the affected parties.

The individual target groups make regular use of all these channels, and the fact that any issues that are raised are addressed within the expected timeframe indicates a high level of effectiveness. If a particular channel goes unused, the Group will investigate the causes and will then communicate with potential users or their representatives about the channel.

33 To make sure that the Deka Group's own workforce is aware of the structures and procedures for raising concerns, the various channels are advertised on the intranet and at various opportunities, such as Group-wide events and meetings of the staff and works councils. All employees receive information about the various channels and points of contact when they join the Group. To increase confidentiality, the channels that offer anonymous use are specifically identified as such. The Group attaches great importance to discretion in the handling of the issues that are raised in order to increase confidentiality. To prevent retaliation, complainants' express permission is required before their names are disclosed. Local legislation protects the employee representative bodies in carrying out their activities and beyond. The complaints procedures are also described in ESRS S4-3 (see also the Group's website: https://www.deka.de/deka-gruppe/kontakt). As all available channels are used regularly, there is no procedure in place to specifically evaluate whether the Group's workforce trusts the channels available to it.

S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Minimum disclosure requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters *(Fig. 90)*

Actions / action plans

1. Offering suitable and relevant professional development opportunities:
a. Monitoring utilisation figures for learning offerings
b. Planning learning offerings annually
c. Focusing on short online formats that can be easily integrated into everyday work activities
2. Transformation to a modern Deka:
a. Trying out new approaches to specific problems
b. Training "multipliers" in all organisational units
3. Regular dialogue with employee representative bodies on topics relevant to co-determination and agreements on the general conditions in the company (supports implementation, see ESRS S1 MDR-P table "Policies adopted to manage material sustainability matters", point 3):
a. Regular monthly meetings between the individual employee representative bodies and Strategy & HR
b. Regular discussion of the list of negotiation topics, including prioritisation
c. Regular monthly meetings between the chairs of the employee representative bodies and Strategy & HR
d. Regular meetings between the specialised committees of the employee representative bodies and Strategy & HR
4. Fair treatment and appropriate development of junior staff:
a. Standard market salary, regardless of duration of employment
b. Providing employee benefits to junior staff
5. Providing comprehensive benefits, as well as counselling and information services for employees in problematic professional and personal situations:
a. Announcing the offerings via intranet messages and informational events
6. Risk: Retirement of older members of the workforce:
a. Increasing recruitment of young employees
b. Motivating employees to extend their working years within the Deka Group past the standard retirement age
7. Feedback from our own employees on selected topics and engagement:
a. Implementing the employee survey
b. Evaluating and publishing the results for our own workforce, including actions derived from them

Outcome / contribution of key actions in the reporting year

re: 1. Employees continue their education independently through the training offered in order to remain employable in the future. The focus is on soft skills for communication, presentation and impact, as well as collaboration, which the majority of the workforce can benefit from. In addition, information about trending topics like AI and ESG is communicated uniformly throughout the Group to ensure a common understanding. The Deka Group does this using short and digital formats which can be easily used and integrated in everyday work activities and allow mobile access. Another objective is to expand skills relating to use of digital tools and media. These programmes are supplemented by external professional development training, which departments book as needed and which is more closely tailored to individual development needs.

re: 2. The organisational units are making further substantial progress in the following dimensions: ability to change, a results orientation and overarching cooperation.

re: 3. Maintaining regular communication with employee representative bodies and taking their interests into account help to expand and further develop existing HR tools.

re: 4. Junior staff are integrated into work processes in the same way as permanent employees and receive adequate remuneration. This gives them realistic insight into what it is like to work for the Deka Group and allows them to meet their living expenses. This approach, along with other benefits, increases the attractiveness of the Deka Group for students, apprentices and graduates, ensuring that junior staff positions can be filled quickly and that junior staff want to work in the Deka Group long-term.

re: 5. The benefits make the Deka Group more attractive as an employer and increase employee loyalty. Employees can get straightforward, no-cost support at short notice for handling difficult situations.

re: 6. Increased recruitment of young employees is rejuvenating the workforce. Extending working years is helping to delay the outflow of know-how caused by retirement.

re: 7. The Deka Group receives an up-to-date picture of employee sentiment and feedback on selected topics at regular intervals. All employees are also able to propose additional topics. This approach makes it possible to identify any "blind spots" and align the Deka Group's actions more closely with its employees' interests. In addition, the progress described in point 2 is measured, which makes it easier to manage the action.

Outcome / contribution of key future actions
re: 1. It is intended that professional development opportunities will remain available in the future and will be developed on an ongoing basis to ensure employability.
re: 2. The organisational units are making further substantial progress in the following dimensions: ability to change, a results orientation and overarching cooperation.
re: 3. The Deka Group continues to work together with employee representative bodies in a relationship built on trust.
re: 4. The Deka Group remains an attractive employer for students.
re: 5. The benefits make the Deka Group more attractive as an employer and increase employee loyalty. Employees can get straightforward, no-cost support at short notice for handling difficult situations.
re: 6. The Deka Group's capabilities remain intact.
re: 7. The Deka Group gets a long-term picture of its attractiveness as an employer.
Scope
re: 1. to 7. The key actions have potential impacts on all employees, regardless of their business activity and location. Exceptions exist due to local circumstances, rules applying to junior staff and the usability of support services.
Time horizon
re: 1. to 7. All actions are implemented with a long-term time horizon or do not have fixed endpoints, but rather represent ongoing endeavours to be pursued continuously.

38 (a), 38 (b), 38 (c) The materiality assessment did not identify any material negative impacts or material opportunities related to the Group's own workforce. The material positive impacts and one material risk that has been identified are presented below.

To increase its attractiveness as an employer, the Deka Group offers a comprehensive range of HR programmes and tools for its employees, most of which go well beyond the legal requirements. For this purpose, the Group realises as many potential material positive impacts as possible for its workforce, and shapes impacts – for example, through legal requirements – to ensure that they have a positive effect. In doing so, the Group weighs the costs and benefits of the individual programmes offered to ensure their cost-effectiveness. The specific form they take is determined by considering the interests of the employees, represented by the employee representative bodies, and the interests of the Group, represented by the Boards of Management of DekaBank and its subsidiaries. This could have positive impacts on working conditions, equal treatment, equal opportunities and other employee rights.

The Group's employees are able to further develop their skills through a large number of voluntary professional development opportunities that are available via an internal learning platform. The offerings undergo continuous improvement and refinement. The Group expects that this action will ensure that its employees will continue to have the skills they need to meet new challenges. In addition, managers hold individual meetings with employees at least annually as part of the appraisals to consider and discuss their individual professional development needs. These meetings offer opportunities to agree on individual training or professional development actions to be carried out using the DekaLearning training tool or external service providers. Both sides can make suggestions. These actions could have positive impacts on the working conditions.

The goal of the transformation to a modern Deka is to achieve substantial progress in the following dimensions: ability to change, results orientation and overarching engagement. The Strategy & HR corporate centre imparts the relevant know-how to the Group's specialist units with the help of agile decision-making structures and working methods that focus more on the end-to-end process perspective. New forms of work are thereby mastered, the employees get more involved and more decision-making authority is delegated. As the key driver of a successful transformation, the organisation's management has engaged intensively with the newly developed #TeamLead leadership concept. A management feedback system is being introduced, and further specifications are being developed in the context of "sustainable leadership". A Group-wide network of multipliers from all specialist units is working together with the Organisational Development unit to support this change with the appropriate skill set and make it permanent. These actions could have positive impacts on the working conditions.

German law strengthens employees' rights on many issues related to operational co-determination. This ensures far-reaching protection of the employees' interests, for instance through employee representative bodies, protection against dismissal and occupational safety regulations. For example, agreements have been reached with the employee representative bodies on corporate rules concerning flexible work hours, mobile working (in Germany and abroad) and using work-time accounts. Work-time accounts allow employees to save up time for paid leave and to temporarily reduce their working hours while maintaining the same salary. Additional offerings, such as job tickets, canteens and occupational retirement provision, are also subject to co-determination by the employee representative bodies, which ensures that employees' interests are protected in these contexts as well. The resulting positive impacts for employees are strengthened by trusting engagement with the employee representative bodies; and this is also reflected in the large number of collective agreements with the employee representative bodies. These actions could have positive impacts on the working conditions, equal treatment, equal opportunities for all and other work-related rights.

The Group attaches great importance to the fair treatment and appropriate advancement of junior staff. Junior staff receive a fair salary and other selected benefits regardless of the duration of their employment. The actions associated with this could have positive impacts on equal treatment and equal opportunities for all employees.

Besides the benefits described above, the Group offers its employees additional benefits. These include a health platform with a budget for every employee to use as they wish, bicycle leasing and a wide range of information and support services for assistance with professional or personal issues. Through the latter, the Group supports its employees in handling stressful situations. A large number of different points of contact (internal and external, including anonymous) are available for advice and assistance: the employee representative bodies, the equal opportunities officer, the representative bodies for persons with severe disabilities, the Employee Assistance Programme (INSITE), Viva Familienservice, pme Familienservice and the ombudsman. These actions could have positive impacts on the working conditions.

38 (d) The most important indicator of a good professional development programme is the number of its users; and the Deka Group can extract this information directly from the learning platform and use it to measure the effectiveness of the actions it takes. The Group voluntarily offers the training courses to its employees. Employees can provide feedback on their satisfaction with the internal professional development programmes. The Group uses this feedback to ensure that its employees have access to high-quality professional development programmes. The variety of formats, the assortment of topics – which has been further refined – and the individual support for employees in planning their professional development actions are regularly identified as strengths of the DekaLearning training tool. This is also reflected in the utilisation figures, which have risen as the variety of formats in the learning programmes has increased.

The Organisational Development unit uses regular top-down discussions of perceived effectiveness with DekaBank's Board of Management and regular bottom-up pulse checks to monitors the effectiveness of the Group's evolution into an organisation that is more modern and capable of change. The positive results of the pulse checks demonstrate that the chosen approach is working and, at the same time, enable continuous refinement of the approach to transformation.

The Group's success in addressing its employees' interests and in implementing compliance with the applicable labour regulations is reflected in its high level of attractiveness as an employer, as recorded by the regular pulse checks. In addition, the constructive engagement with the employee representative bodies demonstrates the success of the Group's policy of maintaining a regular and timely dialogue with them.

The Group is considered an attractive employer for junior staff because of the targeted development it offers. As a result, junior positions can be filled quickly, and applications outnumber the positions the Group can offer.

Regarding benefits, the Group is confident that these are having a positive impact on its attractiveness as an employer. This is surveyed in the pulse checks. More than 85% of the employees agree that they enjoy working for the Group. The utilisation rates for the support services have increased steadily over the years since they were introduced. This serves as the key indicator of their effectiveness for the Group because, when companies offer good support programmes, employees spread the word. Users of the services can also report their level of satisfaction at the end of the consultation process. The Group uses this information to assess the effectiveness of the programmes it offers. As these frequently involve sensitive issues, specific individual-level analysis is not possible.

39 If potential or actual negative impacts on its workforce become apparent, the Deka Group involves the affected employees or their representatives and identifies possible actions. The Group then discusses the actions thereby identified with the employee representative bodies to determine what actions are necessary and to implement them adequately.

40 (a) The Deka Group has planned actions to mitigate material risks in a targeted manner. Its workforce is ageing. A possible wave of retirements could lead to a large workforce outflow in a relatively short period of time if steps are not taken promptly to counteract this. The Group is reducing its average employee age and working to build a younger workforce through increased efforts to recruit young employees, for example by hiring more trainees. In addition, the Group is planning actions for the coming years to ensure productive and motivating employment for employees in the final phase of their working lives. The aim is to encourage employees to stay with the Group for as long as possible, up to and potentially beyond the standard retirement age. For both actions, success is measured through the age distribution.

41 The Deka Group acknowledges its responsibility to ensure that its products, services and business activities comply not only with the legal and regulatory requirements but also with ethical and social values and standards. In this context, it takes care not to cause or contribute to any material negative impacts on its workforce. The Code of Ethics serves as a binding framework for ethically and morally correct conduct and action for employees, managers, members of the Board of Management and third parties which are acting on behalf of the Group. The Code of Ethics neither restricts nor extends any legal obligations or internal rules. To ensure that its business activities cause no material negative impacts on its employees, the Group maintains a continuous dialogue with the employee representative bodies, the equal opportunities officer, the representative bodies for persons with severe disabilities and Diversity Management, as well as direct contact with the workforce, on issues relating to business development. If, despite these efforts, negative impacts do arise, they will be mitigated and eliminated as quickly as possible.

43 In order to realise the material positive impacts described below, several teams exist in the Deka Group that cover these topics and act as points of contact for the employees:

The Group has established an internal learning platform managed by a dedicated team that is responsible for planning, evaluating and further developing the internal professional development programme.

The Strategy & HR corporate centre coordinates engagement with the employee representative bodies, monitors the legal regulations and works with the employee representative bodies to develop operational and collective regulations. The employee representative bodies, the equal opportunities officers and representative bodies for persons with severe disabilities or equivalent status are provided with the financial and technical support and equipment that they require to do their work effectively. If the agreements that are developed require further resources (e.g. setting up technical infrastructure and know-how), the necessary resources are provided or obtained. Examples include laptops and VPN access for mobile working, as well as expert advice on occupational retirement provision and work-time accounts. As a result, the Group is able to ensure that the agreements’ potential positive impacts on employees can actually be realised.

Junior staff are supported by central contact persons in the Strategy & HR corporate centre, who are available to answer questions from the units, managers and junior staff. The general conditions for junior staff are fixed throughout the Group.

The counselling services have become established as part of the benefits landscape and are a fixed element of the budget planning. Like other benefits programmes, they are managed and further developed by a dedicated team.

Since the Management Agenda was first put in place, the process of transformation to a modern organisation has been a separate action area in which the conceptual foundations are laid and from which transformation initiatives are promoted throughout the entire Group.

The workflow management documentation (process map) has been revised, and new roles and work formats have been introduced with relevance for the entire process chain, to systematically strengthen the end-to-end process orientation and improve the overarching engagement. The quarterly business review (QBR), a dialogue among all links in a value chain leading up to DekaBank's Board of Management concerning improvement potential and its realisation, explicitly including the customer perspective, has played a key role in this development.

Multipliers and process digitalisation specialists are being trained as part of the transformation initiatives in order to ensure that the Group continues to develop sustainably. These employees from the participating units receive additional training on dealing with change, as well as on specialised methodology and its application.

Besides intensive support for the divisions as part of the transformation initiatives, employees and managers have the opportunity, either individually or together with their teams, to take advantage of communication, dialogue and professional development programmes with regard to their own objectives and the DekaWay.

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Minimum disclosure requirement – Targets MDR-T – Tracking effectiveness of policies and actions through measurable targets *(Fig. 91)*

Specifying the target (general)
1. The Deka Group aims to achieve an employee satisfaction rate of around 80% in the regular employee surveys.
Relationship between target and policy
re: 1. This target reflects the attractiveness of the Deka Group, which can also be influenced by the individual policies.
Target type and level
re: 1. The target is 80% agreement, meaning 80% of employees should tick the "agree" or "strongly agree" box for the statement "Deka remains an attractive employer for me in the future".
Scope
re: 1. This target pertains to all employees worldwide in all business activities.
Baseline value and reference year
re: 1. The rate of agreement with the statement "Deka remains an attractive employer for me in the future" on a scale of 1 ("strongly disagree") to 5 ("strongly agree") is an absolute target value without progress measurement; previous years' results are used for comparison to identify changes.
Time period and interim targets
re: 1. The target applies to all surveys in the reporting year. This level of agreement has already been reached in previous years, so there are no interim targets.
Methodology and assumptions
re: 1. The target was set when introducing the employee survey on the assumption that the survey results are representative of the Deka Group. No connection to policy objectives exists.
Involvement of stakeholders
re: 1. The employee representatives, the Equal Opportunities Officer and the head of the Strategy & HR corporate centre participated in introducing the employee survey and are involved in every new survey.
Progress and monitoring
re: 1. The surveys are taken every six months and compared with the previous results. The rate of agreement remains consistently high – over 80%.

Minimum disclosure requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets that cannot be measured quantitatively *(Fig. 92)*

Setting targets

The Deka Group has not currently set any measurable, time-bound targets in the following topic areas and does not plan to do so in the future, as capturing objective results would not be possible without considerable time and effort due to the general conditions, or because setting such targets is impossible or does not make sense. Nevertheless, the Deka Group envisages desired states in the material IROs. These are:

1. Creation of a comprehensive learning programme used by as many employees as possible.
2. Progress by the organisational units in the following dimensions: ability to change, a results orientation and overarching objectives.
3. Early involvement of the employee representative bodies on all relevant topics and ongoing constructive cooperation with the employee representative bodies. Annual negotiation planning together with the employee representative bodies to prioritise and schedule future negotiation topics. Formulation of new agreements in a way that fosters positive impacts.
4. Fair treatment of junior staff.
5. Employees can choose from a wide range of benefits and find the right options for themselves. Employees can get rapid, straightforward counselling in problem and crisis situations.
6. The objective is to mitigate the impact of the large number of retirements currently anticipated in order to slow the outflow of know-how and work capacity.
7. Employees take advantage of the pulse checks as an opportunity to provide feedback.

Tracking effectiveness without targets

re: 1. to 7. When implementing the policies and actions, the Deka Group takes care to maximise the positive impacts and minimise the risks. To achieve this, regular feedback is sought from the affected parties and their representative bodies, and data in the system is used to determine whether the envisaged objectives are being met.

Procedures and processes for tracking effectiveness

To ensure that the policies and actions are implemented in the interest of stakeholders, the Deka Group maintains regular communication with the stakeholder groups and their representatives.

re: 1. The professional development programme is planned annually in consultation with the employee representative bodies and in line with the Deka Group's strategic objectives (e.g. from the Management Agenda) and can be added to throughout the year as needed. Users can give feedback and introduce additional needs.

re: 2. Since the Management Agenda was established, the process of transformation into a modern organisation has been a separate action area in which the conceptual foundations are laid and so-called transformation initiatives are promoted throughout the entire Deka Group. The initiatives involve three phases that build on one another, during which a central team works with employees and managers at all hierarchical levels from two to three areas of the Deka organisation. The objectives are defined individually for each area and initiative. The defined objectives are reviewed regularly with managers and teams throughout the course of the initiatives. During the intensive support phase, which lasts from four to six months, all managers and selected teams from the participating areas work closely with agile coaches on specific, relevant problems. Then, in the scaling phase, the learnings of the teams that have received intensive support are carried over to all other teams in the areas concerned. These activities feed into the third phase: consolidation. In this phase, the areas are supported in their efforts to establish and continuously refine the modified procedures by constantly applying them. Multipliers and process digitalisation specialists are trained as part of the transformation initiatives to ensure the sustainable further development of the Deka Group. These are employees from the participating areas of the company who receive additional training on topics including handling change, specialised methodological knowledge and the application of this method.

re: 3. The Deka Group maintains regular dialogue with the employee representative bodies to ensure that they are involved in all relevant topics from an early stage. Negotiations on new agreements follow a structured process that also involves examining the feasibility of implementing the agreements and options for verifying compliance with them. The Strategy & HR corporate centre verifies compliance with the existing agreements through various metrics.

re: 4. The intern support team maintains regular contact with the interns. Review procedures examine options for refining the existing programmes.

re: 5. The Group's own workforce takes advantage of the benefits on its own initiative. Depending on the specific programmes, the Deka Group uses internal channels, platforms and third parties to provide them. The benefits are refined in consultation with the employee representative bodies and interested employees. The support programmes are announced on the intranet. The Deka Group receives an annual evaluation from the providers with various indicators to enable it to determine whether the programmes on offer remain relevant.

re: 6. The age profile of the workforce is reviewed regularly to provide insights into the effectiveness of actions taken to cushion the risks of an ageing workforce.

re: 7. The content and analyses of the pulse checks are coordinated in advance with the stakeholders and employee representative bodies. After the survey there is a follow-up process involving all heads of departments and specialist teams. The Strategy & HR corporate centre also supports the process of applying of the results.

Progress
re: 1. to 7. The Deka Group applies a zero-tolerance principle to deviations from the policies. Thus the objective is compliance with policy and the associated follow-up and investigation processes for violations. At the end of each year, the Deka Group takes stock and introduces measures if necessary. In the regular pulse checks, the Deka Group uses a standardised set of questions with multiple dimensions to measure the progress of transformation in the specialist departments. The target is an agreement score of at least 4 on a scale of 1 ("strongly disagree") to 5 ("strongly agree") in each specialist department. As the targets are permanent, there is no fixed reference period. The targets are meant to be met annually. For some targets, the general conditions are such that progress measurement is not possible or useful.

47 (a) The Strategy & HR corporate centre ensures through regular communication at various levels that HR-related targets are in line with current needs and oriented towards the future. Discussions within and with the management, including DekaBank's Board of Management, based on direct feedback from HR support, on HR development and on feedback from managers, form the basis for the development of targets, which are then agreed on with all stakeholders and updated regularly. Specific targets for individual employee groups result from dialogue with the equal opportunities officer, the employee representative bodies, the representative bodies for persons with severe disabilities, Diversity Management and the youth and trainee representative bodies. The employee representative bodies were involved in setting the HR-related targets as well as the transformation targets for all units as part of the transformation initiative.

47 (b) Target tracking is made transparent through regular reports to the management, including DekaBank's Board of Management, and the employee representative bodies. The Strategy & HR corporate centre informs the Deka Group's workforce about progress towards the individual targets via the intranet, information events and newsletters.

47 (c) In parallel with its direct pursuit of targets, the Deka Group constantly seeks feedback and opportunities for improvement to ensure that the actions taken to meet the targets correspond to the current state of knowledge and are in the employees' interest. For this purpose, the Group communicates with stakeholders, the employee representative bodies and the Group's employees in various formats and compares the procedure with prevailing market standards. The prevailing market standards are derived from a comparison with common practices on the market that the Strategy & HR corporate centre carries out independently.

S1-6 – Characteristics of the undertaking's employees

Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters

(Fig. 93)

Metrics

The following metrics are primarily used to draw conclusions about and reflect on the long-term effectiveness of the management of actions.

1. Total number of employees, broken down by sex, country, and type of employment
2. Staff turnover rate

Company-specific metrics

3. The employee surveys (pulse checks) are used to determine index values (employee satisfaction: engagement index, ability to change, results orientation, and overarching objectives: transformation index).

Methodology, assumptions and limitations

re: 1. The number of employees is determined by counting the number of employment contracts (temporary and permanent) in existence at the reporting date, including inactive employees, trainees and interns.

re: 2. The staff turnover rate corresponds to the number of employees who have left in relation to all "turnover-eligible" employees. "Turnover-eligible" employees are senior executives (corporate centre heads, departmental heads), temporary and permanent employees, inactive employees (employees on parental leave, childcare leave or other leave). They do not include those employed under a training contract (apprentices, sandwich students, interns, student workers).

re: 3. The employee surveys rely on voluntary employee participation. The more employees take part, the more representative the results are, and vice versa. The items are derived from the objectives of the topics they address and are developed taking psychological quality criteria into account. The items are generally formulated positively.

External validation

The greatest care has been taken in preparing all the disclosures. The data and information have undergone multiple levels of internal quality assurance and validation processes to ensure that they are accurate and reliable, even without further external verification.

Categorisation and description

In the employee surveys, the Deka Group works with agreement scales from 1 ("strongly disagree") to 5 ("strongly agree") and calculates the unweighted average of all responses for each item. In addition, an index value is calculated from the averages of the items for each topic as an unweighted average.

50 (a) As at 31 December 2024, the Deka Group had a total of 5,727 employees, of whom 2,293 were female and 3,434 were male. The majority of employees in the Group had permanent contracts (5,395), and there were more full-time employees (4,316) than part-time employees (1,411). As at the reporting date, seven temporary agency workers worked at the Group.

Total number of employees by headcount and gender breakdown as at 31 Dec 2024 *(Fig. 94)*

	Number of employees
Male	3,434
Female	2,293
Other	0
Not reported	0
Total employees	**5,727**

Number of employees by country as at 31 Dec 2024[1] *(Fig. 95)*

Country	Number of employees
Germany	5,241

[1] Limitation of at least 50 employees and 10 percent.

50 (b) The total number of employees with permanent and temporary employment contracts is shown below, broken down by gender, as well as the number of non-guaranteed-hours employees as at 31 December 2024. The non-guaranteed-hours employees represent temporary agency workers provided by other companies.

Total headcount, by type of employment and gender, as at 31 Dec 2024 *(Fig. 96)*

	Type of employment contract					
	Number of employees	**Number of permanent employees**	**Number of temporary employees**	**Number of non-guaranteed hours employees**	**Number of full-time employees**	**Number of part-time employees**
Female	2,293	2,147	139	0	1,326	967
Male	3,434	3,248	160	0	2,990	444
Other	0	0	0	0	0	0
Total employees	**5,727**	**5,395**	**299**	**7**	**4,316**	**1,411**

50 (c) A total of 200 employees left the Deka Group during the reporting year. The rate of employee turnover in 2024 was 3.6% and thus above the previous year's level (3.0%).

50 (d) In compiling the data, all employees, i.e. active and inactive employees, were taken into account regardless of their employment relationship. Trainees and students in dual-study programmes were counted as full-time employees due to their training situations but were not counted among the permanent or temporary employment contracts. Interns and student employees were counted as temporary employees. The data is stated in the form of a headcount and represents the data available as at 31 December 2024. As the system does not record the gender of non-guaranteed-hours employees, it is not possible to provide a gender breakdown.

50 (e) In the Deka Group, employees can switch from a full-time position to a part-time position, on either a temporary or a permanent basis, at any time. This supports a work-life balance and is required by German law for all German employees. This can lead to changes in the ratio of full-time to part-time employees over time.

Where the table entitled "Total headcount, by type of employment and gender, as at 31 Dec 2024" indicates "Various" and "No data", this data is not recorded in the HR database. It is therefore impossible to provide any information on it.

50 (f) This information corresponds to the number of employees in the Deka Group's annual financial statements and was calculated using the same methodology.

S1-8 – Collective bargaining coverage and social dialogue

Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters *(Fig. 97)*

Metrics
1. Percentage of employees covered by collective agreements by country 2. Percentage of employees covered by employee representative bodies
Methodology, assumptions and limitations
re: 1. and 2. The proportion of employees covered was determined for countries with a significant number of employees according to the regulatory thresholds.
External validation
The greatest care has been taken in preparing all the disclosures. The data and information have undergone multiple levels of internal quality assurance and validation processes to ensure that they are accurate and reliable, even without further external verification.
Categorisation and description
re: 1. and 2. The metrics are reported in the "Collective bargaining coverage" and "Social dialogue" columns in the prescribed table in accordance with the required percentage ranges.

60 (a) In the Deka Group, 26.4% of employees worldwide are covered by collective bargaining agreements, with the majority of employees working in Germany and Luxembourg.

Collective bargaining coverage and social dialogue by country as at 31 Dec 2024 *(Fig. 98)*

	Collective Bargaining Coverage	Social dialogue
Coverage Rate	Employees – EEA (for countries with > 50 employees representing > 10% of total employees)	Workplace representation (EEA only) (for countries with > 50 employees representing > 10% of total employees)
0-19 %	–	–
20-39 %	Germany	–
40-59 %	–	–
60-79 %	–	–
80-100 %	–	Germany

60 (b), 60 (c) In Germany, the collective bargaining agreement for public banks (*Tarifvertrag der öffentlichen Banken*) applies; and in Luxembourg, the *Convention Collective de Travail de Salariés de Banque* applies. The collective bargaining agreements applied to a total of 27.8% of the employees in the two countries. In Austria, all 59 employees were covered by collective bargaining agreements. Beyond that, the employees were not covered by the country-specific collective agreements.

61 Employees who receive remuneration above the highest pay scale are salaried exempt employees whose employment contracts are not covered by a collective bargaining agreement. The working and employment conditions of salaried exempt employees mostly follow the basic principles of the collective bargaining agreements that apply to other employees.

63 (a) Almost 100% of the Deka Group’s employees in Germany are represented by the employee representative bodies. One German subsidiary, which has an insignificant number of employees, has opted not to form a works council. The Group does not have a significant number of employees in any other countries. There are corresponding employee representative bodies in Luxembourg and Austria.

63 (b) As the Deka Group does not meet the requirements of either section 3 (1) or section 3 (2) of the German Act on European Works Councils (*Europäische Betriebsräte-Gesetz*, EBRG), it does not fall within the Act’s scope (there being no EU-wide activity within the meaning of the EBRG), and there is therefore no requirement for it to form a European Works Council.

S1-9 – Diversity metrics

Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters *(Fig. 99)*

Metrics
1. Proportion of women 2. Proportion of women in management positions 3. Age distribution
Methodology, assumptions and limitations
re: 1. to 3. The counts do not differentiate between full-time and part-time employees.
External validation
The greatest care has been taken in preparing all the disclosures. The data and information have undergone multiple levels of internal quality assurance and validation processes to ensure that they are accurate and reliable, even without further external verification.
Categorisation and description
re: 1. The proportion of women indicates the percentage of women among all employees. The metric is calculated using the total number of all employees. Formula: number of women/number of employees. re: 2. The proportion of women in management positions is calculated with respect to the total number of active managers. To verify attainment of the targets in the Equality Plan, the metric is limited to the Deka Group Germany, as these targets only pertain to the Deka Group Germany. Formula: number of active female managers/number of active managers. re: 3. The age distribution is based on the age of the employees as at the analysis date.

66 (a) The top management level is DekaBank's Board of Management. Below it are the heads of departments as the first management level for individual specialist units. DekaBank's Administrative Board sits above its Board of Management as a supervisory body.

Gender distribution by number and percentage at top management level as at 31 Dec 2024 *(Fig. 100)*

	Gender distribution one level below the administrative and supervisory bodies		Gender distribution two levels below the administrative and supervisory bodies	
Male	5	83.3%	30	83.0%
Female	1	16.7%	6	17.0%
Other	0	0.0%	0	0.0%
Not reported	0	0.0%	0	0.0%
Total employees	**6**	**100.0%**	**36**	**100.0%**

66 (b) The following table entitled "Distribution of employees by age group as at 31 Dec 2024" shows the numbers of employees in the following age groups: "under 30", "30–50 years" and "more than 50 years".

Distribution of employees by age group as at 31 Dec 2024 *(Fig. 101)*

Age group	Number of employees	Share of employees
below 30 years	736	12.9%
30 to 50 years	2,897	50.6%
more than 50 years	2,094	36.6%
Total employees	**5,727**	**100.0%**

S1-10 – Adequate wages

69 All employees are paid an adequate wage in line with applicable benchmarks.

S1-12 – Persons with disabilities

Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters *(Fig. 102)*

Metrics
1. Number of persons with severe disabilities or equivalent status 2. Mandatory positions for employees with severe disabilities
Methodology, assumptions and limitations
re: 1. The Deka Group assumes that persons with severe disabilities or equivalent status will notify the Deka Group of this status as their employer. Nonetheless, it is possible that their status was not reported and thus not documented in the HR systems. In such cases, persons with severe disabilities or equivalent status would not be included in the metrics.
External validation
re: 1. and 2. The greatest care has been taken in preparing all the disclosures. The data and information have undergone multiple levels of internal quality assurance and validation processes to ensure that they are accurate and reliable, even without further external verification.
Categorisation and description
re: 1. and 2. This quantity is an absolute number corresponding to the employees with this status. Mandatory positions are required by law in Germany relative to the number of employees.

79, 80, AR 76. The number of persons with severe disabilities also includes employees with an equivalent status, i.e. employees with less than a 50% degree of disability. These counts are stated as whole numbers, regardless of the employees' levels of employment. The Deka Group had a total of 159 employees who fell under this definition. Compared to the total number of employees, 1.5% (84 employees) of the employees with severe disabilities were male and 1.3% (75 employees) were female.

Number and percentage of employees with disabilities by gender as at 31 Dec 2024 *(Fig. 103)*

	Employees with disabilities	Employees with disabilities
Male	84	1.5%
Female	75	1.3%
Other	0	0.0%
Not reported	0	0.0%
Total of employees with disabilities	**159**	**2.8%**
Total employees	**5,727**	**100.0%**

S1-13 – Training and skills development metrics

Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters *(Fig. 104)*

Metrics
1. Training hours in the internal learning programme 2. Average training hours per employee
Methodology, assumptions and limitations
re: 1. Internal training hours are recorded for all learning offerings. Training hours for the reporting year are determined by adding up the utilisation figures for the learning offerings. External training not provided via the internal programme and mandatory training are not included. re: 2. Average training hours per employee is the total number of training hours during the reporting year divided by the total number of employees on 31 December of the reporting year. The percentage of full time hours worked is not taken into account.
External validation
re: 1. and 2. The greatest care has been taken in preparing all the disclosures. The data and information have undergone multiple levels of internal quality assurance and validation processes to ensure that they are accurate and reliable, even without further external verification.
Categorisation and description
re: 1. and 2. Training hours are stated in clock hours.

81, 82 At least annually, employees and managers work together to identify development needs and determine individual development paths on the basis of them. In this process, a wide range of actions is available and is continuously refined in line with the strategy and needs. It includes programmes for the development of personal, methodological, social and specialist skills. The Deka Group supports internal and external professional development activities for its employees, both financially and by releasing them from work when required. The form and scope of employees' involvement in co-determining their professional development are based on the internal Skills Development agreement.

The continuous development programme gives preference to short digital formats, alongside in-person training. The agreed development actions are carried out either as part of the employees' respective job duties (e.g. by taking on project tasks) or "off the job" through training courses or longer-term continuous development programmes that conclude with certificates. Examples of the latter include in-person training, virtual e-learning and appropriate blended learning programmes. The central DekaLearning tool is used for internal training.

83 (a), 83 (b) All employees are assessed in terms of their performance as part of their annual appraisals. This includes a discussion of their continuous development actions. Employees who are absent for a full calendar year, as well as interns, student employees and trainees, are excluded from this process.

Percentage of employees who participated in regular performance and career development reviews, and average number of training hours per employee, broken down by gender, in 2024 *(Fig. 105)*

	Average number of training hours per employee	Employees that participated in regular performance and career development reviews
Male	4.5	100.0%
Female	6.9	100.0%
Other	0	0.0%
Not reported	0	0.0%
Total employees	**6.3**	**100.0%**

These figures only reflect the internal training programmes that were offered via the learning platform. External continuous development activities are not included in the above figures. In total, over 31,000 training hours were completed in the reporting year via the DekaLearning training tool.

S1-14 – Health and safety metrics

Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters
(Fig. 106)

Metrics
1. Sickness rate 2. Reported injuries (commuting and workplace accidents, as well as accident log entries in Germany)
Company-specific metrics
2. a. In addition to 1. and 2., the Deka Group also calculates the injury rate. 3. For the programmes offered to employees (benefits and support services), the Deka Group examines the utilisation figures and satisfaction scores insofar as these exist.
Methodology, assumptions and limitations
re: 1. and 2. The Deka Group assumes that employees report sick days and injuries truthfully and records them in the HR systems for analysis. Unreported sick days and injuries cannot be recorded and are not included in the analysis. A more detailed presentation of sick days is not possible, as employees are not required to disclose the type of illness. re: 3. The utilisation figures are recorded by the systems or providers and can be analysed through reports. It is assumed that one utilisation unit corresponds to full utilisation of the programme concerned. Direct information on effectiveness cannot be derived from the utilisation figures, but it can be assumed as utilisation increases across the workforce, the greater the effectiveness achieved.
External validation
re: 1. and 2. The greatest care has been taken in preparing all the disclosures. The data and information have undergone multiple levels of internal quality assurance and validation processes to ensure that they are accurate and reliable, even without further external verification. Sick leave of more than three days (in Germany) – or, in Luxembourg, three or more days – must be documented with a medical certificate. re: 3. As part of the workandfamily (*berufundfamilie*) audit, a number of metrics were validated by berufundfamilie Service GmbH (under the auspices of the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth).
Categorisation and description
re: 1. The sickness rate shows absences due to illness in hours in proportion to contractually agreed regular hours of work for active employees. Absences due to illness are illnesses covered by a medical certificate, partial-day illness, illnesses not covered by a medical certificate, workplace accidents, commuting accidents, stays at health resorts and doctor’s visits to the during the day. These include both short-term and long-term illnesses. This metric pertains to the entire reporting year. re: 2. Reported injuries must be documented by the employees themselves or by first aiders in the form of accident reports or entries in the accident log. The total for the reporting period comprises the number of commuting accidents and the number of workplace accidents in the reporting year at locations in Germany. The recording of this information is based on German legislation, so no measurement is performed for other countries. a. The injury rate indicates the number of documented work-related injuries per million regular hours of work during the reporting period. re: 3. The utilisation figures are stated as absolute numbers. The utilisation of a programme corresponds to one numerator.

88 (a) 91.5% of the Deka Group's workforce is covered by the German legal requirements. Comparable legal requirements apply in Luxembourg to a further 6.8% of the workforce. The Group's WHM programme focuses on employees' needs and offers comprehensive services throughout the employee lifecycle. The key pillars of the WHM programme are exercise & sport, nutrition, medicine & prevention, and mental health.

With respect to occupational safety, the Group complies with all relevant legislation, ordinances and regulations, as well as the collective bargaining agreement for the public and private banks. These include the German Occupational Safety Law (*Arbeitssicherheitsgesetz*, ASiG), Working Conditions Act (*Arbeitsschutzgesetz*, ArbSchG), Ordinance on workplaces (*Arbeitsstättenverordnung*, ArbStättV) and the DGUV accident prevention regulations 1 ("Principles of Prevention") and 2 ("Occupational Physicians and OHS Professionals"). Important actions under the applicable laws include preventive occupational medical examinations, systematic risk assessments to identify and analyse risks, and regular meetings of the Occupational Health & Safety Committee (OHSC). In the interests of employee participation, all of the Group's employee representative bodies are members of the OHSC, which enables them to represent the interests of the workforce on specific issues. The OHSC meets at least four times a year and is responsible for providing advice on occupational health & safety (OHS) and accident prevention issues.

All employees are required to complete an online course on key aspects of OHS every two years; and managers also receive in-depth training on these topics and are required to instruct their employees on them when the employees first join the company or if their working conditions change. Employees can report work-related hazards and dangerous situations to their line managers, the employee representative bodies, the OHS team or the OHS officer at any time. The OHS officer carries out inspections to identify hazards in the Group's workplaces. Any defects identified are then corrected with the support of other responsible units, such as Building Management. Regularly assessing the OHS risks inherent in the Group's buildings as required by section 5 ArbSchG contributes to the systematic risk assessment.

88 (b), 88 (c), 88 (d), 88 (e) In the reporting year, 23 work-related injuries (injuries due to workplace or commuting accidents) occurred, and there were no fatalities as a result of work-related injuries or ill health. As Deka Group employees are not required to disclose the nature of their illnesses, it is not possible to determine the extent to which illnesses were work-related. Employees are encouraged to report injuries and to document them in order to ensure follow-up and support in case they suffer any consequential illnesses. During the reporting year, there were a total of 175 days of absence due to work-related injuries.

S1-15 – Work-life balance metrics

Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters

(Fig. 107)

Metrics
1. Percentage of employees entitled to family-related leave
2. Percentage of entitled employees that took family-related leave, broken down by gender
Company-specific metrics
3. Average duration of parental leave
4. Proportion of part-time employees
Methodology, assumptions and limitations
re: 1. HR determines this metric from the figures reported by employees. If employees do not disclose the relevant information (e.g. birth of a child), it cannot be included in the analysis.
re: 2. This metric is based on the total number of employees who took leave in the reporting year. The duration of the leave is immaterial.
re: 3. This metric is calculated by adding together the number of full months of parental leave taken during the reporting year and dividing that number by the number of employees who took parental leave. Employees who work part time during their parental leave are not included.
re: 4. This metric is derived from the ratio of active employees who work part time in relation to the number of all active employees.
External validation
The greatest care has been taken in preparing all the disclosures. The data and information have undergone multiple levels of internal quality assurance and validation processes to ensure that they are accurate and reliable, even without further external verification.
Categorisation and description
Due to the wide variety of regulations governing entitlement to family-related leave, the Deka Group restricts the analysis to Germany, as this is the only country with a significant proportion of employees for calculating the metrics under 1 and 2. These are defined as follows:
re: 1. Number of entitled employees divided by all employees in Germany.
re: 2. Number of employees on parental leave and maternity leave in Germany divided by the number of entitled employees. The number of employees who were or are on parental leave is counted over a specific time period, e.g. a financial year. The data is also broken down by gender.
re: 3. The average duration of parental leave specifies how long parental leave lasted on average during the reporting year. It is stated in months.
re: 4. The proportion of part time employees is the percentage of active employees who were working part-time or less than 100% of full-time hours at the reporting date.

93 (a) The Deka Group aims to continuously improve the work-life balance for all of its employees by regularly reviewing the general conditions and the associated additional offerings and expanding them where reasonable and justifiable.

All of its employees are entitled to take family-related leave. Specifically, employees in Germany are entitled to up to 36 months of parental leave, from the child's birth to the start of its fourth year of life; and a portion of this entitlement can be carried over up to the start of its eighth year of life. Women are also entitled to maternity leave for up to six weeks before the expected due date and eight weeks after the birth, with the period after the birth being offset against the parental leave.

A statutory entitlement also exists for employees who need to take time off to care for family members. The German Family Caregiver Leave Act (*Familienpflegezeitgesetz*, FPfZG) provides for between ten working days and 24 months of leave, depending on specific needs.

Additional voluntary benefits, such as using a work-time account, provide further opportunities for achieving a good work-life balance.

93 (b) The table below shows the employees entitled to take family-related leave and employees who took such leave, broken down by gender.

Percentage of entitled employees that took family-related leave, by gender, as at 31 Dec 2024 *(Fig. 108)*

	Entitled employees that took family-related leave	Entitled employees that took family-related leave
Male	113	2.0%
Female	167	2.9%
Other	0	0.0%
Not reported	0	0.0%
Employee family-related leave, total	**280**	**4.9%**
Total employees	**5,727**	**100.0%**

S1-16 – Remuneration metrics (pay gap and total remuneration)

Minimum disclosure requirements – Metrics MDR-M – Disclosure requirements for metrics *(Fig. 109)*

Metrics
1. Gender pay gap 2. Ratio of annual total remuneration of the highest paid individual to the median annual total remuneration for all employees
Methodology, assumptions and limitations
re: 1. To calculate the gender pay gap, the difference between the average gross earnings of male and female employees was divided by the average gross earnings of male employees. The gross earnings of all employees were taken into account. re: 2. To calculate the ratio, the annual total remuneration for the highest-paid person in the company was divided by the median annual total remuneration for the employees. The denominator does not include the remuneration of the highest-paid person. The remuneration of all employees during the reporting year was included (excluding future remuneration in respect of the reporting year, for example bonuses).
External validation
The greatest care has been taken in preparing all the disclosures. The data and information have undergone multiple levels of internal quality assurance and validation processes to ensure that they are accurate and reliable, even without further external verification.
Categorisation and description
All active employees and their fixed and variable remuneration (including the individual “orientation bonus”) during the reporting year were included.

97 (a) The unadjusted pay gap between female and male employees was 23.65%.

97 (b) The ratio of the remuneration of the highest-paid individual to the median total remuneration of all of the Group’s employees was 21.43 to 1.

97 (c) The calculation of the figures under 97 (a) and 97 (b) included all employees who were active as at the cut-off date, including junior staff. This excluded the information on IQAM Invest (59 people), as its remuneration data was not managed within the Deka Group’s HR system. Employees who were on paid leave, or who were on pre-retirement leave and subsequently departed, were not included. For 97 (a), the remuneration of part-time employees was converted to the full-time equivalent. For 97 (b), the remuneration as at 31 December 2024 was used, regardless of the level of employment. Bonus payments were included in accordance with the granting principle (*Gewährungsprinzip*): the orientation bonus for the reporting year was used to calculate the potential amount of the bonus payment for the reporting year. Since the bonus for the reporting year will not be paid out until the following year, the bonus that is actually granted cannot be included in the reporting. All other special payments, daycare centre allowances and company cars were included as absolute values.

S1-17 – Incidents, complaints and severe human rights impacts

Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters

(Fig. 110)

Metrics
1. Total number of reported incidents of discrimination 2. Number of complaints 3. Total amount of fines, penalties and compensation for damages as a result of incidents of discrimination and complaints 4. Number of severe human rights incidents 5. Total amount of fines, penalties and compensation for damages as a result of severe human rights incidents
Methodology, assumptions and limitations
re: 1. to 5. In each case, the count includes the number of individuals who have engaged in discriminatory behaviour or the number of official complaints submitted using available reporting channels. All complaints are examined in detail. If one or more complaints relating to an individual are confirmed, this is counted as one case, and appropriate action is taken. Resulting legal action may extend beyond the reporting year, meaning that it may not be possible to include the consequences of that action when reporting on the reporting year.
External validation
The greatest care has been taken in preparing all the disclosures. The data and information have undergone multiple levels of internal quality assurance and validation processes to ensure that they are accurate and reliable, even without further external verification.
Categorisation and description
re: 1. to 5. The total is the number of individuals who engaged in discriminatory behaviour. Fines and compensation for damages are paid in €.

103 (a) A total of five reported incidents of discrimination occurred in the reporting period.

103 (b), 103 (c), 103 (d) The employment contracts with these five employees were terminated for cause and without notice. Beyond these, no complaints were submitted during the reporting year via the recognised channels for raising concerns. No fines, penalties or compensation for damages were incurred. Complaints documentation, processing and follow-up are handled through the complaints management process (see ESRS S2-3 and ESRS S4-3 25). If incidents of discrimination are substantiated, they will constitute violations of the Deka Group's Code of Ethics. The resulting actions can range from reduction of the employee's annual remuneration to termination for cause and without notice, depending on the severity of the offence.

104 (a), 104 (b) In the reporting year, there were no work-related severe incidents or complaints, or severe human rights impacts, within the Deka Group's workforce. No fines, penalties or compensation for damages were incurred.

ESRS S2 – Workers in the value chain

DekaBank falls within scope of the LkSG, which applies not only to its own business area but also to its service providers and suppliers. Its own business area includes all of its own employees and all of the employees of the subsidiaries over which it exercises a decisive influence. The following companies are not part of its business area:

- Deka Investment GmbH
- Deka Immobilien Investment GmbH
- Deka Vermögensmanagement GmbH
- IQAM Invest GmbH
- S Broker Management AG and S Broker AG & Co KG (S Broker)
- Deka International S.A.
- WestInvest Gesellschaft für Investmentfonds mbH

As parts of the Deka Group, most of the above-listed subsidiaries use DekaBank's purchasing as a procurement channel for their own operations. The exceptions are IQAM Invest GmbH and S Broker. Any differences from the rest of the Group are presented separately in the respective data points.

A large number of international standards and principles provide a framework for protecting human rights, including human rights in the supply chain in accordance with the LkSG. The Deka Group has been committed for many years to complying with various such principles and regulations that apply to its business model and are internationally recognised. In this context, implementing the LkSG's requirements and thereby protecting the human rights of workers in the value chain have played an important role for DekaBank since 2023.

S2-1 – Policies related to value chain workers

The Deka Group applies various policies in connection with workers in its value chain. The table below shows the most important of these policies. It contains more detailed explanations of the objectives that the policies pursue.

Minimum disclosure requirement – Policies MDR-P – Policies adopted to manage material sustainability matters

(Fig. 111)

Policies
1. LkSG compliance rules set out in writing
2. Purchasing directive: Sustainability Statement
3. Business strategy of the Deka Group in line with MaRisk/KAMaRisk
Key contents
re: 1. The following human rights risks are addressed:
a) Child labour, forced labour, slavery
b) Disregard for occupational safety and health
c) Disregard for freedom of association
d) Unequal treatment in employment
e) Withholding an adequate wage
f) Unlawful forced eviction and unlawful taking of land, forests and waters
g) Hiring/use of private/public security forces in violation of human rights
h) Harmful contamination of soil, water and air, harmful noise emissions and excessive water consumption

re: 2. This covers the following contents:
a) Social responsibility
b) Proactivity
c) Environmental protection
d) Product contents and declaration of harmful substances
e) Packaging materials
f) Logistics
g) Renewable energies
h) Eco-labels
i) Human rights
j) Discrimination
k) Health and safety
l) Forced labour
m) Child labour
n) Freedom of association
o) Corruption
p) Behaviour towards competitors

re: 3. The contents include:
a) LkSG
b) OECD Guidelines for Multinational Enterprises
c) German Sustainability Code
d) German General Equal Treatment Act (*Allgemeines Gleichbehandlungsgesetz*, AGG)
e) European Convention on Human Rights (ECHR)
f) German Anti-Corruption Act (*Gesetz zur Bekämpfung der Korruption*, KorrBekG)

General objectives

re: 1. The LkSG requires affected companies to "exercise due regard for the human rights and environment-related due diligence obligations" set out in sections 3 to 10 of the Act "with the aim of preventing or minimising any risks to human rights or environment-related risks or of ending the violation of human rights-related or environment-related obligations" (section 3 (1) sentence 1 LkSG). This is intended to improve the international human rights situation and strengthen the rights of affected persons. The LkSG also aims to increase legal certainty and ensure fair conditions of competition.

re: 2. The Purchasing Sustainability Statement addresses the principles of social responsibility, environmental protection and business ethics standards and requires adherence to them. These are indispensable elements in the sustainable purchase of goods and services. For contractual business relationships with service providers and suppliers of DekaBank, it is necessary to work with the service provider or supplier to ensure that the Purchasing Sustainability Statement is signed.

re: 3. Taking European and German legislation into account in the purchasing process minimises the risk of negative impacts on workers in the value chain.

Material impacts, risks and opportunities

- Gathering information concerning working conditions, including child labour and occupational safety, ensures that only service providers and suppliers with no violations related to these topics are selected. This has positive impacts on the employees of companies we enter into a business relationship with.
- Gathering information concerning equal treatment, including discrimination, diversity, fairness and inclusion, ensures that only service providers and suppliers with no violations related to these topics are selected. This has positive impacts on the employees of companies we enter into a business relationship with.
- Gathering information concerning other work-related rights, including freedom of association, collective bargaining and forced labour, ensures that only service providers and suppliers with no violations related to these topics are selected. This has positive impacts on the employees of companies we enter into a business relationship with.

Monitoring process

re: 1. The Chief Human Rights Officer monitors LkSG compliance at DekaBank and reviews the effectiveness of risk management activities annually and at other times as necessary. The German Federal Office of Economics and Export Control (*Bundesamt für Wirtschaft und Ausfuhrkontrolle*, BAFA) is responsible for verifying compliance with the LkSG. The LkSG authorises the Federal Office of Economics and Export Control (BAFA) to carry out random checks and take coercive measures in the event of non-compliance.

re: 2. The central outsourcing management process includes a check as to whether service providers and suppliers have signed Purchasing Sustainability Statements or have signed or follow corresponding commitments to meet sustainability standards. It covers a wide range of sustainability issues, including human rights.

re: 3. As part of the annual risk analysis, all service providers and suppliers are reviewed for risks, and employees can also contact DekaBank using the complaints procedure.

Scope of application	
re: 1. DekaBank must meet the due diligence obligations in its own operations and in its relationships with its direct service providers and suppliers. Indirect service providers and suppliers become involved as soon as DekaBank obtains substantiated knowledge of human rights violations at that level. re: 2. Central requirements exist for all purchasing units. re: 3. Central rules exist for all purchasing units, insofar as this is feasible.	
Responsible organisational level	
re: 1. to 3. Overall responsibility lies with the Board of Management or the leadership of the Group subsidiaries.	
Reference to third-party standards or initiatives	
re: 1. LkSG re: 2. Equator Principles / UN Global Compact / German Sustainability Code re: 3. See "Contents"	
Consideration of stakeholders' interests	
re: 1. See above under "Contents" re: 2. Deutscher Sparkassen- und Giroverband e. V. (German Savings Banks and Giro Association, DSGV) • the United Nations (UN) Universal Declaration of Human Rights • the Fundamental Principles of the UN International Labour Organization (ILO) • the UN Convention on the Rights of the Child and the UN Convention on the Elimination of All Forms of Discrimination against Women • the Equator Principles • the principles of the UN Global Compact • the OECD Guidelines for Multinational Enterprises • the German Foreign Trade and Payments Act (*Außenwirtschaftsgesetz*, AWG) • the BME Code of Conduct • the German General Equal Treatment Act (*Allgemeines Gleichbehandlungsgesetz*, AGG) • the Universal Declaration of Human Rights (UDHR) • the European Convention on Human Rights (ECHR) • Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) • the German Minimum Wage Act (*Mindestlohngesetz*, MiLoG) • German Anti-Corruption Act (*Gesetz zur Bekämpfung der Korruption*, KorrBekG) re: 3. See above under "Contents"	
Availability of policies to stakeholders	
re: 1. Stored on DekaBank's internal Process Portal. re: 2. The Purchasing directive is an internal working document that is only accessible to employees of the Deka Group via the internal Process Portal on the intranet. As a rule, the Purchasing Sustainability Statement is available to every service provider and supplier that Deka has been in negotiations with. However, due to the large number of employees concerned, it would be nearly impossible to make the policy available to every single employee in the value chain. re: 3. Internal policy which is accessible to employees of the Deka Group via the internal Process Portal on the intranet.	
Cross-reference to other topical ESRSs	
re: 1. to 3. ESRS S1 (Own workforce) and ESRS S4 (Consumers and end-users)	
Scope limitations	
re: 1. to 3. Downstream value chain/indirect service provider	

17 (a) DekaBank mitigates human rights risks to the workers its value chain by focusing on its service providers and suppliers in Germany and the rest of Europe and carrying out annual risk assessments in accordance with the LkSG. In addition, its Purchasing Sustainability Statement requires its service providers and suppliers to meet legal requirements and apply internationally recognised standards to take social responsibility for their employees. In the Strategy & HR corporate centre and the Strategic Purchasing unit, human rights coordinators have been appointed who work closely with the Chief Human Rights Officer and are responsible for the design, implementation, effectiveness review and further development of risk management for the Group's own business area and its direct and indirect service providers and suppliers.

DekaBank and its contractual partners are committed to upholding international human rights standards and have stated this in a Declaration of Principles for the LkSG concerning their responsibilities for human rights and the environment in their supply chains. In this way, DekaBank guarantees occupational safety, protection of health, fair wages and freedom of association and is committed to preventing environmental change, forced evictions and other severe human rights violations in its value chain.

Because of its proximity to and familiarity with its regional service providers and suppliers, IQAM Invest GmbH (an Austrian fund manufacturer) has not taken any actions to ensure human rights with regard to service providers or suppliers for the services it procures independently of the Deka Group for its own operations.

Because S Broker does not fall within the scope of the LkSG, it has its own policies and written rules governing its purchase of goods and services, outsourcing management and operational service provider control in its own operations. These should ensure that human rights are not violated.

17 (b) The engagement with value chain workers is initially indirect and consists of assessing the integrity of the engagement with specific service providers and suppliers. The aim of this assessment is to determine whether a service provider's or supplier's employees could suffer any negative impacts as a result of the business relationship.

DekaBank acknowledges its responsibility for human rights and the environment in its supply chains and extends its Declaration of Principles to its business relationships with its service providers and suppliers. International standards such as the Equator Principles and the ILO core labour standards offer a framework for ensuring that human rights are protected along the entire supply chain. By joining the UN Global Compact, DekaBank has committed to implementing the ten principles of human rights, labour standards, environmental protection and anti-corruption, and to fulfilling its social responsibility.

DekaBank's Chief Human Rights Officer has assumed responsibility on behalf of DekaBank's Board of Management for implementing these obligations, in particular to protect the human rights of workers in the value chain, operationally. DekaBank and its contractual partners are committed to complying with all legal requirements, including addressing workers along the entire supply chain. The Strategic Purchasing organisational unit maintains communication with the responsible persons at the service providers and suppliers. The corresponding policy can be accessed through the process portal and is publicly available on the internet.

17 (c) If suspicions arise of any negative impacts on employees in the value chain, DekaBank will seek a dialogue with the relevant service provider or supplier. If such suspicions are substantiated, audits will be carried out and, in a further step, training will be provided to the service provider or supplier. In a suspected case, the training will be tailored to the specific situation and designed to eliminate the negative impacts. These steps are governed by the Purchasing Sustainability Statement and other policies. If the situation does not improve, the final step may be to terminate the contractual relationship. There were no suspected cases in the reporting year. DekaBank takes preventive actions to reduce the risk of such cases occurring.

The preventive actions under the LkSG include an annual risk assessment of all service providers and suppliers and of the Group's own business area. In this process, the relevant service providers and suppliers are assessed in terms of industry and country risks. For procurements over €500,000, the Strategic Purchasing unit also makes enquiries concerning the service provider's or supplier's ESG risks. These ESG-risk enquiries are part of a supplier risk assessment, which supplements the annual risk inventory. The working conditions in the relevant industries and countries and other factors are considered in order to determine the ESG risk of the service provider or supplier. In addition, DekaBank expects its service providers and suppliers to sign the above-mentioned Purchasing Sustainability Statement. This includes the right to require training and continuous development to be delivered in order to raise awareness with respect to human rights protection. It entitles DekaBank to assess the service provider's or supplier's measures once a year or whenever sufficient cause exists, to verify that they are effective by carrying out an on-site audit and/or through other suitable actions at DekaBank's own expense and using its own employees or third parties. Sufficient cause exists if DekaBank anticipates a significant change in or elevation of the service provider's or supplier's risk profile. The service provider or supplier must grant adequate access to the relevant areas and documents.

18 DekaBank categorically rejects any form of slavery, forced labour or child labour, as expressed in the Modern Slavery Act (see: https://www.deka.de/deka-gruppe/unsere-verantwortung/wie-wir-nachhaltigkeit-leben/in-der-unternehmensfuehrung/wirtschaft-menschenrechte). The Purchasing Sustainability Statement reinforces DekaBank's own rejection of these activities and explicitly prohibits its service providers and suppliers from engaging in them. DekaBank performs an annual risk assessment of its service providers and suppliers for potential risks related to these issues.

19 Regardless of the implementation of DekaBank's policies and the framework presented here, no human rights violations were identified in DekaBank's upstream value chain or in its own business area in the financial year 2024.

S2-4 describes DekaBank's reliance on internationally recognised standards (see ESRS S2-4 32 (c)).

S2-2 – Processes for engaging with value chain workers about impacts
22 (a), 22 (b) The Deka Group (with the exception of S Broker) has not established a format for engaging with employees in its value chain, as it has not identified any significant risk in this regard for the category of products that it procures. However, the service providers and suppliers have an opportunity to address relevant issues in dialogue sessions with the Group. The same is true of IQAM Invest GmbH.

On the one hand, the views of the workers in the value chain can be considered indirectly when meetings are held to discuss setting the contractual conditions for specific services.

On the other hand, the service providers and suppliers of the Deka Group's own operations have an opportunity to raise relevant issues during routine meetings every one or two weeks regarding ongoing operational coordination. This ensures ongoing discussion of relevant topics.

S Broker's employees in charge of outsourcing maintain close communication with the service providers and suppliers to ensure risk-based monitoring and control of its own operations.

22 (c) The Strategic Purchasing unit manages the risk assessment required by the LkSG. It is responsible for gathering the results and sharing them with the relevant department heads, DekaBank's Board of Management and – through publication on the website (see www.deka.de) – other stakeholders. The Chief Human Rights Officer is responsible for monitoring the assessment on behalf of DekaBank's Board of Management and conducting plausibility checks.

Ultimate responsibility resides with DekaBank's Board of Management and (if applicable) the management of the relevant subsidiary. Regardless of the LkSG, the Deka Group is committed to ensuring that any human rights incidents are investigated thoroughly and will not recur. This is done through procedural adjustments that result from detailed analysis of the specific cases.

22 (d) The DekaBank Purchasing Sustainability Statement is a fundamental component of the process of negotiating with and commissioning service providers and suppliers. DekaBank has not signed any agreements with global union federations, but it complies with the global framework agreements on respect for human rights (see ESRS S2-4 32 (c)). These also include the right to collective bargaining.

Insights into the perspectives of workers in the value chain are obtained indirectly through the service providers, which can communicate their employees' needs to DekaBank at any time. Feedback from service providers and suppliers on topics that are important to their employees represents an important element for DekaBank's Strategic Purchasing unit and is used to adjust processes when necessary.

22 (e) DekaBank uses various means to ensure effective engagement with the value chain workers of the service providers and suppliers for its own operations.

An annual risk assessment is carried out to validate the effectiveness of the above-mentioned means of coordinating engagement with the service providers and suppliers. In the current financial year, this analysis has not uncovered any incidents relating to workers in the value chain. Furthermore, DekaBank focuses on German and other European service providers and suppliers. These are subject to German and other European laws, which already mitigates the risk of negative impacts on workers in the value chain. The Purchasing Sustainability Statement should support the effectiveness of the corresponding actions.

S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

Minimum disclosure requirement – Policies MDR-P – Policies adopted to manage material sustainability matters

(Fig. 112)

Policies
1. Rules of procedure concerning the LkSG
Key contents
re: 1. The document contains DekaBank's rules of procedure for addressing complaints in accordance with the LkSG.
General objectives
re: 1. The rules of procedure enable human rights and environmental risks or violations to be reported (those making the reports are referred to hereinafter as "whistleblowers") and describes the complaints procedure set up by DekaBank for this purpose.
Material impacts, risks and opportunities
• Gathering information concerning working conditions, including child labour and occupational safety, ensures that only service providers and suppliers with no violations related to these topics are selected. This has positive impacts on the employees of companies we enter into a business relationship with. • Gathering information concerning equal treatment, including discrimination, diversity, fairness and inclusion, ensures that only service providers and suppliers with no violations related to these topics are selected. This has positive impacts on the employees of companies we enter into a business relationship with. • Gathering information concerning other work-related rights, including freedom of association, collective bargaining and forced labour, ensures that only service providers and suppliers with no violations related to these topics are selected. This has positive impacts on the employees of companies we enter into a business relationship with.
Monitoring process
re: 1. The Chief Human Rights Officer monitors LkSG compliance at DekaBank and reviews the effectiveness of risk management activities annually and at other times as necessary. The German Federal Office of Economics and Export Control (*Bundesamt für Wirtschaft und Ausfuhrkontrolle*, BAFA) is responsible for verifying compliance with the LkSG. The LkSG authorises the Federal Office of Economics and Export Control (BAFA) to carry out random checks and take coercive measures in the event of non-compliance.
Scope of application
re: 1. DekaBank (excluding S Broker and IQAM Invest GmbH)
Responsible organisational level
re: 1. Overall responsibility lies with the Board of Management or the leadership of the Group subsidiaries.
Reference to third-party standards or initiatives
re: 1. The rules of procedure are based on the requirements of the LkSG.

Consideration of stakeholders' interests
re: 1. The interests of workers in the upstream value chain are taken into account notably by enabling them to make complaints anonymously.
Availability of policies to stakeholders
re: 1. The rules of procedure are publicly available on the internet.
Cross-reference to other topical ESRSs
re: 1. No cross-reference to other topical ESRSs
Scope limitations
re: 1. Downstream value chain/indirect service provider

27 (a) For the provision or contribution to remedies, refer to the remarks on audits of service providers and suppliers (see ESRS S2-1 17 (c)). These actions have not yet been taken, as there has been no need for remedies so far.

In the reporting year 2024, no violations of human rights or sustainability obligations were identified, and therefore no contracts with service providers or suppliers were terminated.

27 (b) Various channels exist in the Deka Group for receiving and processing information on the concerns or needs of workers in the value chain. In addition to email, telephone and post, DekaBank and its German subsidiaries (with the exception of bevestor GmbH) have ombudsmen, and, in accordance with LkSG, DekaBank has a Chief Human Rights Officer; and these persons are also available for contact. These channels have been supplemented since the reporting year by the whistleblower procedure, which (through implementation of the LkSG) enables anonymous reports to be made concerning human rights in the Group's own operations, in its supply chain or in its procurement management. DekaBank also participates in dispute resolution proceedings pursuant to the rules of Deutscher Sparkassen- und Giroverbandes e.V. (German Savings Banks Association, DSGV). Complaints can also be lodged with the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, BaFin) insofar as they concern alleged violations of regulations whose compliance the Authority supervises. Further information is published on the DekaBank website. The same applies to IQAM Invest GmbH and S Broker.

27 (c) The Chief Human Rights Officer continuously monitors DekaBank's accessibility via the relevant channels for the electronic receipt of complaints (*Beschwerden*) within the meaning of the LkSG. If the availability of some channels is limited, it is possible to switch to the other channels named above (see: https://www.deka.de/privatkunden/kontakt/kundenbeschwerdemanagement and ESRS S2-3 27 (b)).

27 (d) When issues are brought to DekaBank's attention, the Chief Human Rights Officer will pass the matters on to the responsible human rights coordinators for investigation. DekaBank employs a total of four human rights coordinators.

Operational responsibility for the complaints process at DekaBank lies exclusively with the specialist units that are responsible for their content. The Chief Human Rights Officer focuses on monitoring and verifying the effectiveness of the process. The relevant human rights coordinators are the only recipients of the specialist units' reports of possible violations and suggestions for further actions. The Chief Human Rights Officer subjects the reports to plausibility checks for monitoring purposes.

The Chief Human Rights Officer is also responsible for various administrative tasks in the complaints procedure. These include accepting and acknowledging complaints, entering them into the customer relationship management (CRM) system, reviewing the contents to identify which specialist units are responsible, and forwarding the response to the ombudsman or the person who made the report. These tasks are performed in cooperation with other departments and are subject to routine checks by the responsible organisational units. Complaints are documented in such a way that the inputs and outputs in the system can be tracked at all times.

28 In this context, DekaBank has explicit rules of procedure, which are published on its website, that enable the protection of external workers against retaliation for whistleblowing. These include the option of contacting DekaBank's Chief Human Rights Officer directly and the appointment of an external ombudsman to handle complaints under the LkSG. The external ombudsman is responsible in particular for ensuring confidentiality concerning the whistleblowers' identities. Beyond that, there is no procedure in place to specifically assess whether workers in the value chain trust the channels available to them. If such trust is lacking, affected persons have the option of contacting the relevant authorities or institutions or of taking legal action (for an explanation of the whistleblower system, see ESRS G1-3 18 (a)).

S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Minimum disclosure requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters *(Fig. 113)*

Actions / action plans
1. Annual risk analysis: Within the scope of the LkSG, DekaBank carries out an annual risk analysis of all service providers and suppliers and its own operations. In this process, the relevant service providers and suppliers are reviewed for industry and country risks. 2. Approval of Strategic Purchasing re ESG risks: The approval of the Strategic Purchasing organisational unit is required for procurements over €500,000. This involves requesting information about the financial and ESG risks of service providers and suppliers. The requested ESG score takes account of the working conditions in the respective sectors and countries concerned, among other considerations. 3. On-site training courses/audits: As a mitigation measure, the service providers and suppliers grant DekaBank the right to provide training and education to enforce the expectations set out in the above paragraph. DekaBank is entitled to verify, at its own expense and using its own employees or a third party, that the service provider or supplier's measures are effective by carrying out an on-site audit and/or taking other suitable steps once a year or whenever sufficient cause exists.
Outcome/contribution of key actions in the reporting year
re: 1. Annual risk analysis: No specific risks were identified for any service provider or supplier. re: 2. ESG risks approval process: For contracts over €500,000, in addition to the annual risk analysis, the risks of a service provider or supplier are determined as part of the approval process. This is meant to minimise financial and ESG risks. re: 3. On-site training courses/audits: No ad hoc on-site training/audits took place during the reporting year 2024.
Outcome/contribution of key future actions
re: 1. to 3. No actions are planned.
Scope
re: 1. Annual risk analysis: All service providers and suppliers worldwide with transactions from the past two years are analysed for human rights and environmental protection. re: 2. ESG risks approval process: Examination of an individual service provider or supplier provider and the intended contract over €500,000. The approval covers the service to be provided, the units involved, the financial and ESG risk assessment, and other important points. re: 3. On-site training courses/audits: Both of these actions can be carried out on an ad hoc basis as mitigation measures for a particular service provider or supplier.
Time horizon
re: 1. Annual risk analysis re: 2. ESG risks approval process: for procurements over €500,000 re: 3. On-site training courses/audits: ad hoc
Mitigation measures
re: 1. Annual risk analysis: this action has a control function. re: 2. ESG risks approval process: the action represents a further instance for the weighing of risks. re: 3. On-site training courses/audits: this action has a control function.

32 (a) DekaBank has undertaken various actions to prevent negative material impacts on workers in its value chain:

- Carrying out risk assessments: This is done on an annual and an event-driven basis to identify risks that may exist within DekaBank's business area or at its service providers or suppliers.
- Actions to prevent corresponding risks in the context of procurement: The contractual terms and conditions are structured to take these risks into account.
- Remedies: Appropriate processes have been established to allow an adequate response in the event that DekaBank becomes aware of human rights and/or environmental violations.
- Complaints procedure: This can be used to discuss risks and potential violations.
- In addition to the annual risk assessment, the Strategic Purchasing unit reviews and approves orders over €500,000. Part of its review involves using an external service provider's tool to screen for any financial and/or ESG-related risks in the orders.

DekaBank has defined sustainability requirements for the selection of service providers and suppliers that concern both the quality of the products and services purchased and the business conduct of the service providers and suppliers. The key company-specific requirements are set out in the Purchasing Sustainability Statement, which the largest service providers and suppliers must sign before a business relationship is initiated (see ESRS S2-1 17 (a)). In it, the service providers and suppliers undertake, among other things, to meet the core labour standards of the International Labour Organization (ILO).

32 (b) With regard to the action taken to provide or enable remedy in relation to actual material impacts, please refer to the information about supplier and service provider audits (see ESRS S2-1 17 (c)).

No negative impacts on workers in the value chain were reported for the Deka Group in the reporting year 2024.

IQAM Invest GmbH does not have a standardised process for the products and services it procures directly and instead responds on a case-by-case basis.

S Broker's responsible employees (outsourcing managers) maintain a direct dialogue with the service providers and suppliers. If an outsourcing manager becomes aware of human rights violations by a service provider or supplier, they can report them to their superiors, Central Outsourcing Management, Compliance (including the member of DekaBank's Board of Management who is responsible for compliance) and/or Purchasing. If grounds for suspicion exist, the HR risk assessment could be raised as part of the risk assessments for outsourcing, which would result in S Brokers taking actions, possibly going as far as termination of the contractual relationship. Termination clauses have been included to this effect in the contracts for significant outsourcings.

32 (c) In addition to the above-mentioned actions, DekaBank addresses the following initiatives, declarations and laws, which are also included in the Purchasing Sustainability Statement, to deliver positive impacts for workers in its value chain:

- UN Universal Declaration of Human Rights
- Fundamental Principles of the UN International Labour Organization (ILO)
- UN Convention on the Rights of the Child and UN Convention on the Elimination of All Forms of Discrimination against Women
- Equator Principles
- Principles of the UN Global Compact
- Principles for Responsible Investment (UN PRI)
- OECD Guidelines for Multinational Enterprises
- German Sustainability Code (*Deutscher Nachhaltigkeitskodex*, DNK)
- German Foreign Trade and Payments Act (*Außenwirtschaftsgesetz*, AWG)
- German General Act on Equal Treatment (*Allgemeines Gleichbehandlungsgesetz*, AGG)
- Universal Declaration of Human Rights (UDHR)
- European Convention on Human Rights (ECHR)

- German Supply Chain Due Diligence Act (*Lieferkettensorgfaltspflichtengesetz*, LkSG)
- German Minimum Wage Act (*Mindestlohngesetz*, MiLoG)
- EU Taxonomy Regulation (EU 2020/852)

32 (d) Annual risk assessments are carried out in accordance with the LkSG; these must also indicate what actions have been taken in the past. These are reviewed for effectiveness in an annual review meeting involving the human rights coordinators and the Chief Human Rights Officer and are checked for plausibility by the Chief Human Rights Officer. BAFA also reviews the risk assessments and evaluates their effectiveness. DekaBank submitted its first report to BAFA on its implementation of the LkSG in financial year 2024 in respect of financial year 2023. This allowed BAFA to evaluate the effectiveness of the relevant processes. It did not identify any need for adjustment.

33 (a) In determining the above actions, DekaBank complied with German law, which standardises the actions to be taken in accordance with the LkSG. DekaBank also refined its implementation of the LkSG, including the appropriateness of the relevant actions, in the course of preparing its report on the implementation project. In addition, DekaBank's membership in the above-mentioned initiatives can serve as a basis for deriving actions in line with their principles.

33 (b) With regard to forms of engagement for addressing negative material impacts, see the list of actions (see ESRS S2-4 32 (a)).

The Purchasing Sustainability Statement requires product-related sustainability criteria to be addressed during the product selection process for standard products such as office supplies and office communication equipment, with particular reliance on relevant certificates (e.g. the Blue Angel label). Another approach that DekaBank pursues on the basis of the applicable legislation is its annual review of service providers and suppliers as part of LkSG compliance, which includes taking appropriate actions (see ESRS S2-1 17 (c)) if negative impacts on employees in the value chain are identified.

33 (c) DekaBank communicates its remedies through its Declaration of Principles for the LkSG (see https://www.deka.de/deka-gruppe/unsere-verantwortung/wie-wir-nachhaltigkeit-leben/in-der-unternehmensfuehrung/wirtschaft-menschenrechte). BAFA reviews the effectiveness of the actions that correspond to the remedies set out in the Declaration of Principles.

BAFA may investigate complaints about the availability and effectiveness of the complaints channels established by DekaBank, e.g. through the Chief Human Rights Officer.

35 In addition to the above-mentioned actions for selecting and assessing service providers and suppliers, Strategic Purchasing will, when setting targets with service providers and suppliers, only agree to targets that (a) take legal requirements into account and (b) have no impacts on value-chain workers that could raise labour law concerns or cause negative impacts on employees of service providers and suppliers.

36 In the reporting year 2024, no human rights incidents were reported at service providers or suppliers within the upstream and downstream value chain.

38 As part of its project, DekaBank identified its capacity requirements for managing its material impacts. It then appointed the Chief Human Rights Officer and the human rights coordinators to handle the relevant issues. DekaBank also works with external service providers that carry out the corresponding risk assessments for it.

S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Minimum disclosure requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets that cannot be measured quantitatively *(Fig. 114)*

Setting targets
DekaBank sets no targets and requirements for itself under the standards listed beyond those legally required. Its fundamental aim is to meet legal requirements such as those arising from the LkSG; this is set out in the LkSG compliance rules set out in writing. The constant objective is to avoid and prevent any adverse impact on or interference with human rights. It does not seem appropriate to make targets measurable (or set negative targets). The ultimate goal is for there to be no incidents.
Tracking effectiveness without targets
The effectiveness of the actions taken is analysed via various channels. An important tool in this context is the close communication that occurs among the relevant bodies (e.g. Purchasing, the Chief Human Rights Officer and the Complaints Office), which helps to ensure that relevant complaints and whistleblower reports can be addressed within a reasonable amount of time.
Procedures and processes for tracking effectiveness
• Regular communication with key service providers and suppliers. No negative feedback was received in this context during the reporting year 2024. • Complaints management system. • Risk analysis in collaboration with external service providers.
Progress
• Indicators: industry risks, country risks, evaluation of completed assessment documents • Reference period: 2023

42 (a), 42 (b) See ESRS S2-5 MDR-T table.

42 (c) Once the risk assessments have been carried out, the results are processed and evaluated so that appropriate preventive measures or remedies can be formulated, and the Chief Human Rights Officer is informed.

ESRS S4 – Consumers and end-users

The concerns of consumers and end-users are a central element of the Deka Group’s business activities. It is essential that these activities are always conducted in compliance with applicable law. This should increase customers’ and business partners’ confidence in the proper functioning of the financial market as a whole, as well as in DekaBank and its domestic and foreign subsidiaries as parts of it. Such confidence should in turn help to safeguard the Deka Group’s reputation. In addition to compliance with the legal requirements, reliable and stable functioning of information-related processes have great significance for the Group. Personal data processing is very important in this context. These considerations determine the overarching objective: to protect the Group, its customers and its business partners from information risks. Such protection also achieves the objectives of confidentiality, integrity and availability of and for business and customer information.

The Deka Group fulfils all data protection obligations under the General Data Protection Regulation (GDPR) and the German Federal Data Protection Act (*Bundesdatenschutzgesetz*, BDSG) and all information security requirements. This applies to all companies in the scope of consolidation in accordance with CSRD, BP-1. DekaBank’s Data Protection Officer and Deputy Data Protection Officer are responsible for DekaBank and its domestic subsidiaries, with the exception of S Broker AG & Co. KG (S Broker), which has appointed its own data protection officer. In doing so, S Broker follows the Deka Group’s requirements closely to ensure a uniform level of data protection.

DekaBank's information security management system (ISMS) includes policies, structures, processes and technical functions to ensure an adequate level of information risk management. DekaBank also operates an effective business continuity management (BCM) system to ensure the continuity of time-critical business processes in an emergency. In terms of information security and business continuity management (ISM/BCM), S Broker exhibits special characteristics and has its own rules and processes, but is still closely aligned with the Deka Group's requirements.

The Deka Group's business model, as the securities service provider of the German savings banks, is closely aligned with the needs of the savings banks as its shareholders and customers. Beyond that, the Group attaches great significance to consumers' and end-users' expectations, especially concerning the security of their data. Protection against information risks and a guarantee of data protection should give consumers and end-users confidence that their data is being handled and processed securely.

Therefore, this section of the report focuses on data protection and information security, as well as business continuity management ("Security of customer information"). The report considers which additional perspectives and issues the Deka Group addresses in order to protect consumers and end-users ("Distribution of information"). This additional content was obtained via DekaBank's Digital Multichannel Management and Savings Banks Sales units. The report also addresses the S Broker and bevestor GmbH subsidiaries ("Additional information from subsidiaries") and indicates for the relevant data points when the information differs from the Group's.

S4-1 – Policies related to consumers and end-users

Security of customer information

13 Data protection requirements are implemented as part of the processes and guidelines of the data protection management system (DPMS). The DPMS is based on the requirements of DIN EN ISO 27701 and version 3.0 of the Standard Data Protection Model. The Standard Data Protection Model describes a method for data protection consulting and evaluation on the basis of standardised protection goals. The processes include safeguarding data subject rights, fulfilling duties to provide information to customers and employees, and documenting processing activities. The data protection requirements are observed when processing the personal data of natural persons, regardless of whether they are private or institutional customers. This should give customers confidence that their personal data is being handled securely and in accordance with the law. If the Deka Group provides personal data to third parties, it always does so in strict observance of the regulatory requirements (this applies in particular to requests from public authorities) and only for the specific purposes.

Processes and guidelines relating to data protection requirements are set out in internal policies, which apply to all Deka Group employees and are made available accordingly. This applies, for example, to the rights of affected persons as set out in the GDPR, such as the right to receive information on the processing of personal data, the right of access and the right to erasure. The basis for the erasure of personal data follows directly from the GDPR: Data must be erased if it is no longer necessary for the purposes for which it was collected. The obligation to store and archive personal data follows from special laws such as the HGB, the German Banking Act (*Kreditwesengesetz*, KWG) and tax laws. DekaBank follows the principles of data minimisation and data economy strictly by collecting and processing no more data than is absolutely necessary. Compliance with data protection regulations is reviewed on the basis of a monitoring plan, which is updated annually.

Legal developments, case law and publications by data protection supervisory authorities are regularly monitored in order to identify any need for adjustment of internal guidelines. If this process determines that actions are necessary, they are implemented within the scope of the DPMS processes and guidelines.

Central management of information security is the responsibility of DekaBank's Information Security Officer, who has a direct reporting line to DekaBank's Board of Management. Based on the Deka Group's strategy for managing operational risks, the Information Security Officer sets adequate security requirements to achieve the defined security level for the entire Deka Group; and these requirements also apply to specific DekaBank service providers. The information security management system (ISMS) is designed to meet the requirements of DIN EN ISO 27001. This is an internationally recognised standard for the design of a management system that safeguards the confidentiality, integrity and availability of information through adequate risk management processes. For consumers and end-users, this means their data is reliably protected by proven risk management processes.

Throughout the process of defining information security methods and procedures, DekaBank maintains contact with security organisations, government authorities and industry associations and coordinates with other banks in the *Sparkassen-Finanzgruppe* to allow prompt identification of and response to information security developments that could present risks. This dialogue also helps to keep the information security approaches and methods current in order to continuously ensure customer data security.

In DekaBank's view, managing security incidents and ensuring operational resilience are integral elements of its security and continuity strategy. In this context, the mounting cybersecurity challenges require a proactive approach to meet the challenges of the market. DekaBank uses procedures for early detection of and effective response to security incidents to ensure that (personal) customer data and services are protected. DekaBank also strengthens its operational resilience through continuous risk assessment and comprehensive business continuity management. This directly contributes to ensuring the stability and continuity of its services for consumers and end-users.

DekaBank operates an effective BCM system, which ensures the continuity of time-critical business processes in an emergency. In addition to emergency preparedness, this addresses the management of crisis situations. The focus is on four possible failure scenarios:

- Infrastructure failure (e.g. buildings)
- IT system failure (e.g. applications and office communication)
- Staffing shortage
- Service provider failure

These scenarios also include possible physical climate and environmental risks as a sub-domain of ESG risks, such as an infrastructure failure due to extreme weather events. To systematically identify risks, all business processes are regularly reviewed with regard to the potential impacts of the scenarios in the course of a business impact analysis (BIA). If necessary, actions are taken and resources are made available to reduce the risk of failures and their potential consequences. An example is redundant hosting of time-critical applications in data centres. The organisational units prepare contingency and business continuity plans for all time-critical processes and resources and update them at least annually. These include both fallback procedures in case of a resource failure and the procedure for restoring normal operation of the affected process.

All actions are regularly reviewed for their effectiveness and adequacy and are tested in practice. The tests cover all four failure scenarios: for example, the fallback locations and IT solutions planned in case of a building failure can be tested for functionality. In addition to its internal tests, DekaBank checks its service providers to ensure, for example, that the IT service providers can meet the contractually agreed availability times for specific applications in emergency situations. It also carries out annual risk-oriented BCM audits to assess whether the service providers are capable of providing their services on a durable basis.

Distribution of information

The Digital Multichannel Management unit in the Asset Management Services business division is implementing various legal regulations regarding customer communications (e.g. for opening securities accounts, for transactions and for the delivery of quarterly reports, annual securities account statements and legally required product information). The organisational units responsible for the products (the Asset Management Securities, Asset Management Real Estate, Asset Management Services, Capital Markets and Financing business divisions) maintain specific policies for this. In this context, there are explicit rules governing topics such as how promotional material should be structured and how it can be tailored to the needs of the savings banks. This requires coordination with the savings banks, and DekaBank's Savings Bank Sales unit provides it. This should ensure that information communicated to customers is complete, correct and complies with the legal requirements.

Additional information from subsidiaries on the distribution of information

As a subsidiary, S Broker is integrated into the Deka Group's business and risk strategies. Operationalising the strategies through processes, structures, policies and work directives at S Broker ensures uniform compliance with the regulatory and supervisory requirements. S Broker's objectives include compliance with the regulations (including the Markets in Financial Instruments Directive, MiFID II) regarding information, advice, documentation, reporting and supervision, and other applicable supervisory and regulatory requirements. S Broker documents the processes for sharing information with customers in the form of work directives and policies. These include directives on product governance, target market deviation reporting, tradability query processing, information and reporting obligations to customers, annual cost reporting and product campaigns. Defined processes also govern sending short-term customer notifications and ad hoc information.

As a subsidiary, bevestor GmbH is likewise integrated into the Deka Group's business and risk strategies. Operationalising the strategies through processes, structures, policies and work directives at bevestor GmbH ensures uniform compliance with the regulatory and supervisory requirements. In addition, outsourcing agreements govern DekaBank's handling of data protection, compliance, ISM and BCM on its behalf. bevestor GmbH's objectives include compliance with the regulations (including the German Financial Investment Brokerage Ordinance [*Finanzanlagenvermittlungsverordnung*, FinVermV]) regarding information, advice, documentation, reporting and supervision, and other applicable supervisory and regulatory requirements. The KWG and German Securities Trading Act (*Wertpapierhandelsgesetz*, WpHG) provisions that are taken into account relate in particular to (a) brokering asset management services, (b) the associated requirements for customer suitability assessments on behalf of Deka Vermögensmanagement GmbH, and (c) the outsourcing of this process to bevestor GmbH. The agreements governing the outsourcings by Deka Vermögensmanagement GmbH and DekaBank to bevestor GmbH also address the relevant provisions of the KWG and WpHG.

This means, in summary, that the Deka Group takes comprehensive actions to protect consumers' and end-users' data and to ensure the continuity of its services. Compliance with legal and regulatory requirements ensures transparent and ethical customer communication.

The table below shows the key policies that form the governing framework for the Deka Group's information and data security. It contains more detailed descriptions intended to clarify the policies DekaBank uses to manage material sustainability matters in this context.

Minimum disclosure requirement – MDR-P – Policies adopted to manage material sustainability matters *(Fig. 115)*

The contents of the MDR-P table reflect the strategies, guidelines and policies of DekaBank's Data Protection and ISM/BCM units, which apply to all Deka Group companies except S Brokers. The latter has its own strategies, guidelines and policies and its own processes for implementing them.

Policies

Data protection:

1. General Data Protection Policy
2. Directive on data subject rights
3. "Data Breach" work instruction
4. Data protection impact assessment
5. "Deletion Policy" work instruction
6. "Mandatory Data Protection Training" work instruction
7. Records of processing activities
8. Monitoring activities of the data protection officer

ISM/BCM:

1. ICT risk management guidelines

Key contents

Data protection:

re: 1. to 8. Operationalisation of the General Data Protection Regulation (GDPR) and the German Federal Data Protection Act (Bundesdatenschutzgesetz, BDSG) requirements/rules, and requirements on the processing of personal data.

Operationalisation includes implementing responsibilities and processes for fulfilling data subjects' rights, handling data breaches, carrying out data protection impact assessments, storing and erasing personal data, training employees on data protection issues, complying with the requirements in the records of processing activities and monitoring activities of the data protection officer per the requirements of the applicable data protection laws. These measures ensure compliance with data protection requirements and protection of personal data.

ISM/BCM:

re: 1. ICT risk management guidelines: describe the structure of the Deka Group's business strategy and operational risk strategy. As an independent unit of the second line of defence, the Deka Group's ICT risk management system includes responsibilities, tasks, roles, committees and interfaces, as well as core processes and regular controls. There also exists a catalogue of target measures and requirements for the implementation of ICT risk management by the first line of defence.

General objectives

Data protection:

re: 1. to 8. Rules to ensure compliance with personal data protection regulations.

The rules and processes include measures to ensure compliance with data protection regulations, including data subject rights, data breaches, data protection impact assessments, storage and erasure of personal data, training employees on data protection issues, records of processing activities and monitoring activities of the data protection officer. These measures ensure that all legal requirements related to data protection are implemented consistently and properly.

ISM/BCM:

re: 1. The fundamental objective is to ensure the confidentiality, integrity (including authenticity) and availability of data.

Material impacts, risks and opportunities

- Positive impact: Information Security Management (ISM)/Business Continuity Management (BCM) and a Data Protection Management System (DPMS), including safeguards and controls, have been established to guarantee an adequate level of protection.
- Negative impact: Adverse impact on the availability, integrity and confidentiality of customer data due to Information and Communication Technology (ICT) risks and security risks (cyberattacks, human error, technical failure and intentional acts, taking into account safeguards including controls). The same applies to the data protection objectives.
- Negative impact: Adverse impacts on the availability, integrity and confidentiality of customer data due to physical climate risks and environmental risks (lightning, intense heat exposure, flooding) including protective measures and controls/with respect to A locations (more than 50 employees) and essential service providers.

Monitoring process

Data protection:
re: 1. to 8. The first line of defence is responsible for compliance with and implementation of data protection requirements. According to Article 39 (1) (b) GDPR, the data protection officer is responsible for monitoring compliance with the GDPR and certain policies of the company in this regard.

ISM/BCM:

re: 1. Internal instructions require compliance with the information security requirements applicable in the Deka Group, and contractual provisions require the same of external service providers. Compliance with the requirements is monitored as part of the ICT risk management processes. In addition, Internal Audit provides independent monitoring (based on the "three lines of defence" model).

Scope of application

Data protection:
re: 1. to 8. Throughout the Deka Group.
A data protection officer and deputy have been appointed for DekaBank and its domestic subsidiaries, excluding the subsidiary S Broker, which has its own data protection officer.

ISM/BCM:

re: 1. Throughout the Deka Group.

Information security, business continuity management and data protection officers, and deputies for each, have been appointed for DekaBank and its subsidiaries, excluding the subsidiary S Broker, which has its own officers.

Responsible organisational level

Data protection and ISM/BCM:

As a general rule, top level responsibility for implementation lies with DekaBank's full Board of Management and the leadership of the subsidiaries.

Reference to third-party standards or initiatives

Data protection:

re: 1. to 8. GDPR, BDSG and other data protection regulations. Interpretative guidance from the data protection supervisory authorities and relevant judgments. The data protection processes are based on DIN EN ISO 27701 and the Standard Data Protection Model.

ISM/BCM:

re: 1. DIN EN ISO 27001 and BSI 200-4.

Consideration of stakeholders' interests

Data protection:

re: 1. to 8. Examples of data subjects include end-customers, employees, interested parties, suppliers and job applicants. The interests of data subjects are guaranteed by the data protection processes implemented.

ISM/BCM:

re: 1. Via the implemented standards

Availability of policies to stakeholders

Data protection:

re: 1. to 8. Internal document; not published (privacy notices are provided to data subjects before their personal data is processed).

ISM/BCM:

re: 1. Internal document; not published.

The internal documents are available to employees via the internal Process Portal on the intranet.

Cross-reference to other topical ESRSs

Data protection:

re: 1. to 8. ESRS S1 (Own workforce) and ESRS S2 (Workers in the value chain)

ISM/BCM:

re: 1. ESRS S1 (Own workforce) and ESRS S2 (Workers in the value chain)

Scope limitations
Data protection:
re: 1. to 8. Scope of application: Throughout the Deka Group, excluding S-Broker, which has its own data protection policies and procedures.
ISM/BCM:
re: 1. Scope of application: Throughout the Deka Group, excluding S-Broker, which has its own information security policies and procedures.
Data protection and ISM/BCM:
Additionally, there may be particular regulatory requirements in countries outside the EU where rules that apply in the relevant local jurisdictions must be observed.

16 (a) DekaBank acknowledges its responsibility for human rights and the environment (see ESRS S1-1 20 (a), 20 (b) and ESRS S2-4 32 (c)). A large number of international standards and principles provide the framework for respecting human rights. DekaBank has been committed to several of these internationally recognised principles and guidelines for many years. These include the Equator Principles and the International Labour Organization's core labour standards. By joining the UN Global Compact, DekaBank has become part of the world's largest and most important initiative for corporate sustainability and responsibility and has committed itself to implementing the ten principles – which relate to respecting human rights and labour standards, protecting the environment and combating corruption and bribery.

Security of customer information

16 (b) Engagement with consumers and/or end-users in connection with the standards and principles mentioned above occurs reactively in response to the GDPR's requirements. It focuses on the exercise of data subject's rights and is therefore also addressed by the Deka Group's human rights policy. These rights include the right to information, the right to erasure and the right to transparency (e.g. data protection notices). Compliance with these obligations applies to personal data, regardless of whether it comes from natural persons or institutional customers.

The ISM/BCM organisational unit focuses on the security of data, including personal data. In this way, the interests of consumers and end-users are addressed indirectly. There is therefore no direct engagement with end customers in the context of information security.

16 (c) The Deka Group has processes that ensure the protection of affected persons' rights and thus, in a broader sense, of human rights in accordance with the applicable data protection regulations. These processes are directly aimed at reducing or eliminating potentially negative impacts for affected persons. As affected persons' rights are also considered human rights, they are an integral element of the Deka Group's human rights policy. There are, in particular, defined processes for handling rights to information, rights to erasure, rights to object, and data protection violations; and these processes are strictly aligned with the applicable regulations in order to prevent potentially negative consequences by taking appropriate actions.

17 The Deka Group has implemented the applicable data protection regulations (e.g. the GDPR) in policies as part of the processes of the DPMS. The GDPR's recitals refer, consistently with its protection objectives, to the fact that personal data also falls within the scope of human rights.

The operational work directives, in the form of guidelines and manuals, are themselves aligned with the applicable data protection regulations (e.g. the GDPR) and therefore cover human rights in the broadest sense.

The GDPR, the UN Guiding Principles and the OECD Guidelines aim to protect the rights and dignity of individuals. Corporates like the Deka Group that align themselves with these principles promote transparency and accountability and enable remedies in the event of violations of the data protection regulations. No incidents of non-compliance with the UN Guiding Principles during the reporting period have yet emerged.

AR 9 Any changes to the regulatory requirements, such as new legislative frameworks, are also very significant, as these can influence an assessment of the facts to be reported and the contractual circumstances. Such changes would be material to the Deka Group's strategies in relation to consumers and end-users, as they would require an adjustment of its due diligence process and its approaches to remedy. This would lead to procedural adjustments, as new review processes would have to be established and aligned in the organisational units. In the reporting year, there were no material strategic changes in this context beyond implementation of the Digital Operational Resilience Act (DORA).

AR 11 The Deka Group's Data Protection Policy is also primarily based on affected persons' rights to informational self-determination, which can be derived from the requirements of the applicable data protection laws (and thus, in the broadest sense, from the UN Guiding Principles). The data protection strategy remains tied to the goal of high customer satisfaction and retention. The Deka Group's data protection strategy is therefore also linked to human rights (see Recital 4 GDPR).

AR 12 DekaBank's goal is to provide the savings banks with a comprehensive range of products and services for all their customer groups. Which product or service the customer ultimately receives is for the savings bank and the customer to decide. DekaBank provides the customers, via the savings banks, with all the information they need to make high-quality investment decisions. The information it provides is guided by the regulatory requirements, which are standardised in MiFID II and the SFDR in particular.

The savings banks create various customer segments so that they can offer their customers a needs-oriented customer service. In this context, the interaction of business strategies between DekaBank and the savings banks, which act as DekaBank's primary customers, plays a key role. The business strategies reflect this strategic cooperation to ensure a coherent and targeted alignment of offerings and information flows.

The processes for engaging with consumers and end-users play an important role. This will be examined in more detail below with a view to data protection and information security.

S4-2 – Processes for engaging with consumers and end-users about impacts

Security of customer information

19 In the context of data protection, customer contact takes place on an ad hoc basis, for example when the Deka Group is contacted in connection with data subject rights, such as requests for information or erasure. In addition, the GDPR standardises the scenarios in which engagement with customers is required. However, no general survey of customer perspectives specifically regarding data protection is carried out.

DekaBank ensures within the ISM framework that customer data is indirectly protected by comprehensive security actions, including regular security checks and risk assessments.

Distribution of information

When customers open securities accounts in over-the-counter distribution, DekaBank itself involves them through advice provided by the savings bank adviser (if requested by the customer). Otherwise, product information and securities account information are provided when the securities account is opened and the product is sold (on- or offline). A key component of this is working through the WpHG disclosure process. This is also a high priority for S Broker. In addition, the Savings Banks Sales unit conducts regular surveys of savings banks and end customers.

Additional information from subsidiaries on the distribution of information

S Broker actively engages with customers in developing and optimising its information services and interfaces, for example through user tests and surveys. There are also regular exchanges with savings bank advisers and annual partner dialogues to determine and address customers' needs for information.

Security of customer information

20 (a) In the context of data protection, engagement with affected persons takes place in the course of customer enquiries and requests, such as requests for information or erasure. This engagement depends on the specific requests that are made.

In the ISM/BCM unit, engagement with customers takes place indirectly. Its focus is on implementing legal and regulatory requirements and addressing recognised standards, especially those arising from MaRisk, BaFin's Requirements for IT in Financial Institutions (*Bankaufsichtliche Anforderung an die IT*, BAIT) and the EBA guidelines on information and communication technology (ICT) and security risk management. Contracts concluded with customers may contain specific requirements regarding information security or emergency preparedness. These may include reporting and information obligations towards customers.

20 (b) The timing of the engagement with affected persons will depend on the individual case and cannot unequivocally be assigned to any specific phase. Customers' concerns can cover a broad spectrum of issues, ranging from the disclosure of data protection information to requests for information or erasure. This diversity makes a specific assignment difficult and necessitates a flexible approach to handling requests.

20 (c) In accordance with the GDPR, overall responsibility for adopting and integrating the data protection requirements resides with the Board of Management of DekaBank or the relevant subsidiary. However, operational responsibility lies with the specific organisational units and the relevant managers within them. The Data Protection Officer's unit monitors implementation of, and compliance with, the applicable requirements.

Overall responsibility for adopting and integrating the results into the business strategy lies with DekaBank's Board of Management as the highest level within DekaBank.

20 (d) The effectiveness of the engagement with customers is demonstrated by the fact that every concern is processed completely and to a high standard. Contact with customers may arise in connection with data subject rights, for example, and its objective is to meet the customers' requests. The process is therefore completed once the legal obligations have been met.

21 The Deka Group does not have a process to get insights into the perspectives of specific groups of individuals or customers in the context of data protection or information security management.

22 There are no plans to enter into a business dialogue with vulnerable groups of customers or individuals. Nor are there any plans to implement a process with regard to data protection or information security that is aimed at obtaining insights into the perspectives or behaviour of groups of customers or individuals who have been classified as vulnerable.

If any of the negative impacts examined below have occurred, the following paragraphs describe how consumers and end-users can report them to the Deka Group.

S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

24 The complaints channels are available online via the Deka Group website, by post, by telephone and by email. The aim is to resolve the matter in question conclusively within ten banking days or to work with the person who submitted the complaint to find a solution.

Customers can also contact the relevant supervisory authority and/or arbitration board in respect of their complaints; and these are indicated on the Deka Group's website (see https://www.deka.de/deka-gruppe/kontakt).

The annual report on complaints management covers the entire Deka Group. The Group's data, including that of its subsidiaries, is collected centrally in both the annual and the quarterly reports. However, each division has its own complaints coordinators. S Broker has not yet been integrated into the CRM system, so it records its complaints in a separate system without an interface to the CRM. On the other hand, bevestor GmbH records its complaints directly in the CRM system.

25 (a) DekaBank's general approach to and processes for providing or contributing to remedy is determined by means of established standards and the requirements for regulated operating procedures to avoid failures. The complaints mechanisms ensure that each incident is first examined individually and that any actions are derived specifically from the findings. The actions range from notifying the management and/or initiating actions to prevent future incidents to informing the affected persons and notifying the relevant supervisory authority. This approach includes plans for various emergency scenarios and regular exercises to prepare for such situations.

The Deka Group maintains close contact with industry associations, data protection supervisory authorities and working groups of the *Sparkassen-Finanzgruppe* for interpreting and implementing new regulatory developments.

Data protection violations and risks are managed on a case-by-case basis, compliance with data protection standards being an integral element of the DPMS. The effectiveness of the remedial actions is continuously assessed to ensure that they meet the required standards and provide effective solutions for identified negative impacts on consumers and end-users. Their effectiveness results in complaints being formally closed, provided there is no further reaction from the relevant customers within the framework of the complaints process.

25 (b) Customers can submit data protection complaints, including reports of possible data protection violations, or other reports to the Deka Group through various channels of communication. These channels include contact with the complaints management unit by telephone, post and/or email. Data protection complaints can also be lodged with the responsible arbitration board and/or BaFin.

25 (c) The availability of the channels of communication is ensured as part of the IT infrastructure. In addition, consumers can also contact the arbitration board or the ombudsman, whose contact details are published on the DekaBank website (see https://www.deka.de/deka-gruppe/kontakt).

In this context, DekaBank has a BCM system that ensures the continuity of time-critical business processes in an emergency. For further details, see ESRS S4-1 13.

25 (d) Submitted complaints are processed, tracked and monitored in accordance with the Deka Group's written policies for complaints handling. The stakeholders are involved as needed to ensure the effectiveness of the channels of communication, and their feedback is important to ensuring the efficiency and accessibility of the channels. On the basis of this feedback, adjustments are made if necessary to ensure the best possible handling of concerns. The channels are also regularly reviewed and analysed to ensure that they meet users' needs and contribute effectively to resolving the concerns that are raised.

26 DekaBank ensures a suitable HR, organisational and technical environment in accordance with the rules of procedure published on its website. Consequently, when complaints and reports are received, the whistleblowers' identities are kept confidential and they are well protected from disadvantages or retaliation as a result of making their complaints. The persons entrusted with the complaints procedure are required to

maintain confidentiality and comply with data protection. Beyond that, there is no procedure in place to specifically evaluate whether consumers and end-users trust the channels available to them. If such trust is lacking, affected persons have the option of contacting the relevant authorities or institutions or taking legal action. For further information, see ESRS G1-1 "Business conduct policies and corporate culture".

For a better understanding of the actions that DekaBank takes to protect consumers and end-users from potential negative impacts, the most important actions are explained in more detail below.

S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Minimum disclosure requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters *(Fig. 116)*

The contents of the MDR-A table reflect the actions and action plans of DekaBank's Data Protection and ISM/BCM units, which apply to all Deka Group companies except S Brokers. The latter has its own actions and action plans.

Actions / action plans
1. Preventive measures:
a. Implementing regulatory and legal requirements: The Deka Group ensures that all relevant regulatory and legal requirements in the ISM/BCM and data protection areas are met. This involves regularly reviewing and adjusting internal processes to ensure ongoing compliance with the general legal conditions as they evolve.
b. Training Deka Group employees, awareness-raising activities (e.g. sending employees phishing test e-mails).
c. Regularly updating the work instructions: The work instructions are continuously reviewed and updated to ensure that they meet the current requirements and implement current best practices. This helps to ensure the efficiency and security of work processes.
d. Defining target measures: to provide a consistent and effective response to potential risks.
e. Designing a methodical procedure in advance to enable appropriate responses to incidents. If necessary, this may also include communication with customers (drawing up plans) and internal and external communication.
2. Reactive measures:
a. Analysing/handling data breaches and other data protection risks: Based on the results, action is taken to appropriately counter potential risks and prevent future data breaches.
b. Processing requests arising from data subject rights (e.g. requests for access to data, rights to rectification, erasure of data; this also involves notifying data subjects about the processing of their data).
c. Applying and implementing the plans that are in place when incidents occur: This entails activating and implementing the plans that have been developed and kept at the ready. These plans contain the steps needed to respond effectively and minimise the impacts on the Deka Group.
Outcome / contribution of key actions in the reporting year
re: 1. and 2. A consistently high level of data protection and information security maintained on the basis of the legal requirements.
Outcome / contribution of key future actions
re: 1. and 2. Implementation of the DORA Act (ISM/BCM).
Scope
re: 1. and 2. Applicable throughout the Deka Group, taking into account local requirements in the various jurisdictions (excluding S Broker, which has its own rules).
Time horizon
re: 1. and 2. Continuous monitoring, new actions added or existing actions modified if required.

Mitigation measures
re: 2. DekaBank takes the following steps to offer redress for individuals who have been harmed by actual material impacts: • First, the facts are investigated and the incident assessed thoroughly based on its severity and likelihood of occurrence. If necessary, the incident is reported to the competent authorities, such as the data protection supervisory authority, the European Central Bank (ECB), the German Federal Office for Information Security (*Bundesamt für Sicherheit in der Informationstechnik*, BSI) and other relevant bodies. The affected persons are also notified if necessary. • Following this process, action is taken to raise awareness among the persons who caused the incident in order to prevent future violations. • These measures ensure that both the immediate and long-term effects of the incidents are addressed and counteracted.

Security of customer information

28 In the context of material impacts and actions, data protection notices inform affected persons of the processing of their personal data and of their rights. Affected persons can also contact the Data Protection Officer to ensure that their rights are being protected.

Distribution of information

The Deka Group endeavours to provide accurate, comprehensible, high-quality information to its customers at all times. If a complaint is made concerning possible flaws in the content of an information document, an error analysis will be carried out and documented. If this analysis actually identifies errors and customers have suffered harm due to the errors in individual cases, any claims for damages or rescission asserted by customers will be honoured.

If defective information has been provided, procedural and/or technical adjustments will be reviewed and implemented to prevent the error from recurring. When customers open investment and securities accounts with bevestor GmbH, they are required to provide the necessary information online and to do so independently and accurately. In the finalisation process, customers must confirm the accuracy of the information they have provided. If it later emerges that a customer provided incorrect information and that this has resulted in an unsuitable investment, the customer can at any time contact bevestor GmbH or update their data themselves via the online platform. If necessary, the product will then be exchanged, or the investment will be sold, in accordance with the updated information. If quality controls – for example, bevestor GmbH's outsourcing control – identify an error, the customer will be informed immediately.

Ensuring data security impacts information distribution by controlling who has access to what information, thereby providing a uniform structure for the use and distribution of the information. It should be noted in this connection that S Broker has implemented its own rules and processes for this purpose.

Security of customer information

31 (a) A large number of actions are taken to ensure fundamental information security and data protection, as well as the Deka Group's operational resilience, and these also affect the integrity of customer information. These include:

- The information security and data protection policies are continuously developed and updated in accordance with DIN EN ISO 27001 and DIN EN ISO 27701. For example, encryption requirements are defined to ensure confidentiality.
- Clear responsibilities are established to determine who should have access to what data.
- Risk assessments are carried out, both regularly and on an ad hoc basis, to identify potential vulnerabilities at an early stage. This includes carrying out data protection impact assessments.
- Redundant systems and data centres are used.
- If a security incident occurs, there will be an immediate response, and the circumstances that led to the incident will be analysed.
- The offering of IT security training and awareness-raising courses is continuously maintained and expanded.
- Regulatory actions are continuously implemented and put into practice.

Processes and work directives that govern data handling are constantly being established, adapted and refined. This is partly to raise awareness of data security among the employees and to train them accordingly on data handling.

Regular risk assessments are carried out as part of the risk culture and data security programmes, which also helps to ensure a high level of information security. There is a close and regular dialogue in this context with the relevant organisational units in the Deka Group in order to promote continuous improvement and assurance (lessons learned).

If an information security incident occurs, the impacts on those affected will be analysed immediately. This analysis will include examining any additional remedial actions that need to be taken to reduce the potential impact on affected persons. It will also assess whether a reportable data protection violation has occurred. If one has, the competent data protection supervisory authority will be notified. Each case is analysed and assessed individually and, if necessary and depending on the specific situation, actions will be taken and adjustments will be made to reduce the potential risk. If the risks to the affected persons are high, there will be a duty to inform them.

31 (b) With regard to actions taken, every data protection violation is first reviewed individually to assess its circumstances and impact on affected persons. The initial step is a detailed review, which also examines possible financial or social impacts on affected persons and summarises them in a specific risk assessment. The actions that need to be taken will depend significantly on the level of damage caused by, and probability of recurrence of, the data protection violation. They range from adjustments of processes to dialogue with the competent data protection supervisory authorities, communication with service providers and correspondence with the affected persons. DekaBank's Board of Management and the management teams of the subsidiaries are promptly informed about any potential risks arising from data protection violations.

31 (c) Data protection and information security training and awareness-raising activities for employees are material components of the Deka Group's strategy and are intended to make an additional positive contribution for the Group's customers. These initiatives aim to raise everyone's awareness of data protection issues and to emphasise the need to handle data carefully. They also address the questions of what information can be used and for what purposes, and what information can be communicated to the savings banks providing customer support.

31 (d) The process criticality analysis, which is part of a business impact assessment (BIA) and serves as a central tool for identifying process-related requirements, is used to measure the effectiveness of information security actions. This analysis focuses on assessing the importance of individual processes and is carried out regularly across all business processes. A catalogue of target information security actions is produced based on the results of the analysis, and its implementation is continuously monitored. The appropriateness of the catalogue of target actions is scrutinised through a regular assessment of threats and vulnerabilities, as well as findings from the continuous improvement process. Further potential for improvement may be identified in the process of analysing and handling security incidents.

The effectiveness of the actions and initiatives is tracked and assessed as part of the DPMS through the plan-do-check-act (PDCA) cycle. The PDCA cycle describes the phases of the Deka Group's continuous improvement process. The aim of this process is to achieve greater data protection efficiency and consistently high customer satisfaction by improving the processes and procedures.

32 (a) DekaBank maintains contact with security organisations, government authorities and industry associations to define methods and procedures for data protection and information security and to categorise them by necessity and appropriateness (see ESRS S4-1 13).

32 (b) A variety of actions have been taken in connection with data protection to minimise specific negative impacts of data protection violations on consumers and end-users in the context of approaches and actions. Complaints can be addressed to the relevant organisational unit directly and immediately, and the Deka Group ensures that the units will be easily contactable. Customers always have the option to use the above-mentioned channels of communication to submit their complaints.

The Deka Group relies on close and trusting cooperation in the area of alignment with standards and engagement with security organisations, government authorities and industry associations. DekaBank regularly coordinates with other banks in the *Sparkassen-Finanzgruppe* to ensure compliance with and refinement of the required standards in these areas. This collaborative approach enables the Deka Group to meet the constantly changing requirements and challenges and to uphold the high security and sustainability standards.

32 (c) Processes have been implemented in the context of data protection to ensure that affected persons can exercise their data protection rights, such as the rights to information and rectification. Potential negative impacts are regularly identified through data protection impact assessments, and remedial actions are taken to mitigate them if necessary.

The effectiveness of the procedures maintained for identifying and managing information risks ensures that risk profiles related to information security threats within the Deka Group undergo continuous review. The Information Security Officer reports on them to DekaBank's Board of Management on a quarterly basis, presenting a complete overview. This process of gaining assurance is embedded in the Deka Group's overall governance and is supported by a risk-based approach.

It ensures that, in the event of material negative impacts, remedial actions will be available and effective – with solutions being found through close dialogue with the organisational units. Actions are developed and implemented collaboratively to ensure consistency. DekaBank's Board of Management is kept informed of identified risks.

34 DekaBank's DPMS aims to safeguard the informational self-determination of customers, prospects, suppliers and employees in order to avoid any significant negative impacts on consumers and end-users. In doing so, it also addresses potential impacts on the Deka Group, such as reputational damage and financial losses.

Parallel to this, the ISM and BCM units focus on protecting the Deka Group's information systems, including personal data. The impacts on the entire customer base, especially in the form of potential damage to the Deka Group (such as reputational damage or financial losses due to violations or incidents) are addressed.

Identification procedures and access controls are based on an authorisation management system, which (in the Deka Group) is governed by abstract rules and the "need-to-know" principle in accordance with the DIN EN ISO 27001 standard. It should be noted that S Broker has its own rules in this regard.

The actual implementation is carried out by the responsible organisational units and the IT department. The close interlinking of data protection and information security ensures that data confidentiality and integrity are both maintained, while also protecting the Deka Group's business processes.

35 No severe human rights issues or incidents occurred in the reporting period.

36 The aim of the DPMS is to effectively ensure and continuously improve data protection within the Deka Group. The effectiveness of the data protection guidelines is reviewed regularly in the course of monitoring activities. PDCA-cycle processes are used to ensure continuous improvement of the data protection arrangements. Appropriate KPIs are derived to measure the adequacy and effectiveness of the data protection arrangements. Time comparisons and observation periods serve as aids for monitoring and assessing progress.

DekaBank's high standards and the low incidence of customer complaints contribute to a positive assessment of the arrangements. The absence of complaints from the supervisory authorities also validates DekaBank's goal of acting sustainably in terms of data protection as well. A defined degree of protection for security within the Deka Group is compared with the potential risks and the outcome suggests a course of action. S Broker has its own guidelines and processes in this regard. The goal is to establish actions for identified target measures and scenarios and to implement these consistently in order to mitigate potential risks.

Instead of an absolute quantitative target, continuous control is carried out on the basis of aggregated risks and transparent reports to DekaBank's Board of Management. The degree of implementation of these actions is also reviewed by the supervisory authority and is therefore subject to regulatory control.

37 The Deka Group provides sufficient financial and human resources to ensure and maintain a high and appropriate level of data protection and information security.

AR 25 The threat and risk assessment provides the basis for investigating factual circumstances, assessing risks and taking appropriate actions. Data protection is an ever-present issue that is addressed on a continuous basis and through project-based activities. The central goals are constant improvement of digital resilience and protection of personal data, both in continuous compliance with the evolving legal requirements.

AR 38 The Deka Group has information security policies that must be followed both within the Bank and by suppliers to ensure that information remains accurate, current, confidential and available. Deviations from these guidelines are assessed in terms of their risks, and adequate countermeasures will be taken if a risk threshold is exceeded. Similarly, personal data of data subjects is also protected within the Deka Group and service providers to ensure compliance with the data protection regulations. Although S Broker is aligned with the Deka Group's rules, it has implemented its own processes to ensure data availability and confidentiality.

AR 40 Risks related to ensuring information security and data protection as protection objectives are managed through the Deka Group's non-financial risk management (indirectly addressing their impact on customers). For this purpose, there are specialised functions in the second line of defence that set guidelines for managing these risks and monitor compliance with them. In addition, the data protection unit, which was established in accordance with legal requirements, works to maintain and continuously improve the level of data protection.

The methods and processes for identifying, assessing, managing and reporting risks are based on uniform minimum requirements, ensuring that they are fully integrated into the Deka Group's overarching risk appetite policy (see the Group Management Report – Risk report).

The following section examines the goals that DekaBank is pursuing in connection with potential negative impacts on consumers and end-users.

S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Minimum disclosure requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets that cannot be measured quantitatively *(Fig. 117)*

The contents of the MDR-T table refer to the targets of DekaBank's Data Protection and ISM/BCM organisational units, which apply to all Deka Group companies except S Broker. The latter has its own targets, which are aligned with DekaBank's business and risk strategy, but can nonetheless be considered independent targets.

Setting targets
1. With its data protection management system, the Deka Group pursues a continuous improvement process with the aim of maintaining a consistently high level of data protection. 2. High level of customer satisfaction (objective derived from the GDPR of protecting fundamental rights and freedoms [of consumers/end-users]). 3. High level of basic data security. 4. Further developing the degree of maturity of the data protection management system. 5. High level of security that identifies threats and risks early on and determines appropriate target measures.
Tracking effectiveness without targets
re: 1. to 5. Effectiveness is ensured by reviewing the regulatory requirements for data protection regularly to assess whether they remain current and amending them if necessary. The completeness and effectiveness of the data protection management system's processes are analysed as part of the PDCA cycle. Regular monitoring of the implementation of measures (self-assessments and external audits).
Procedures and processes for tracking effectiveness
re: 1. to 5. Efforts are made to ensure compliance with data protection requirements. Case-by-case analyses / PDCA cycle / reports to the Group/subsidiary Board of Management (at the end of the processes).
Progress
re: 1. to 5. The Board of Management is informed on a quarterly basis about the appropriateness and effectiveness of the data protection measures that have been taken (level of data protection).
Baseline value
re: 1. to 5. No baseline value currently exists for measuring progress in implementation of internal policies. Customer complaints and legal disputes relating to ESG are reported to the Board of Management on the ESG dashboard (see ESRS 2 GOV-1 22 (d)), which must be updated quarterly.

38 (a) The actions implemented by the Deka Group ensure a high level of data protection and information security, while also complying with regulatory requirements.

The Deka Group pursues qualitative targets to ensure a consistently high level of data protection and to avoid or reduce potential negative impacts as far as possible. These targets are geared towards preventing data protection violations and, in the event of an incident, analysing its causes thoroughly to prevent a recurrence of similar incidents in the future. The Deka Group's qualitative targets are divided into various areas:

Advice and support:
- The goal is to ensure a high level of data protection awareness among employees.
- Being competently involved in issues as a relevant organisational unit and able to provide support.

Management and monitoring:
- Ongoing identification of non-financial risks and management of them through suitable thresholds

Quality standards:
- Continuous optimisation and hardening of data protection processes to achieve and maintain a robust level of data protection

ICT and information security risks are managed by the Non-Financial Risk unit to ensure a high level of information security and minimise potential negative impacts. As a fundamental objective, the Deka Group aims to minimise operational risks that could arise from ICT.

The Deka Group implements regulatory compliance with consistency and due diligence. This also influences how published information is handled and what legal requirements are associated with it.

38 (b) For data protection, positive impacts on data subjects result from employee awareness-raising and training activities, and from advice for organisational units and project support employees.

For ISM/BCM, positive impacts on customers are fostered by project-related activities, including activities connected with critical infrastructure (protection of critical infrastructures in accordance with the German Act on the Federal Office for Information Security [*Gesetz über das Bundesamt für Sicherheit in der Informationstechnik*, BSIG]), DORA and, in the IT department, by the implementation of the Deka Group's catalogue of target actions.

38 (c) If a data protection incident occurs, the material impacts are first assessed through a comprehensive and detailed analysis that individually evaluates the risks for the data subjects. The objective is to prevent further incidents and ensure sustainable protection of the data subjects.

The management of such impacts aims to maintain an effective and high level of data protection. This includes regularly reviewing existing actions and continuously optimising the data protection processes for sustainable compliance with security and prevention requirements.

41 (a) The targets are indirectly set on the basis of the legal requirements and the Deka Group's quality standards to avoid any possible adverse impacts on information and data security. Any information released externally must also be sufficiently protected against unauthorised access.

41 (b) Performance tracking in connection with data protection includes reporting to DekaBank's Board of Management on the state, effectiveness and completeness of data protection management. The Data Protection Officer collects the relevant findings and reports them to the Board of Management. The suitability of the processes related to data protection management is continuously reviewed, and process optimisations are monitored through action management. The ultimate aim is to protect consumers and end-users as far as possible from negative impacts. This includes protecting information against unauthorised access.

Effectiveness is tracked through reporting to DekaBank's management and supervisory bodies, i.e. the Board of Management and the Administrative Board. The basis of this reporting includes the results of self-assessments (internal assurance) and audits (external assurance and validation).

Security of customer information

41 (c) Identifying lessons and potential improvements are key components of the Deka Group's risk culture. The focus is on promptly initiating and implementing process improvements to provide consumers and end-users with continuous access to an ethical business environment.

Additional information from subsidiaries on the security of customer information

As part of their auditing and monitoring activities, the Internal Audit and Compliance corporate centres systematically identify and collect lessons and potential improvements and then bring them to the attention of all parties involved (except S Broker and bevestor GmbH, which are not covered by DekaBank's Internal Audit or Compliance corporate centres). Addressing identified opportunities for optimisation continuously and pursuing them consistently are key parts of this process. The aim is to provide customers with accurate, comprehensible and high-quality information that meets all relevant regulatory requirements. This is supported by internal quality control, the four-eyes principle for publications and audits by independent third parties such as TÜV Saarland (for bevestor GmbH). S Broker supplements these actions by providing electronic mandatory publications and continuously optimising its presentation of information – for example, by introducing a product finder for greater clarity. In addition to the product finder, S Broker's new app offers explanations of technical terms, as well as overviews of securities and ratings by analysts.

Governance information

ESRS G1 – Business conduct

G1-1 – Business conduct policies and corporate culture

9 DekaBank is a federal institution incorporated under public law and is a member of the *Sparkassen-Finanzgruppe*. It is therefore bound by the principles of subsidiarity, alignment with the common good and sustainability. As DekaBank's sole owners, the savings banks are, like its customers, at the core of its business model. Its corporate culture is aligned with these principles.

Integrity is crucially important to the Deka Group for ensuring its long-term and sustainable business success. DekaBank acts responsibly with regard to the trust of its owners, customers, employees, governing bodies, sales partners, supervisory authorities and the interested public to establish, develop, promote and evaluate its corporate culture. It sets high standards of business conduct and encourages transparent, fact-based communication and an open dialogue with its stakeholders. Within this framework, it is committed to respecting labour rights, protecting the environment and preventing and consistently sanctioning bribery and corruption. It behaves as a competent business partner and employer with a clear focus on customers and performance and demands integrity from its employees.

As part of this corporate culture, the Deka Group's employees – as well as its management – must follow the Code of Ethics and also support others in following it. The Code of Ethics represents the Deka Group's values and attitudes, and its fundamental principles of integrity, professionalism, accountability, trust, collegiality, compliance, sustainability, respect and consistency in addressing violations play an important role within the Group. To emphasise the importance and binding nature of the principles of conduct set out in the Code of Ethics, managers and employees work together in annual appraisals to assess whether the employees' conduct has complied with the Code of Ethics. Any violations by the employees of the ethical guidelines and principles are documented as part of the reviews and could lead to disciplinary action, civil proceedings or termination of employment.

The principles of business conduct derive from the Deka Group's business strategy.

The Deka Group aims, as the securities service provider of the savings banks, to ensure sustainable and adequate profitability and return on equity in order to achieve a sustainable increase in its own value.

Although, as an institution incorporated under public law, DekaBank is not subject to the German Corporate Governance Code, the principles of good and responsible corporate governance are deeply embedded in the Deka Group. The corporate governance policy for the management and supervision of the Deka Group ensures that boards' and committees' responsibilities are clearly defined and enables efficient decision-making processes.

A strong risk culture is key to the Deka Group sustainably achieving the business policy objectives set out in its business strategy. Without appropriate risk-taking behaviour and deliberate management of risks, it would be impossible to limit the risks within a framework of overarching risk management and thereby ensure the Deka Group's sustainable business success. The concept of risk appetite and the procedures for monitoring compliance with it form one of the three fundamental pillars of the Deka Group's risk culture. It is complemented by sound governance and a remuneration system that encourages appropriate risk-taking behaviour. Processes are in place to ensure that these three pillars are continuously adjusted to changing circumstances. Staff and leadership behaviour – risk culture in the narrower sense – are shaped by the rules set down in the Code of Ethics and by the Deka Principles of Leadership, in addition to the above-mentioned formal components.

The Deka Group has adopted a risk culture framework that lays down binding guidelines for the responsible management of risks in the Deka Group and for ensuring that the actions of employees, managers and members of the Board of Management are aligned with this goal. As an organisation, the Deka Group is positioning itself strategically and sustainably with respect to the ESG requirements, so that it can act in a risk- and opportunity-oriented manner. This involves integrating sustainability considerations into its structures and workflows in a consistent and systematic way. Potential ESG risks in relevant business processes are identified and managed systematically. In doing so, regulatory requirements are reliably implemented with a long-term focus.

The compliance culture is part of the corporate culture. It is intended to encourage employees to act in accordance with applicable law and is geared towards communicating and fostering compliance values throughout the Deka Group. In this sense, a compliance culture means that employees are aware of their obligations and carry out all their business tasks in compliance with the prescribed standards and rules.

To foster a good compliance culture and ensure public trust, compliance with legal and regulatory requirements, and customer protection, the Group has established a permanent, effective and independent compliance function that implements and maintains processes, procedures and directives in order to prevent, among other things, money laundering, market abuse and other criminal actions.

The Deka Group has adopted various policies in connection with its corporate culture and its corporate policy. The table below shows the most important policies. It contains more detailed descriptions to explain the objectives that the policies pursue.

Minimum disclosure requirement – Policies MDR-P – Policies adopted to manage material sustainability matters

(Fig. 118)

Policy

1. Code of Ethics
2. Business strategy of the Deka Group in line with MaRisk/KAMaRisk
3. Risk culture framework
4. Framework for ESG governance in the Deka Group
5. Compliance framework in the Deka Group
6. Guidelines for the Deka Group's fraud prevention system (including the whistleblower system)
7. Gifts and Invitations work instruction

Key contents

re: 1. The Code of Ethics describes the values and attitudes that make up part of the corporate culture in the form of its cornerstones: integrity, professionalism, responsibility, trust, collegiality, compliance, sustainability, respect and consistency in addressing violations.

re: 2. The Deka Group's business strategy specifies that adequate, sustainable profitability and return on equity must be ensured in order to sustainably increase the value of the company.

re: 3. This framework contains a uniform definition of the Deka Group's risk culture and risk culture process, including the specific persons responsible, as well as measurement, control and monitoring tools across all risk types. It lays down binding guidelines for the responsible handling of risks in the Deka Group and for ensuring that the actions of employees, managers and members of the Board of Management are aligned with this goal.

re: 4. The framework's content includes the ESG-specific responsibilities, rules and processes, as well as the functions and tasks of the Deka Group that cross-cut different remits and business divisions. As a result, the framework applies to the entire Deka Group.

re: 5. Compliance works to ensure that the Deka Group has an appropriate system for managing compliance risk, as well as procedures and principles that serve to prevent criminal conduct and protect the Deka Group's assets. Compliance supports leaders, managers and employees in further developing and strengthening the compliance culture through training, coordination and cooperation with the corporate centres, as well as Group-wide communication and guidelines.

re: 6. Arrangements put in place to implement the requirements of the German Whistleblower Protection Act (Hinweisgeberschutzgesetz, HinSchG) and the internal principles for the prevention of criminal conduct in the sense of section 25h of the German Banking Act (Kreditwesengesetz, KWG) include
- the option of contacting the Compliance department and the Deka Group's ombudsman as internal reporting points
- the mechanisms for identifying, reporting on and investigating potential cases of fraud
- the essential elements and principles of an effective fraud prevention system.

re: 7. The rules governing gifts and invitations that employees accept from or intend to give to business partners. These rules apply across all internal hierarchical levels of the Deka Group, with possible differences in details to satisfy the requirements of different target groups.

General objectives

re: 1. The Code of Ethics serves as a binding framework for ethically and morally correct conduct and action for employees, managers, members of the Board of Management and third parties acting on behalf of the Deka Group.

re: 2. The Deka Group's business strategy sets out the business strategy for the entire Group in accordance with the Minimum Requirements for Risk Management (MaRisk) and for the associated investment management companies in accordance with the Minimum Requirements for Risk Management of Capital Management Companies (KAMaRisk). It identifies sustainability as a central cornerstone of the business model.

re: 3. The risk culture framework serves to define a strong risk culture. This is of crucial importance to the Deka Group, as it is a prerequisite for the sustainable achievement of the business policy objectives described in the business strategy.

re: 4. The framework aims to achieve an integrated understanding of ESG governance.

re: 5. The compliance framework within the Deka Group ensures the functionality of the compliance function and a good compliance culture within the Deka Group. Compliance culture is an aspect of risk culture and is an area where sufficient training is particularly important. Informing employees about topics including criminal conduct also protects them against penalties resulting from potential disregard for these rules.

re: 6. The requirements of the Deka Group's fraud prevention system make a significant contribution to preventing and combating fraud. The objective is to protect the institution's assets against serious damage and safeguard the reputation of the Deka Group, as well as to protect employees and customers.

re: 7. The Gifts and Invitations work instruction contributes significantly to preventing incidents of corruption and conflicts of interest. The objective is to protect the institution's assets against serious damage and safeguard the reputation of the Deka Group, as well as to protect employees and customers.

Material impacts, risks and opportunities

- The Deka Group's Code of Ethics, which all employees commit to follow, presents Deka's corporate culture in a transparent form for all employees, customers and business partners. Compliance with the Code factors into variable employee remuneration.
- As a document publicly available on the website, the Code of Ethics is included in assessments by ESG rating agencies. This yields a positive impact on the Deka Group's overall rating and reputation.
- In the Code of Ethics, the Deka Group and its employees have committed to acting with fairness, respect, loyalty and dependability in their relationships with all business partners. Business relationships with external service providers and suppliers are based on objective, commercial and factual criteria.
- Internal work instructions on corruption and bribery issues (e.g. gifts and invitations) can mitigate the risk of compliance violations. This has a positive impact on the banking market.
- New legal regulations require the Deka Group to behave in compliance at all times. This leads to reputational gains and can prevent consequential costs due to violations (e.g. legal costs).
- The risk of compliance violations can be mitigated through internal training on preventing corruption and bribery. This has a positive impact on the banking market.
- All Deka Group employees regularly participate in mandatory training on prevention of corruption and bribery.
- Based on internal training on the whistleblower system (including the ombudsman), employees can report violations internally without fear of disciplinary consequences. This has a positive impact on the company and other undertakings.
- Deka Group employees are encouraged to report violations or suspicions to their superiors, Compliance or the ombudsman. Reports can be made confidentially and anonymously. Information on the whistleblower system is available to all employees on the intranet.
- The internal work instruction on the whistleblower system ensures that employees are able to report irregularities to their employer. This has a positive impact on the financial market (allowing irregularities to be uncovered).

Monitoring process

re: 1. Compliance with the requirements of Code of Ethics is monitored in the same way for all Deka Group employees. The respective manager evaluates compliance with the Code in the annual target attainment assessments. Violations can lead to consequences ranging from sanctions under labour law to civil and criminal proceedings and termination of employment.

re: 2. to 4. Compliance is ensured by the Board of Management and the organisational units. The rules, which are set out in writing, are reviewed annually for consistency and adapted as necessary. Regular internal and external audits address compliance.

re: 5. to 7.Compliance is ensured by the Compliance corporate centre and is addressed by the control and monitoring plans. The rules, which are set out in writing, are reviewed annually for consistency and adapted as necessary. The Compliance corporate centre regularly undergoes internal and external audits and monitoring activities. Employees are given sufficient notice before a mandatory training course is due so they can complete it on time. If they fail to do so, they are prompted to make up the training; at the same time, this failure is reported via various escalation levels up to the member of the Board of Management responsible.

Scope of application

re: 1. Deka Group
re: 2. Deka Group
re: 3. Deka Group
re: 4. Deka Group
re: 5. Deka Group
re: 6. Deka Group
re: 7. Deka Group – excluding IQAM Invest GmbH, S Broker Management AG and S Broker AG & Co KG, which have their own rules

Responsible organisational level

re: 1. Board of Management, Compliance corporate centre
re: 2. Board of Management
re: 3. Non-Financial Risk area
re: 4. Strategy & HR
re: 5. to 7. Compliance corporate centre

Reference to third-party standards or initiatives
re: 1. Commitment to the common good of the Sparkassen-Finanzgruppe.
re: 2. Directive 2013/36/EU of 26 June 2013, section 25a KWG, Minimum Requirements for Risk Management.
re: 3. SSM supervisory statement on governance and risk appetite, June 2016.
re: 4. ECB Guide on climate and environmental risks, November 2020.
re: 5. Compliance and the compliance function in banks, EBA Guidelines on internal governance under Directive 2013/36/EU of 26 June 2013.
re: 6. Directive (EU) 2019/1937 of 23 October 2019 and section 25h KWG. In accordance with section 25h (1) KWG, DekaBank must have procedures and principles in place to prevent criminal conduct that could jeopardise the institution's assets. The interpretation and application guidance publications of the German Banking Industry Committee (Die Deutsche Kreditwirtschaft, DK) have so far provided the Deka Group with a binding planning basis for implementing the obligations under section 25h (1) KWG.
re: 7. Section 25h (1) KWG and offences such as those under section 263 et seq. and section 299 of the German Criminal Code (Strafgesetzbuch, StGB), as well as corruption offences under section 331 et seq. StGB.
Consideration of stakeholders' interests
re: 1. to 4. Protecting customers and business partners, protecting employees, protecting the financial market – to ensure a healthy, sustainable corporate culture characterised by integrity.
re: 5. Maintaining a good compliance culture and providing training on compliance requirements, including fraud prevention, takes stakeholders' interests into consideration. Awareness is raised among employees, and they are taught how to comply with safety and security measures, identify violations early on and respond appropriately.
re: 6. The rules and appropriate prevention and investigation measures are intended to prevent or thwart – or, failing that, identify and penalise – criminal conduct by managers, board members and all other employees, as well as persons external to the company. The established whistleblower system provides a channel for reporting illegal conduct or conduct that does not comply with the Code of Ethics to allow effective, rigorous investigation.
Swift and rigorous action in critical situations should help to minimise financial losses and reputational damage and thus is in the interests of customers, business partners and the public.
Ethical conduct of leaders, managers and employees strengthens the trust of customers, business partners and the public in the integrity of the Deka Group as such and thus generates indirect added value for stakeholders in general.
re: 7. The rules on gifts and invitations primarily serve to prevent incidents of corruption. Employees are protected. This can reduce the risk of reputational damage, which is also in the interests of all stakeholders.
Availability of policies to stakeholders
re: 1. to 7. Available to all employees via the internal Process Portal on the intranet. The essential content is covered in initial training (in-person/web-based training) and recurring training (web-based training) and, if necessary, deepened/refreshed in ad hoc training courses. In the training formats, employees are also informed of the corresponding options and rights under the whistleblower system.
re: 2. The following directive applies to employees in the Compliance corporate centre who carry out training: "Implementation of compliance training".
re: 1. and 6. Available on the DekaBank website.
Scope limitations
re: 1. to 7. There are no limits to the scope of application.

9 The Compliance department combines capital market and real estate compliance, anti-financial crime and corporate compliance. Within it, the central Anti-Financial Crime unit combines anti-money laundering, prevention of terrorist financing, actions to prevent criminal actions and implementation of financial sanctions and embargoes.

The Compliance department develops Group-wide standards and policies for the Deka Group, based on the applicable laws and regulations, in the subject areas for which it is responsible. It also supports DekaBank's organisational units and the relevant subsidiaries with appropriate training and advice on the implementation, realisation and refinement of the regulatory requirements. This department is also involved in projects and processes, especially the new product and market processes, product approval processes, significant changes to the operational and organisational structure, and outsourcing. As part of its responsibilities, it ensures that the Deka Group meets the regulatory requirements and that it identifies potential conflicts of interest at an early stage and prevents or manages them as far as possible or, as a last resort, discloses them.

Procedures and controls have been implemented in the organisational units and the Compliance department to meet the applicable legal and regulatory requirements. The relevant tax requirements are addressed and complied with in the context of tax compliance. These procedures and controls serve to identify and manage compliance risks and to prevent and detect irregularities. In the "three lines of defence" (3LOD) model, this department plays a central role as the second line of defence for identifying and mitigating compliance risks. This involves carrying out extensive monitoring and control activities to identify potential risks at an early stage and mitigate them through targeted actions. These are an integral part of the Deka Group's compliance management system.

Another component of the Deka Group's compliance management system is the fraud prevention system, including the whistleblower system. The whistleblower system ensures that both employees and individuals outside the Group can report potential or actual violations of legal regulations and requirements, as well as illegal or dishonest conduct, to internal and external reporting points. One of the reporting points is the DekaBank ombudsman, who reviews the facts and forwards the relevant information to DekaBank confidentially. As a lawyer, the ombudsman is subject to the legal duty of confidentiality. The whistleblower system ensures that whistleblowers are protected from retaliation for submitting reports. The whistleblower system has been expanded to meet the requirements of section 8 LkSG.

10 (a) The Deka's Group Code of Ethics serves as a binding framework for ethical and correct conduct for all employees, managers, members of DekaBank's Board of Management and third parties acting on behalf of the Deka Group. The current version of the Code is available on DekaBank's website (see https://www.deka.de/deka-gruppe/wer-wir-sind/unsere-kultur-und-standards/ethikkodex). The preamble states that managers and employees must work together in the annual appraisals to assess whether the employee's conduct has been in accordance with the Code of Ethics, and that this can influence the employee's variable remuneration. Serious violations of the Code of Ethics can result in consequences under labour law, civil law and criminal law or even termination of employment.

An escalation matrix establishes the penalties for employee violations. Its goal is to safeguard the Deka Group's assets against significant damage and to protect customers.

At DekaBank, implementing the requirements to prevent criminal actions in accordance with section 25h (1) KWG is the responsibility of the Compliance department and is carried out by the head of the department and the Group's money laundering reporting officer or their deputy. On an operational level, the tasks of advising, monitoring and imposing penalties are primarily handled performed by the Anti-Financial Crime unit.

The Deka Group's fraud prevention system includes internal safeguards and mechanisms for identifying, reporting and investigating concerns about conduct violating the law or the Deka Group's Code of Ethics. It should also serve to protect the Deka Group's reputation and take account of the interest that the public, business partners and customers have in the Group's integrity. It describes the key elements and principles of an effective fraud prevention system, as well as the duties, responsibilities and competencies of the offices and organisational units that play a particular role in preventing and combating fraud. These elements are subject to the same reporting system as criminal actions in accordance with section 25h (1) KWG. In line with this, the Deka Group must have procedures and policies in place to prevent criminal conduct that could jeopardise the institution's assets. The interpretation and application guidance publications of the German Banking Industry Committee (*Deutsche Kreditwirtschaft*, DK) provide the Deka Group with a binding basis for implementing these obligations. In addition to the organisational guidelines, especially the requirement to establish a "Central Office" (*Zentrale Stelle*) for preventing money laundering and fraud, they provide details of the obligations to prevent criminal actions. Violations that do not directly jeopardise the institution's assets are handled similarly.

The internal safeguards required by section 25h KWG to prevent criminal actions and the implementation of the safeguards in the Deka Group are regulated in terms of content in the guidelines for the fraud prevention system. These also describe the whistleblower system with its various internal and external reporting points. In addition, they include rules to protect whistleblowers so that they need not fear negative consequences (retaliation) for making a report. The written rules describe the process of identifying and investigating (potential) cases of fraud. This includes recording, processing, assessing, initially reviewing and investigating these cases, deriving and refining preventive measures, and initiating appropriate consequences.

The written rules are made accessible through initial and refresher training and ad hoc training as needed.

10 (b) The Deka Group supports the UN Convention against Corruption by meeting the requirements of section 25h KWG and maintaining a comprehensive anti-corruption programme, which can be adjusted as needed at any time to combat and prevent corruption as far as possible. The risk assessment for criminal actions in the sense of section 25h (1) KWG regularly assesses and evaluates risks for the Deka Group, including the risk of corruption. The guidelines of the Code of Ethics and its elaboration in written rules comply with section 25h (1) KWG. The written rules cover topics such as gifts and entertainment, the whistleblower system, employee reliability examinations in accordance with the German Money Laundering Act (*Geldwäschegesetz*, GwG), block absences (leaves of absence of ten consecutive working days) and the associated safeguards, including escalation and penalty mechanisms.

10 (c) i, 10 (d), 11. The Deka Group has implemented the requirements of the German Whistleblower Protection Act (*Hinweisgeberschutzgesetz*, HinSchG) in connection with establishing an internal reporting channel for whistleblowers. The HinSchG serves to transpose Directive 2019/1937 of 23 October 2019 into German law. DekaBank is subject to this law. When the law came into force, all employees were informed of the corresponding guidelines and structures within the Deka Group. The internet and intranet sites also meet the legal requirements. They identify the reporting channels and make them publicly accessible. These include the option of communicating anonymously with the relevant contact partners in the Compliance department and the Deka Group's ombudsman as internal reporting points. The institutions designated by law in Germany (BaFin's Contact Point for Whistleblowers, the German Federal Office of Justice and German Federal Cartel Office) are identified as external reporting points. There are also rules to protect whistleblowers against negative consequences (retaliation). In the training formats, employees are also informed of the relevant options and rights.

10 (c) ii Individuals who use the reporting channels to report suspicious conduct are protected against retaliation. They need not fear consequences under labour law or other adverse consequences, as long as they are not involved themselves and do not abuse the whistleblower system. This protection applies even if the report proves unfounded. If whistleblowers experience negative consequences in their professional environment and claim that this is because they have made a report or disclosure, the burden of proof is reversed: it is then presumed that the negative consequences result from their having made a report.

10 (e) The guidelines of the Deka Group's fraud prevention system govern the material elements and principles, including the associated processes and actions, for an effective fraud prevention system to prevent criminal actions that could jeopardise the assets of the institution and/or the individual companies.

In connection with the fight against corruption, the Deka Group has also specified the conditions under which gifts and entertainment, or any other benefits, can be granted to or accepted from third parties. The documentation and authorisation process is mandatory for all employees, including management.

As a matter of principle, employees are not permitted to grant, accept or request gifts or entertainment in connection with their work, either for themselves or for third parties, if doing so could harm the interests of the Deka Group or its customers. Giving gifts and entertainment is, to a certain degree, compatible with market practice, provided it complies with applicable laws and standards. However, this activity risks calling the professional independence of everyone involved into question, so employees are required to avoid even the mere appearance of a conflict of interest.

The experts in the Compliance department are available to all employees as contact partners for any questions about integrity issues. As part of their induction training, new employees are given contact information for these experts when they first join the Deka Group, and this information is available at all times on the intranet.

The risk assessment for criminal actions in the sense of section 25h (1) KWG regularly assesses and evaluates risks for the Deka Group, including the risk of corruption. The analysis of criminal actions also covers special issues such as the prohibition of greenwashing, unauthorised tax structuring models and the prohibition of using private means of communication for business purposes.

The Deka Group's policies establish responsibilities and procedures for handling reports received in connection with criminal actions, including bribery and corruption. These govern the processes of investigation, escalation, reporting and deriving actions in the event of criminal actions, regardless of how the facts of the cases became known. Criminal actions against the Deka Group could cause considerable financial damage (e.g. financial penalties imposed by the supervisory authority) and/or reputational harm. Accordingly, any damage that occurs must also be investigated for its causes, so that actions to prevent or mitigate future risks can be derived.

Within the Deka Group, the Compliance department is responsible for the investigations. The head of the department or their deputy is responsible as the Group's money laundering reporting officer. This ensures that an objective and independent investigation is carried out.

On an operational level, the tasks are carried out in the Anti-Financial Crime – Advice, Monitoring & Penalties unit and can include involving or hiring auditors, law firms or forensic service providers if necessary. This ensures an immediate and independent investigation. The incidents can, if necessary, be used as case studies for ad hoc training in response to the incidents.

10 (g) The corresponding content is communicated to employees in training activities. In these, the Deka Group focuses on the prevention of criminal actions in accordance with section 25h KWG and on other compliance issues. The Deka Group's policies and training programmes include extensive rules for the prevention of criminal actions. These define the organisational framework for the internal training courses (hybrid: in-person, online and web-based) that all employees must complete: once when they join, and every two years after that. The training is comprehensive and covers, among other things, the safeguards built into the Deka Group's fraud prevention system; and it includes interactive involvement of the participants. There is also mandatory training for employees on other compliance issues like capital market compliance and MiFID II.

10 (h) Purchasing, IT and the Asset Management Real Estate business division, as well as persons with access to confidential information, are classified as most at risk in respect of corruption and bribery.

G1-2 – Management of relationships with suppliers

DekaBank has a directive governing invoice processing.

Minimum disclosure requirement – Policies MDR-P – Policies adopted to manage material sustainability matters

(Fig. 119)

Policy
1. Work instruction on invoice processing 2. Sustainability Statement, see ESRS S2-1 MDR-P table
Key contents
re: 1. This work instruction establishes rules for invoice processing by the Purchasing Systems & Invoice Processing organisational unit. It describes the process for invoice receipt and verification in accordance with the current version of the "Purchase of Goods and Services" directive.
General objectives
re: 1. The objective of this work instruction is to establish rules for correct and timely processing of the central incoming invoices with subsequent invoice verification after the procurement process, as well as invoices from the exception list in accordance with the "Purchase of Goods and Services" directive.
Material impacts, risks and opportunities
re: 1. Payment and performance obligations, including liability provisions, are governed by contracts concluded with service providers and suppliers. This ensures that service providers and suppliers are paid on time (except in the event of underperformance/defective performance). This has a positive impact on the liquidity and delivery capacity of service providers and suppliers.
Monitoring process
re: 1. The Purchasing Systems & Invoice Processing organisational unit is responsible. The work instruction is regularly reviewed for consistency and, if necessary, adapted outside the normal cycle (e.g. in the event of changes to the process or system). It is regularly reviewed by Internal Audit and audited by the auditor.
Scope of application
re: 1. The scope of application is the Deka Group (excluding IQAM Invest GmbH, which however meets the same Group-wide minimum standards).
Responsible organisational level
re: 1. The Purchasing Systems & Invoice Processing organisational unit is part of Group Operational Purchasing and is the responsibility of the Group leadership; the head of the Organisational Development corporate centre is the responsible level.
Reference to third-party standards or initiatives
re: 1. The Purchasing Systems & Invoice Processing organisational unit follows generally accepted accounting principles (GAAP).
Consideration of stakeholders' interests
re: 1. Through the policy, the company protects its own assets and all services providers and suppliers.
Availability of policies to stakeholders
re: 1. This policy is for internal use only and is available to all employees via the internal Process Portal on the intranet.
Cross-reference to other topical ESRSs
re: 1. ESRS S2 (Workers in the value chain).
Scope limitations
re: 1. The policy applies to the indirect upstream value chain (employees of service providers and suppliers).

14 DekaBank has established the Invoice Processing directive for managing relationships with its service providers and suppliers to ensure that all service providers and suppliers are paid properly and to prevent, as far as possible, late payments to small and medium-sized enterprises. The Purchasing Systems & Invoice Processing unit is responsible for implementing this directive.

15 (a), 15 (b) DekaBank's mandatory principles of sustainability and sustainable purchasing of goods and services must be observed when purchasing goods or services. DekaBank has set sustainability-related requirements for the selection of service providers and suppliers that relate to both the quality of the products and services purchased and the business conduct of the service providers and suppliers. The key company-specific requirements are set out in the Purchasing Sustainability Statement, which the largest service providers and suppliers must sign before a business relationship is initiated. In it, they undertake, among other things, to meet the core labour standards of the International Labour Organization (ILO). Rules relating to the LkSG were added to the statement as part of a revision in 2023. Other topics covered in the statement include social responsibility, environmental protection, renewable energy and environmental labelling. Its goal is to ensure a proper, efficient, transparent, reliable and simple purchasing process. DekaBank's purchasing process addresses the legal and regulatory requirements and internal directives and is designed to ensure a competitive level of prices and services. The principles of social responsibility, environmental protection and business ethics are indispensable components of sustainable purchasing of goods and services.

Product-related sustainability criteria are addressed during the product selection process for standard products, such as office supplies and office communication equipment, with particular reliance on relevant certificates (e.g. the Blue Angel label).

In cases of doubt (for example, if the provider is only willing to commit to its own sustainability principles), the relevant purchasing unit will decide whether a business relationship should be initiated. DekaBank's overarching sustainability concerns are an integral part of its business strategy. There is also an annual risk assessment of service providers and suppliers in terms of sustainability and human rights, as required by the LkSG.

As a subsidiary of DekaBank, IQAM Invest GmbH works primarily with service providers and suppliers with which it has a geographical and/or personal relationship. Its contracts with service providers and suppliers have no separate sustainability-related provisions.

G1-3 – Prevention and detection of corruption and bribery

18 (a) The Deka Group has formulated internal procedures as described below for preventing, detecting and addressing allegations or incidents of corruption and bribery in order to prevent criminal actions in accordance with section 25h KWG (which implicitly includes the UN Convention against Corruption).

The fraud prevention guidelines govern the handling of identified cases of misconduct (including employee misconduct). They describe the whistleblower system, which establishes several reporting channels, including the mandatory confidential reporting channel, to make submitting reports easier (including psychologically). Misconduct can be detected and investigated on the basis of findings from the controls of the organisational units or the central control functions (such as Compliance or Information Security Management) or from reviews by the Internal Audit department, or on the basis of reports from third parties. A tripartite approach applies, consisting of prevention, detection and penalties. An employee's misconduct, as defined in the Code of Ethics, could in principle lead to an appraisal that affects their remuneration. If necessary, an examination of the employee's reliability will be initiated in accordance with the GwG. A sanction and escalation matrix exists for penalties, which governs the handling of violations in general. The preventive measures (including the above-mentioned controls, appropriate training, the rules on gifts and entertainment, block absences and employee reliability examinations) also serve to prevent corruption and bribery. For further information, see ESRS G1-1 10 (e).

18 (b) The Deka Group has defined responsibilities for investigating potential cases of corruption and bribery as part of its process of identifying and investigating possible criminal actions generally. Within the Compliance department, the Anti-Financial Crime unit is responsible for this, reporting directly to DekaBank's Board of Management. The independence of the employee responsible for the investigation is ensured by organisational separation from the employees involved.

18 (c) Internal policies govern the involvement of the administrative, management and supervisory bodies and reporting to them on a regular or an ad hoc basis in cases of fraud. The Compliance department's annual

reports also provide standardised reporting for the management on cases of fraud. At the management level, the reports are also submitted to the Chair of the Corporate Governance Committee.

20 The Compliance department regularly conducts mandatory training for employees on the subjects for which it is responsible in order to inform them about the rules and processes for compliance with the legal requirements governing the prevention of criminal actions that have been implemented in accordance with section 25h of the KWG and are relevant to them. At the end of the web-based training, participants' knowledge of the content covered is assessed by means of a test. The in-person training includes interactive engagement with the participants. Ad hoc training is also offered on selected topics as necessary. In the reporting year, training was held in all the formats mentioned above.

In the reporting year, as in previous years, all new employees participated in the initial compliance training. In addition, all employees are required to complete web-based training, both when they join the company and at regular intervals subsequently. This training covers topics such as prevention of money laundering and terrorist financing, fraud prevention, financial sanctions, capital market compliance and risk culture.

21 (a) Various training and awareness-raising actions are carried out on the topic of detecting and preventing corruption and bribery. The training policy requires initial training, which covers fraud prevention and corruption and bribery, for all new employees. Throughout the duration of the employment, regularly recurring training is provided every two years in the form of web-based courses on the legal requirements, possible approaches and the company's internal safeguards in connection with fraud prevention. The training programme also includes ad hoc training. The duration of the training courses usually ranges from 0.8 to two hours, depending on the requirements and the training medium. Besides the policies, further selected information on specific topics is made available on the Deka Group's internet and intranet sites.

21 (b) The training actions extend to all employees of the Deka Group. Specialised training is provided for specific target groups as required and on an ad hoc basis, for example as a risk mitigation action in the event of fraud investigations or due to findings of the Compliance function's monitoring activities. Normally, the training first addresses the existing rules, followed by a special section discussing abnormalities, case studies and questions.

The introductory training for new employees, which covers topics such as corruption and bribery, and the web-based training course, which must be taken every two years, are mandatory. The completion rate is therefore 100% of all active employees.

21 (c) The members of DekaBank's Board of Management and the management teams of the subsidiaries are involved in the compliance training activities. The members of the subsidiaries' supervisory boards receive training if they are also employed by a Deka Group company. Members of DekaBank's Administrative Board receive training on the topic of defence against corruption and bribery in individual cases if they express a need for it.

G1-4 – Incidents of corruption or bribery

Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters

(Fig. 120)

Metrics
1. In this context, bribery and corruption represent a significant category of offences which encompasses relevant offences. The inclusion of offences in the process of preventing criminal conduct follows from legal and regulatory principles.
Company-specific metrics
re: 1. There are no additional company-specific parameters that supplement the regulatory requirements.
Methodology, assumptions and limitations
re: 1. According to the "Fraud Prevention System" guidelines, the Compliance corporate centre must be notified of any salient irregularities or suspected criminal conduct. In addition, Compliance regularly asks other organisational units and responsible functions about possible irregularities (including the loss database for operational risks). For this purpose, a database is maintained which contains all known possible types of criminal conduct and assigns them to corresponding offence categories (relevant for the risk analysis of criminal conduct).
External validation
re: 1. Both Internal Audit and the external auditor regularly review activities that have raised suspicions and/or been investigated.
Categorisation and description
re: 1. This primarily includes the taking and giving of benefits and the taking and giving of bribes.

24 (a) No violations of corruption and bribery regulations came to light in the reporting year 2024. Accordingly, no action had to be taken in this regard.

24 (b) In the reporting year 2024, no cases of fraud or violations relating to the human rights impacts of the Deka Group's activities were reported. Therefore, no actions had to be taken in this regard.

25 (d) If legal proceedings were initiated against the Deka Group or its employees on the basis of allegations of corruption or bribery, the responsible organisational unit within DekaBank would pass the results of these proceedings on to the relevant organisational unit (the Legal unit). In the past reporting period, there were no such legal proceedings.

G1-6 – Payment practices

The Deka Group applies uniform payment practices to its service providers and suppliers.

33 (a) The average invoice processing time is 15 calendar days.

33 (b) All service providers and suppliers are subject to 59 uniform, standardised payment terms that are based on the legal requirements. The conditions vary in terms of the discount and the number of days until invoice payment. As a rule, the payment term is 30 days.

33 (c) No legal proceedings for late payments are pending against DekaBank.

33 (d) A system query was carried out to obtain the information on the average invoice processing time. Uniform payment terms are applied to all contracts with service providers and suppliers. As a preventive measure to avoid late payment, receivables are always settled as soon as they are approved by the budget manager or requisitioner, regardless of the size of the service providers or suppliers. Payment of an invoice is not permitted, if the relevant budget manager or requisitioner has not approved it. In this case, the underlying problem will be investigated with the service provider or supplier before payment is made.

Annual financial statements

Balance sheet

Assets	€	€	€	31 Dec 2024 €	31 Dec 2023 €'000
1. Cash reserves					
a) Cash on hand			13,572.99		18
b) Balances with central banks			367,897,166.46	367,910,739.45	317,912
of which:					
with Deutsche Bundesbank	367,797,166.46				(317,325)
2. Due from banks					
a) due on demand			7,185,733,412.66		11,607,591
b) other claims			8,132,581,776.02	15,318,315,188.68	11,633,827
of which:					
public sector loans	59,304,701.18				(6,771)
3. Due from customers				22,985,959,134.26	23,769,596
of which:					
mortgage loans	1,622,588,826.82				(1,848,165)
public sector loans	3,029,307,691.20				(3,111,224)
4. Bonds and other fixed-interest securities					
a) Bonds and debt securities					
aa) from public sector issuers		1,876,701,946.44			429,004
of which:					
eligible as collateral with Deutsche Bundesbank	1,876,701,946.44				(415,496)
ab) from other issuers		12,461,110,919.85	14,337,812,866.29		9,337,305
of which:					
eligible as collateral with Deutsche Bundesbank	9,302,981,850.03				(6,232,874)
b) own bonds			141,847,844.68	14,479,660,710.97	53,494
Nominal amount	153,355,000.00				(60,257)
5. Shares and other non fixed-interest securities				112,153,273.05	158,306
6. Trading portfolio				39,312,886,992.58	27,239,029
7. Equity investments				26,950,793.95	27,148
of which:					
in banks	7,867,903.91				(7,868)
8. Shares in affiliated companies				551,315,351.70	541,168
of which:					
in banks	38,134,932.45				(22,988)
in financial services providers	20,177,351.02				(20,177)
9. Trust assets				233,844,771.41	249,384
10. Intangible assets					
a) Concessions, industrial property rights, and similar rights and values as well as licences there to, acquired for a consideration			28,103,211.00		19,989
b) Goodwill			119,683,332.00		147,153
c) Advance payments			35,014,805.99	182,801,348.99	12,740
11. Tangible assets				35,828,633.49	30,357
12. Other assets				227,961,427.27	207,190
13. Prepaid expenses and accrued income					
a) from underwriting and lending business			58,462,481.77		61,383
b) other			423,916,268.41	482,378,750.18	313,149
Total assets				**94,317,967,115.98**	**86,155,743**

Liabilities	€	€	€	31 Dec 2024 €	31 Dec 2023 €'000
1. Due to banks					
a) due on demand			2,832,625,979.94		2,815,605
b) with agreed maturity or period of notice			5,631,017,260.46	8,463,643,240.40	5,786,300
of which:					
registered public sector Pfandbriefe	105,377,908.05				(127,015)
2. Due to customers					
Other liabilities					
a) due on demand			24,840,707,651.74		21,211,631
b) with agreed maturity or period of notice			6,185,599,298.84	31,026,306,950.58	6,860,451
of which:					
registered public sector Pfandbriefe	161,205,033.11				(263,266)
3. Securitised liabilities					
a) bonds issued			11,843,545,618.05		11,147,631
of which:					
mortgage Pfandbriefe	625,105,370.38				(655,526)
public sector Pfandbriefe	2,513,478,861.06				(2,809,554)
b) other securitised liabilities			5,298,184,929.93	17,141,730,547.98	0
of which:					
Money market securities	0.00				(0)
4. Trading portfolio				28,209,305,757.57	**29,069,063**
5. Trust liabilities				233,844,771.42	**249,384**
6. Other liabilities				563,982,664.95	**423,527**
7. Accruals and deferred income					
a) from underwriting and lending business			9,961,063.87		11,265
b) other			311,622,192.69	321,583,256.56	239,177
8. Provisions					
a) provisions for pensions and similar obligations			45,312,902.92		79,734
b) provisions for taxes			33,085,924.75		358,339
c) other provisions			343,471,049.88	421,869,877.55	345,384
9. Subordinated liabilities				1,781,151,181.41	**1,808,641**
10. Fund for general banking risks				5,257,903,762.76	**4,852,966**
of which:					
special item pursuant to Section 340 e (4) HGB	378,463,000.00				(367,632)
11. Equity					
a) Subscribed capital			191,740,000.00		191,740
b) Capital reserve			239,479,816.06		239,480
c) other retained earnings			165,352,188.74		165,352
d) Net income			300,073,100.00	896,645,104.80	300,073
Total liabilities				**94,317,967,115.98**	**86,155,743**
1. Contingent liabilities					
Liabilities from guarantees and warranty agreements				6,402,363,145.13	6,129,326
2. Other liabilities					
Irrevocable lending commitments				384,697,351.43	590,410

Income statement

Expenses and income	€	€	€	2024 €	2023 €'000
1. Interest income from					
a) Lending and money market transactions		2,282,544,025.43			2,801,675
of which: negative interest income	43,276.69				(303)
b) Fixed-interest securities and debt register claims		298,156,021.40	2,580,700,046.83		197,734
of which: negative interest income	0.00				(0)
2. Interest expenses			2,094,024,661.19	486,675,385.64	2,544,267
of which: positive interest expenses	333,753.12				(1,761)
3. Current income from					
a) Shares and other non fixed-interest securities			8,183,002.07		4,768
b) Equity investments			1,338,811.12		1,210
c) Shares in affiliated companies			72,432,012.11	81,953,825.30	52,584
4. Income from profit pooling, profit transfer and partial profit transfer agreements				600,576,206.52	637,060
5. Commission income			1,932,299,443.93		1,628,038
6. Commission expenses			1,569,409,530.02	362,889,913.91	1,282,370
7. Net income/expenses from trading portfolio				95,694,315.98	158,158
8. Other operating income				496,043,748.49	466,585
9. General administrative expenses					
a) Personnel expenses					
aa) Wages and salaries		417,978,101.68			387,958
ab) Social security contributions and expenses					
for pensions and other employee benefits		123,263,202.80	541,241,304.48		103,647
of which:					
for retirement pensions	69,793,201.81				(55,206)
b) Other administrative expenses			535,849,769.13	1,077,091,073.61	559,163
10. Write-downs and valuation allowances on intangible assets and tangible assets				42,991,031.38	38,448
11. Other operating expenses				51,372,957.57	126,548
12. Write-downs and valuation allowances on receivables and certain securities and allocations to provisions for loan losses				0.00	0
13. Income from write-backs on receivables and certain securities and from the reversal of provisions in the lending business				–18,843,305.81	96,897
14. Allocations to the fund for general banking risks				394,106,867.29	121,922
15. Write-downs and valuation allowances on equity investments, shares in affiliates and securities held as fixed assets				0.00	0
16. Income from write-ups to equity investments, shares in affiliates and securities held as fixed assets				12,765,068.51	41,717
17. Expenses from loss transfer				13,771,958.80	11,285
18. Profit or loss on ordinary activities				538,421,269.89	910,820
19. Income taxes				238,348,169.89	610,747
20. Income transferred under profit pooling, profit transfer or partial profit transfer agreements				0.00	0
21. Net income				300,073,100.00	300,073
22. Profit carried forward from the previous year				0.00	0
23. Accumulated profit				**300,073,100.00**	**300,073**

Notes

General information

DekaBank Deutsche Girozentrale, Frankfurt/Berlin, is entered in Commercial Register A at the District Court of Frankfurt / Main under number HRA 16068.

1 Preparation of the annual financial statements

The annual financial statements of DekaBank Deutsche Girozentrale for the year ended 31 December 2024 have been prepared in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch*, HGB) and the Regulation on Accounting Principles Relating to Financial Institutions and Financial Services Institutions (*Verordnung über die Rechnungslegung der Kreditinstitute, Finanzdienstleistungsinstitute und Wertpapierinstitute*, RechKredV). The provisions of the Pfandbrief Act (*Pfandbriefgesetz*, PfandBG) were also taken into account.

2 Accounting and valuation methods

General information

The accounting and valuation of assets, liabilities and pending transactions was carried out in accordance with sections 252 ff, and sections 340 ff, HGB. Write-ups were carried out in accordance with section 253 (5) HGB.

Amounts due from banks and customers are reported at face value. Differences between face value and amounts payable or acquisition costs are recognised under prepaid expenses and accrued income and written back as scheduled.

Liabilities are stated at the settlement amount. Differences between the amount received and the amount repayable are reported in accruals and deferred income and written back as scheduled.

For receivables and liabilities from genuine securities repurchase agreements and derivative transactions eligible for offsetting with central counterparties on the basis of standardised framework contracts, balance sheet offsetting is carried out provided that the corresponding preconditions are fulfilled. Securities lending transactions are reported in accordance with the principles of section 340b HGB applicable to genuine repurchase agreements, whereby lent securities are shown under the original line items in the balance sheet. Borrowed securities are not reported in the balance sheet.

In accordance with the applicable EU Benchmark Regulation, interest rate benchmarks were replaced by new interest rate benchmarks in the reporting year. In 2024, implementation activities focused on the lending business and related primarily to the CAD LIBOR transition, as the CAD LIBOR was replaced by the CORRA interest rate benchmark during the reporting period. The changes were made at the start of a new interest period in each case. Alongside the process of transition for loans, further changes were made for derivatives, too, in 2024. Within this context, DekaBank received compensation payments mainly for derivatives in the trading portfolio and recognised these in full in profit or loss.

Valuation of securities portfolios and derivatives

Securities in the liquidity reserve are valued in accordance with the strict lower-of-cost-or-market principle, whereby the stock exchange or market price or the fair value is decisive.

The fair value of financial instruments in both the trading and non-trading portfolio is determined on the basis of market prices or observable and unobservable market data as at the reporting date and recognised valuation models. Where securities and derivatives with sufficient liquidity are traded on active markets, and stock market prices or executable broker quotations are accordingly available, these prices are used to determine the fair value.

Valuation models which are deemed to be appropriate for the respective financial instruments are used where no prices are available from an active market. Observable market data is always used as the basis where available. However, the availability of observable stock market prices, valid prices or market data varies from financial instrument to financial instrument and can change over time. Furthermore, the valuation models are periodically readjusted and validated as required. Depending on the financial instrument and market situation, it may be necessary to include assumptions and assessments by the Bank in the valuation. The Bank also selects suitable modelling techniques, appropriate parameters and assumptions. The assumptions underlying financial valuation models can have a considerable effect on the fair value determined. Where there are no prices from active markets, the fair value is therefore deemed to be the model value as at the reporting date, which reflects a realistic estimate of how the market would probably value the financial instrument.

Structured products in the trading portfolio and the liquidity reserve are recognised as a single financial instrument. Structured products that are not subject to mandatory separation are permissible outside of the Bank's trading portfolio. These include own issues with termination rights. The structured liabilities in the non-trading portfolio not subject to mandatory separation are stated at the settlement amount.

Derivative financial instruments are generally measured using recognised models such as the Black-Scholes model, the Black-76 model, the SABR model, the Bachelier model, the G1PP model, the G2PP model or the local volatility model. The models are always calibrated using observable market data.

Interest rate swaps and interest rate/currency swap agreements as well as unlisted interest rate futures are measured on the basis of the discounted cash flow model using the market interest rates applying to the remainder of the term of the financial instruments. The tenor structures of the individual interest rates are taken into account by means of separate forward yield curves. Discounting of interest rate swaps is always carried out using the respective currency-specific yield curves, which are also used for the corresponding bootstrapping of the forward yield curves. For the foreign currency cash flows in interest rate/currency swaps, discounting is carried out taking into account the cross-currency basis.

Fair values for forward currency contracts are determined at the reporting date on the basis of the forward rates, which in turn are quoted by FX swap points in the market.

Fair values of single name and index credit default swaps are determined using a standard hazard rate model calibrated to the respective par CDS spreads.

Financial instruments in the trading portfolio are valued at fair value less a risk mark-down/mark-up. The risk mark-down/mark-up is determined separately per portfolio in the form of the value-at-risk (VaR) and subsequently aggregated. The VaR calculation is based on a confidence level of 99% and a holding period of 10 days. The monitoring period amounts to 250 days. Trading portfolios on the assets and liabilities sides are valued at average prices.

On-balance sheet and off-balance sheet interest rate financial instruments in the banking book, which are allocated to the interest book, undergo loss-free valuation pursuant to IDW RS BFA 3 (new version). Where, in their entirety, the interest book transactions valued result in excess liability, a provision is recognised for possible losses from pending transactions. The valuation is carried out on the basis of a P&L-oriented approach including hypothetical closing-out transactions and future risk and administration costs. There was no excess liability at the reporting date; therefore, the recognition of a provision was not required.

Receivables and commitments arising from derivative financial instruments in the banking book, which are not allocated to the interest book, are valued in line with the imparity principle. For unrealised valuation losses, provisions were recognised for possible losses from pending transactions. Unrealised valuation gains are not recognised as income, with the exception of foreign exchange future contracts, which are included as part of currency translation.

Trading raises money in the external market for funding purposes. Liabilities arising from these transactions are reported on the liabilities side under trading portfolio. Trading also carries out refinancing via internal transactions for management purposes.

The criteria defined in-house for the inclusion of financial instruments in the trading portfolio did not change in the financial year under review.

In addition to the valuation results, the line item ‘Net income from trading portfolio’ includes ongoing interest payments and dividend income from securities in the trading portfolio, ongoing payments from derivative financial instruments and securities repurchase agreements and securities lending transactions in the trading portfolio, as well as the refinancing costs attributable to the trading portfolios including the corresponding deferrals. Allocations to the fund for general banking risks pursuant to section 340e (4) HGB are also recognised in this item.

When valuing OTC derivatives, the Bank also takes Credit Value Adjustments (CVAs) or Debit Value Adjustments (DVAs) into consideration in order to account for counterparty credit risk or the Bank’s own credit risk, unless these are already included elsewhere in the valuation model. If a netting agreement exists for counterparties, the calculation is performed at the level of the counterparty based on the net position. In other cases, the calculation is performed using the individual positions. DekaBank also takes into account a Funding Value Adjustment (FVA), which captures the implicit market refinancing costs for uncollateralised derivative positions. The maturity structure of funding is thus considered to be an important component of fair value for uncollateralised derivatives.

Furthermore, DekaBank recognised a Margin Valuation Adjustment (MVA) at counterparty level when determining the fair value of derivatives in the reporting year. The MVA is used to reflect the expected future funding costs from initial margin payments in net present value terms. The MVA is taken into account in pricing and, as a result, also in the valuation carried out independently of trading activities. The MVA has the same form as the FVA, namely that of collateralisation costs over the entire term of the derivative for the initial margin.

Currency translation

Assets and liabilities in foreign currency as well as claims and obligations from foreign exchange transactions in the non-trading portfolio are translated and valued in accordance with the provisions of section 340h in conjunction with section 256a HGB and observing the Institute of Auditors (IDW) Comments on Accounting (*Stellungnahme zur Rechnungslegung*) IDW RS BFA 4. The results from currency translation are generally recognised in the income statement and reported in other operating income. Receivables/liabilities from derivative foreign exchange positions with special cover pursuant to section 340h HGB are shown in the foreign exchange equalisation item under other assets/other liabilities. Income is not recognised only in the case of foreign exchange transactions that are not included in any special cover or valuation unit and also have a remaining maturity of more than one year. Swap premiums from foreign exchange transactions in the non-trading portfolio, which hedge interest-bearing balance sheet items, are accrued on a pro rata basis and reported in net interest income because these foreign exchange future contracts are valued at the split forward rate.

Special cover is in place if cover is available in the same currency, i.e. only transactions in the same currency are grouped in currency positions. Furthermore, matching amounts for the covering transaction and covered transaction constitute a defining characteristic of special cover. There is no special cover in place if foreign exchange transactions or foreign exchange positions (for example for trading purposes) are concluded and generate an open FX position.

Assets and liabilities in foreign currency in the trading portfolio as well as claims and obligations under foreign exchange transactions are translated and valued in accordance with the provisions of section 340e HGB. The results from the currency translation are reported in net income or net expenses from the trading portfolio.

Fixed assets

Equity investments, shares in affiliated companies, tangible assets and intangible assets are stated at their acquisition or production cost less any scheduled amortisation or depreciation. Where a loss of value is expected to be permanent, the asset is written down to its lower fair value. Economic assets within the meaning of section 6 (2) of the Income Tax Act (*Einkommensteuergesetz,* EStG) are written off in the year of acquisition in accordance with tax regulations.

Securities portfolios intended to be held long-term and for use in business operations on a permanent basis are treated as fixed assets and valued according to the moderate lower-of-cost-or-market principle. These securities are continually checked for impairment. Scenarios in which changes in market value are only due to interest rates do not constitute permanent impairment.

Provisions for loan losses

Identified default risks in the lending business were adequately provided for by recognising specific valuation allowances and provisions for loan losses. There are sufficient general valuation allowances to cover latent credit risks. Specific and general valuation allowances for on-balance sheet lending are deducted from the respective asset items. Provisions are recognised for lending commitments and guarantees.

Loan receivables are checked individually for impairment. In the case of receivables for which there are no specific valuation allowances, the default risk is taken into account by recognising general valuation allowances.

When calculating general valuation allowances for loan receivables, a distinction is made between two stages: At stage 1, loss allowances are recognised in the amount of the expected loss for the next twelve months, unless the risk of default has significantly increased. Stage 2 is used to recognise loss allowances in the amount of the expected loss over the entire remaining life of the loan receivable if the risk of default has increased significantly.

Within DekaBank, significant increases in default risk since the initial recognition of a loan receivable are assessed on the basis of quantitative and qualitative criteria, as well as based on the assessments performed by the units and committees responsible for early risk identification. A significant risk increase is assumed where the credit rating has dropped by a specified amount relative to the initial rating on the first balance sheet date, or where the exposure has been classified as requiring intensive support. In particular, a loan is classified as requiring intensive support in cases involving non-compliance with contractual agreements providing concrete indications of an acute threat to debt servicing capabilities in the long term, as well as in the event of repayment deferrals or certain rating downgrades if the circumstances of the individual case call for intensive support. The 12-month probability of default is used to assess the rating downgrade and adequately reflects the change in the risks expected over the remaining term of the asset. Adequacy was verified by performing a further analysis. In addition, for loan receivables where payment is more than 30 days overdue, a check is also made as to whether the presumption of a significant increase in default risk can be rebutted. Individual cases are analysed to determine whether the default is creditworthiness-related or non-creditworthiness-related. Creditworthiness-related defaults are presented to the Monitoring Committee for a decision to be made on whether these should be transferred to stage 2 or should remain in stage 1.

Changes in general valuation allowances recognised in profit or loss are reported under 'Write-downs and valuation allowances on receivables and certain securities and allocations to provisions for loan losses' or under 'Income from write-ups on receivables and certain securities and from the reversal of provisions for loan losses'.

If there is doubt regarding the recoverability of a receivable, this is taken into account through the recognition of specific valuation allowances. If it is highly probable that further payments will not be made, the receivable is classified as irrecoverable. An irrecoverable receivable which has already been impaired is written off utilising the provision for loan losses. If there is no specific valuation allowance, the receivable is written off directly and charged to profit or loss. Direct write-downs are also carried out if the Bank waives parts of a non-impaired receivable or sells a receivable for less than its carrying value.

Specific valuation allowances and provisions for credit risks are recognised to take account of acute default risks if it is likely that not all contractually agreed payments of interest and principal can be made. Specific valuation allowances and provisions for credit risks are set up in the following circumstances:

- significant financial difficulties on the part of the issuer or debtor
- an actual breach of contract (such as a default or past-due event)
- concessions granted by the lender to the debtor for economic or contractual reasons in connection with the debtor's financial difficulties that the creditor would not otherwise consider
- a high probability that the borrower will enter bankruptcy or other financial reorganisation
- the disappearance of an active market for the financial asset because of financial difficulties
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Provisions
For pension commitments, the extent of the obligation is valued by independent actuaries. In these cases, the present value of the pension entitlements earned is determined at each closing date using the projected unit credit method. For fund-linked pension commitments, the level of which is determined exclusively in accordance with the fair value of the corresponding fund assets, the pension commitments are stated at the fair value of the underlying funds where this value exceeds an agreed minimum amount.

In accordance with section 246 (2) HGB, plan assets, which are required to be offset against the related obligations, were created for the company retirement pensions of DekaBank in the form of a Contractual Trust Arrangement (CTA). These are held by a legally independent trustee – Deka Trust e.V. The plan assets for the unit-linked defined contribution plans consist primarily of fund assets allocated to each individual employee and other assets to cover the biometric risks arising from benefits becoming due early and the subsequent financing risk. In addition, commitments under final salary plans and general contribution schemes were funded through the creation of ring-fenced plan assets using a CTA. This section of the plan assets is invested in a special fund with an investment strategy based on an integrated asset-liability assessment. The plan assets are measured at fair value and reduce the pension provisions shown in the balance sheet. The expected income from the plan assets is offset against the expenses for accumulated interest to pension commitments.

Commitments for early retirement and transitional payments as well as obligations to pay other allowances are also valued actuarially, and provision is made in the amount of the present value of the commitment. Furthermore, employees of DekaBank also have the option of paying into working hours accounts. The accounts are maintained in money and covered by plan assets in Deka Trust e.V. The amount carried in the balance sheet is the difference between the extent of the commitments and the fair value of the plan assets. Provisions for early retirement and transitional payments as well as for working hours accounts are reported under 'Other provisions'.

Provisions for taxes and other provisions are recognised in the settlement amount (including future cost and price increases) required according to a reasonable commercial judgement. Medium- and long-term provisions with remaining terms of more than one year are discounted using the interest rates published by Deutsche Bundesbank pursuant to section 253 (2) HGB.

Deferred taxes

Deferred tax assets are not reported, since the existing asset surplus, utilising the option under section 274 HGB, is not recognised. Deferred tax assets result primarily from measurement differences in relation to amounts due from customers, pension provisions and other provisions. As at the reporting date, minor measurement differences between the financial statements and the tax base that could lead to deferred tax liabilities existed only under the item 'Shares in affiliated companies'. DekaBank's combined tax rate (31.9%) is used to measure deferred taxes.

3 Derivative transactions

DekaBank uses derivative financial instruments for trading purposes and to hedge interest rate risks, currency risks and other price risks.

Derivative transactions – volume – trading portfolio

	Nominal value		Full fair values positive market values		Full fair values negative market values	
€m	**31 Dec 2024**	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**
Interest rate risks						
OTC products						
Interest rate swaps	507,225.4	493,393.2	16,621.9	19,800.6	16,961.5	20,198.8
Forward rate agreements	80,643.0	98,657.0	27.9	81.3	33.1	80.5
Interest rate options						
Purchases	30,493.4	24,708.0	427.4	338.7	165.0	162.8
Sales	35,843.6	29,911.3	332.5	346.7	468.8	374.8
Caps, floors	21,189.4	23,011.7	86.3	165.1	133.3	277.0
Other interest rate futures	2,224.9	4,859.7	191.6	228.1	12.0	15.8
Exchange traded products						
Interest rate futures/ options on interest rate futures	30,168.6	46,382.0	6.4	47.1	5.5	8.0
Total	**707,788.3**	**720,922.9**	**17,694.0**	**21,007.6**	**17,779.2**	**21,117.7**
Currency risks						
OTC products						
Foreign exchange future contracts	15,427.9	9,835.3	141.4	91.5	134.2	95.3
Interest rate/currency swaps	599.7	795.9	24.5	20.7	26.8	28.6
Currency options						
Purchases	–	–	–	–	–	–
Sales	–	–	–	–	–	–
Total	**16,027.6**	**10,631.2**	**165.9**	**112.2**	**161.0**	**123.9**
Share and other price risks						
OTC products						
Share options						
Purchases	4,413.9	2,247.8	1,279.9	681.7	–	–
Sales	6,289.4	2,949.9	–	–	612.3	390.7
Credit derivatives	12,867.2	12,409.5	137.8	174.6	114.3	138.0
Other forward contracts	6,068.1	6,624.7	183.4	42.1	101.7	69.8
Exchange traded products						
Share options	43,078.1	40,916.4	1,555.2	1,865.5	1,225.9	1,225.8
Share futures	688.5	361.0	7.6	4.0	11.4	6.7
Total	**73,405.2**	**65,509.3**	**3,163.9**	**2,767.9**	**2,065.6**	**1,831.0**
Total	**797,221.1**	**797,063.4**	**21,023.8**	**23,887.7**	**20,005.8**	**23,072.6**
Amount carried in the statement of financial position:			7,268.7	7,662.5	7,538.8	8,650.9

The lower carrying amount of derivatives in the trading portfolio compared with market values is due to the offsetting of market values against the variation margin.

Derivative transactions – classification by maturities (nominal values) – trading portfolio

	Interest rate risks		Currency risks		Share and other price risks	
€m	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Residual term to maturity						
less than 3 months	77,528.3	95,558.2	8,610.2	6,076.1	6,887.3	7,444.5
> 3 months to 1 year	113,715.0	127,117.8	6,717.1	3,669.6	18,612.3	18,943.2
> 1 year to 5 years	235,750.3	240,338.9	606.4	668.2	39,372.2	32,645.5
> than 5 years	280,794.7	257,908.0	93.9	217.3	8,533.4	6,476.1
Total	**707,788.3**	**720,922.9**	**16,027.6**	**10,631.2**	**73,405.2**	**65,509.3**

Derivative transactions – classification by counterparties – trading portfolio

	Nominal value		Full fair values positive market values		Full fair values negative market values	
€m	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Banks in the OECD	588,811.8	620,501.4	13,335.8	15,090.4	14,511.7	17,306.5
Public sector entities in the OECD	14,966.2	16,234.9	1,016.1	1,225.0	145.9	194.0
Other counterparties	193,443.1	160,327.1	6,671.9	7,572.3	5,348.2	5,572.1
Total	**797,221.1**	**797,063.4**	**21,023.8**	**23,887.7**	**20,005.8**	**23,072.6**

Derivative transactions – volume – non-trading portfolio

€m	Nominal value 31 Dec 2024	Nominal value 31 Dec 2023	Full fair values positive market values 31 Dec 2024	Full fair values positive market values 31 Dec 2023	Full fair values negative market values 31 Dec 2024	Full fair values negative market values 31 Dec 2023
Interest rate risks						
OTC products						
Interest rate swaps	68,456.8	69,419.8	1,284.7	1,469.2	986.0	923.7
Forward rate agreements						
Interest rate options						
Purchases	42.9	42.9	0.2	0.3	–	–
Sales	247.0	255.0		–	4.4	4.3
Caps, floors				–	–	
Other interest rate futures		–		–	–	–
Exchange traded products					–	
Interest rate futures/ options on interest rate futures	48.0	52.9	0.6	–	–	1.6
Total	**68,794.7**	**69,770.6**	**1,285.5**	**1,469.5**	**990.4**	**929.6**
Currency risks						
OTC products						
Foreign exchange future contracts	3,141.9	1,131.2	31.8	34.8	20.0	1.3
Interest rate/currency swaps	9,893.2	10,794.5	10.1	159.1	351.4	187.4
Total	**13,035.1**	**11,925.7**	**41.9**	**193.9**	**371.4**	**188.7**
Share and other price risks						
OTC products						
Share options						
Purchases	627.1	–	8.9	–	–	–
Exchange traded products						
Share options		–		–	–	–
Share futures	28.0	32.3	0.4	–	0.1	0.8
Total	**655.1**	**32.3**	**9.3**	**–**	**0.1**	**0.8**
Total	**82,484.9**	**81,728.6**	**1,336.7**	**1,663.4**	**1,361.9**	**1,119.1**

Derivatives in the non-trading portfolio are generally valued individually in line with the imparity principle. Provisions for possible losses from derivatives are generally established by recognition of negative market values; on the other hand, a claim surplus is not capitalised. Derivatives allocated to the interest book undergo loss-free valuation pursuant to IDW RS BFA 3 (new version) together with other financial instruments of the interest book. Against this background, the above-mentioned market values are not the carrying values of derivatives in the non-trading portfolio. Paid or received option premiums and margins for derivative financial instruments of the non-trading portfolio are recognised under 'Other assets' or 'Other liabilities'.

Furthermore, a provision for possible losses in the amount of €1.6m was recognised as at the reporting date. €0.3m of this amount relates to credit derivatives and €1.3m to equity derivatives. In the previous year, €1.4m related to credit derivatives and €0.8m to equity derivatives. This is recognised in 'Other provisions'.

Under EU Regulation No. 648/2012 (EMIR), there is a requirement to perform certain OTC derivative transactions through a central counterparty. The daily settlement of gains and losses to be carried out in this process (variation margin) results in a net liability for the non-trading portfolio of €321.3m. This is recognised in amounts 'Due to customers'.

Derivative transactions – classification by maturities (nominal values) – non-trading portfolio

	Interest rate risks		Currency risks		Share and other price risks	
€m	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Residual term to maturity						
less than 3 months	12,583.6	13,415.1	2,483.5	742.1	28.0	32.3
> 3 months to 1 year	12,941.4	17,272.0	2,606.3	2,425.3	627.1	–
> 1 year to 5 years	30,134.7	25,902.1	6,974.0	6,700.6	–	–
> than 5 years	13,135.0	13,181.4	971.3	2,057.7	–	–
Total	**68,794.7**	**69,770.6**	**13,035.1**	**11,925.7**	**655.1**	**32.3**

Derivative transactions – classification by counterparties – non-trading portfolio

	Nominal value		Full fair values positive market values		Full fair values negative market values	
€m	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Banks in the OECD	68,588.6	71,212.6	933.5	1,167.5	1,194.0	997.0
Other counterparties	13,896.3	10,516.0	403.2	495.9	167.9	122.1
Total	**82,484.9**	**81,728.6**	**1,336.7**	**1,663.4**	**1,361.9**	**1,119.1**

The derivative financial instruments shown in the tables above are exposed to both market price risks and credit risks. Market price risks describe the potential financial loss caused by future fluctuations in market parameters. Market price risks comprise interest rate risks (including credit spread risks), currency risks and share price risks. DekaBank defines credit risk as the risk that a borrower, issuer or counterparty will not fulfil their contractually agreed obligations or fulfil them in a timely manner and that DekaBank will incur a financial loss as a result. Further information can be found in the risk report, which forms part of the management report.

4 Statement of subsidiaries and equity investments in accordance with section 285 no. 11 HGB

Name, registered office	Share of equity %	Equity[1] €'000	Result[2] €'000
Shares in affiliated companies			
bevestor GmbH, Frankfurt/Main[3]	100.00	3,600.0	–11,931.2
Deka Beteiligungsgesellschaft mbH, Frankfurt/Main	100.00	2,315.4	–21.4
Deka Immobilien Investment GmbH, Frankfurt/Main[3]	100.00	70,009.7	84,333.0
Deka Investment GmbH, Frankfurt/Main[3]	100.00	112,783.1	422,536.4
Deka Investors Spezial InvAG m.v.K. u. TGV (TGV Unternehmensaktien), Frankfurt/Main[4]	100.00	210.7	–0.8
Deka Treuhand Erwerbsgesellschaft mbH, Frankfurt/Main[3]	100.00	25.0	–12.3
Deka Treuhand GmbH, Frankfurt/Main	100.00	260.9	32.8
Deka Vermögensmanagement GmbH, Frankfurt/Main[3]	100.00	33,360.0	38,495.3
Deka Vermögensverwaltungs GmbH, Frankfurt/Main[3]	100.00	404.6	112.6
Deka Verwaltungsgesellschaft Luxembourg S.A., Luxembourg	100.00	127,233.9	55,773.7
Deka Vorratsgesellschaft 03 mbH, Frankfurt/Main[3]	100.00	25.0	0.6
Deka Vorratsgesellschaft 04 mbH, Frankfurt/Main[3]	100.00	25.0	0.6
Deka Vorratsgesellschaft 05 mbH, Frankfurt/Main[3]	100.00	25.0	0.6
IQAM Invest GmbH, Salzburg	100.00	7,018.2	1,168.9
IQAM Partner GmbH, Wien[5]	100.00	466.9	–5.7
IQAM Research der DekaBank GmbH, Frankfurt/Main[3]	100.00	50.0	1.5
LBG Leasing Beteiligungs-GmbH, Frankfurt/Main	100.00	30.4	0.6
S Broker AG & Co. KG, Wiesbaden[7]	100.00	69,670.8	–1,828.4
WestInvest Gesellschaft für Investmentfonds mbH, Düsseldorf[3]	99.74	11,338.6	55,946.8
WIV GmbH & Co. Beteiligungs KG, Frankfurt/Main	94.90	12,796.2	696.2
WIV Verwaltungs GmbH, Frankfurt/Main	94.90	88.4	4.9
Equity investments			
Dealis Fund Operations GmbH i.L., Frankfurt/Main	50.00	33,742.3	787.2
Merry Hill NewCo Limited, Jersey[6]	21.40	–230,798.1	–24,359.3
S-PensionsManagement GmbH, Cologne	50.00	43,191.0	416.8
SWIAT GmbH, Frankfurt/Main	30.00	9,301.5	–4,660.1
Indirect shares in affiliated companies			
Deka Far East Pte. Ltd., Singapore	100.00	1,104.4	44.8
Deka International S.A., Luxembourg	100.00	133,979.4	56,516.0
Deka Real Estate International GmbH, Frankfurt/Main	100.00	5,685.4	156.5
Deka Real Estate Services USA Inc., New York	100.00	2,197.8	336.7
S Broker Management AG, Wiesbaden	100.00	756.8	77.5

Name, registered office	Share of equity %	Equity[1] €'000	Result[2] €'000
Indirect equity investments			
DPG Deutsche Performancemessungs-Gesellschaft für Wertpapierportfolios mbH, Frankfurt/Main	22.20	3,806.9	505.1
Heubeck AG, Cologne	30.00	5,449.5	1,252.4
HEUBECK pen@min GmbH, Cologne	30.00	487.8	176.1
Heubeck Richttafeln GmbH, Cologne	30.00	94.0	9.4
Richttafeln-Unterstützungskasse GmbH, Cologne	30.00	162.8	7.0
Sparkassen Pensionsfonds AG, Cologne	50.00	3,366.6	–19.8
Sparkassen Pensionskasse AG, Cologne	50.00	175,009.7	0.0

[1] Definition of equity according to Section 266 (3 A) in conjunction with Section 272 HGB.
[2] Net profit/net loss according to Section 275 (2) No. 20 HGB
[3] A profit transfer agreement has been concluded with these companies.
[4] Balance sheet date of the annual financial statements as at 31 May 2024
[5] Balance sheet date of the annual financial statements as at 30 June 2024
[6] Balance sheet date of the annual financial statements as at 31 Dec 2022
[7] There is a loss tranfer agreement with this company.
Unless otherwise stated, the figures are taken from the annual financial statements as at 31 December 2023.

Off-balance sheet contingent liabilities

5 Letter of comfort

Except in the case of political risk, DekaBank will ensure that the subsidiary included in the consolidated financial statements, Deka Verwaltungsgesellschaft Luxembourg S.A., Luxembourg, can meet its commitments.

6 Other financial commitments

Other financial commitments include contribution commitments amounting to €0.1m (previous year: €0.1m) with respect to companies in which the Bank has invested. There was no additional funding obligation for the deposit guarantee scheme of the *Landesbanken* and *Girozentralen* at the end of the financial year (previous year: €27.4m). The statutory target for the assets held in the guarantee scheme of 0.8% of the covered deposits held by members of the guarantee scheme was met in the 2024 financial year.

Together with a subsidiary, DekaBank uses a liquidity waiver in accordance with Article 8 CRR. Within this context, an agreement has been concluded between the two companies which ensures a free flow of financial resources between them.

Notes to the balance sheet

7 Due from banks

€m	31 Dec 2024	31 Dec 2023
This item includes:		
Receivables		
to affiliated companies	0.0	20.1
to companies in which an interest is held	89.4	66.4
Subordinated loans	–	–
Sub item b (other claims) – breaks down according to residual term to maturity as follows:		
less than 3 months	1,301.1	3,399.6
> 3 months to 1 year	2,579.2	2,269.7
> 1 year to 5 years	3,660.0	5,299.0
> than 5 years	592.3	665.5
	8,132.6	**11,633.8**
Used as cover funds	**60.6**	**68.9**

8 Due from customers

€m	31 Dec 2024	31 Dec 2023
This item includes:		
Receivables		
to affiliated companies	1,290.6	1,100.7
to companies in which an interest is held	14.1	0.0
Subordinated loans		–
This item – Due to customers – breaks down by residual term to maturity as follows:		
with indefinite term to maturity	1,374.1	1,298.3
less than 3 months	1,734.3	1,743.2
> 3 months to 1 year	2,725.0	2,586.2
> 1 year to 5 years	12,476.9	11,506.0
> than 5 years	4,675.5	6,635.9
	22,985.8	23,769.6
Used as cover funds	**4,153.3**	**4,785.5**

9 Debt securities and other fixed-interest securities

€m	31 Dec 2024	31 Dec 2023
This item includes:		
marketable securities		
listed	13,435.7	9,117.9
unlisted	1,043.9	701.9
Subordinated securities	**–**	**–**
Securities due within one year	**2,207.0**	**1,640.3**
Used as cover funds	**625.1**	**616.4**
Book value of securities valued according to the moderate-lower-of-cost-or-market principle	10,607.5	7,924.9
Book value of securities reported at more than fair value	4,813.1	5,893.6
Market value of securities reported at more than fair value	4,680.1	5,640.1

The Bank intends to hold those securities allocated to the ‘Securities held as fixed assets’ category on a permanent basis. These securities are valued under the moderate lower-of-cost-or-market principle. The current value fluctuations are not assessed as permanent and repayment in full is expected on maturity.

The securities measured at the moderate lower-of-cost-or-market principle were distinguished from the securities measured at the strict lower-of-cost-or-market principle on the basis of the category applied in the portfolio.

10 Shares and other non-fixed-interest securities

€m	31 Dec 2024	31 Dec 2023
This item includes:		
marketable securities		
listed	–	–
unlisted	26.4	49.4
Subordinated securities	**–**	**–**

11 Trading portfolio (assets)

This item breaks down as follows:

€m	31 Dec 2024	31 Dec 2023
Derivative financial instruments	7,269.0	7,662.9
Receivables	19,619.8	11,205.4
Debt securities and other fixed-interest securities	11,181.2	7,784.8
Shares and other non-fixed-interest securities	1,184.5	453.4
Other assets	107.0	179.3
Risk mark-down	–48.6	–46.8
Total	**39,312.9**	**27,239.0**

12 Equity investments

As in the previous year, this item does not include any marketable securities.

13 Shares in affiliated companies

As in the previous year, this item does not include any marketable securities.

14 Trust assets

The trust assets recognised include €233.8m in amounts due from customers.

15 Tangible and intangible assets

This item comprises plant and equipment amounting to €35.8m (previous year: €30.4m).

Development in tangible and intangible assets

€m							Carrying value	
Asset items	**Cost of acquisi-tion/pro-duction**	**Additions**	**Disposals**	**Accumu-lated depre-ciation**	**Depre-ciation for the year**	**Disposals**	**31 Dec 2024**	**31 Dec 2023**
Intangible assets	389.7	36.2	–	209.8	33.3	0.0	182.8	179.9
Property, plant and equipment	76.3	15.2	2.0	46.0	9.7	2.0	35.8	30.4
Total	**466.0**	**51.4**	**2.0**	**255.8**	**43.0**	**2.0**	**218.6**	**210.2**

Development in equity investments, shares in affiliated companies and securities

€m	1 Jan 2024	Changes +/– [1]	31 Dec 2024
Equity investments	27.1	–0.2	27.0
Shares in affiliated companies	541.2	10.1	551.3
Securities held as fixed assets	7,924.9	2,682.6	10,607.5
Total	**8,493.2**		**11,185.8**

[2] The aggregation option under Section 34 (3) RechKredV was utilised.

The goodwill reported under intangible assets relates to the business activities of DekaBank Deutsche Girozentrale Niederlassung Luxemburg acquired in 2020. It is amortised over an average useful life of ten years. In determining the useful life, it was assumed that business activities will continue unchanged. Goodwill amounted to €119.7m as at 31 December 2024 (previous year: €147.2m). No significant changes are expected for the future development of the sector or the company.

16 Other assets

€m	31 Dec 2024	31 Dec 2023
This item includes amongst others:		
Tax refund claims	22.6	45.2
Premiums paid and margins for derivative financial instruments	9.8	2.8
Foreign exchange equalisation items	–	69.0

17 Prepaid expenses and accrued income

€m	31 Dec 2024	31 Dec 2023
This item includes:		
Premium/discount from underwriting and lending business	58.5	61.4
Prepaid expenses and accrued income – derivative financial instruments	389.8	281.7

18 Genuine repurchase agreements

As at 31 December 2024, the book value of lent securities or securities sold under repurchase agreements amounts to €1,678.8m (previous year: €1,477.2m). Pass-through securities lending transactions of €6,789.8m (previous year: €5,215.2m) were executed in which the borrowed securities were lent on to other parties.

19 Collateral transfer for own liabilities

As well as the receivables serving as the cover pool for issued covered bonds (*Pfandbriefe*), assets were also transferred as collateral in the following amounts for the following own liabilities:

€m	31 Dec 2024	31 Dec 2023
Due to banks	61.6	97.6
Due to customers	–	62.4
Trading portfolio (liabilities)	3,215.8	2,807.1

Collateral was provided mainly for borrowings as part of genuine repurchase agreements. In addition, securities with a book value of €1,699.0m (previous year: €1,185.2m) were pledged as collateral for transactions on German and foreign futures exchanges.

20 Investment shares

€m	Carrying value 31 Dec 2024	Market value 31 Dec 2024	Difference market value – carrying value	Distribution 2024	Daily redemption possible	Omitted depreciation
Equity funds	35.4	37.8	2.4	0.3	Yes	No
Bond funds	53.1	53.1	0.0	2.3	Yes	No
Mixed funds	31.6	31.7	0.2	2.0	Yes	No
Funds of funds	7.0	8.7	1.7	0.2	Yes	No
Total	**127.1**	**131.3**	**4.2**	**4.8**		

21 Due to banks

€m	31 Dec 2024	31 Dec 2023
This item includes:		
Liabilities		
to affiliated companies	42.0	38.5
to companies in which an interest is held	0.3	0.0
Sub item b (with agreed maturity or period of notice) breaks down by residual term to maturity as follows:		
less than 3 months	2,187.5	1,731.6
> 3 months to 1 year	1,315.3	2,193.5
> 1 year to 5 years	1,396.8	864.6
> than 5 years	731.4	996.6
	5,630.9	**5,786.3**

22 Due to customers

€m	31 Dec 2024	31 Dec 2023
This item includes:		
Liabilities to		
affiliated companies	1,670.8	1,651.1
companies in which an interest is held	291.6	254.5
Sub item b (with agreed maturity or period of notice) breaks down by residual term to maturity as follows:		
less than 3 months	2,618.1	2,603.0
> 3 months to 1 year	2,186.3	2,831.7
> 1 year to 5 years	786.5	814.6
> than 5 years	594.7	611.2
	6,185.6	**6,860.5**

23 Securitised liabilities

€m	31 Dec 2024	31 Dec 2023
Proportion of sub item a (issued bonds) maturing in the following year	**3,483.3**	**2,417.4**
Sub item b (other securitised liabilities) breaks down by residual term to maturity as follows:		
less than 3 months	2,980.2	458.4
	2,980.2	**458.4**

24 Trading portfolio (liabilities)

This item breaks down as follows:

€m	31 Dec 2024	31 Dec 2023
Derivative financial instruments	7,539.2	8,651.3
Liabilities	20,670.1	20,417.7
Sub-total	**28,209.3**	**29,069.1**

25 Trust liabilities

Trust liabilities of €233.8m relate to amounts due to customers.

26 Other liabilities

€m	31 Dec 2024	31 Dec 2023
This item includes:		
Foreign exchange equalisation items	272.2	–
Other tax liabilities	91.7	61.9
Trade payables	85.1	75.8
Bonuses for sales offices	3.1	117.2
Share of profit attributable to atypical silent partners	–	52.6
Premiums received and margins for derivative financial instruments	–	4.1

27 Accruals and deferred income

€m	31 Dec 2024	31 Dec 2023
This item includes:		
Premium/discount from underwriting and lending business	10.0	11.1
Prepaid expenses and accrued income – derivative financial instruments	311.6	239.2

28 Provisions for pensions and similar commitments

Pension provisions were calculated using the Heubeck mortality tables 2018 G based on the following actuarial parameters:

in %	31 Dec 2024	31 Dec 2023
Pension trend for adjustments according to Section 16 (2) Company Pensions Fund Act (BetrAVG)	2.20	2.20
Pension adjustment with overall trend updating	2.00	2.00
Salary trend	2.50	2.50

The above parameters are not relevant for the valuation of unit-linked pension commitments as these are not dependent on final salary.

For non-vested projected benefits, staff turnover profiles published by Heubeck Richttafeln GmbH are also used in the calculation with a level parameter of 1.5.

Provisions for pensions and similar commitments are discounted at the average market interest rate of the past 10 years published by Deutsche Bundesbank for an assumed residual time to maturity of 15 years. This interest rate stands at 1.90%. The difference arising under section 253 (6) sentence 1 HGB between the amount of the provision recognised when discounting using an average market interest rate of the past 10 financial years, and the provision amount when discounting using an average market interest rate of the past seven financial years (1.96%), is €–3.2m (previous year: €6.4m).

€m	31 Dec 2024	31 Dec 2023
Provisions for pensions	**45.3**	**79.7**
Acquisition cost of plan assets	381.6	372.0
Fair value of plan assets	694.0	601.8
Settlement amount of offset liabilities	739.3	681.5
Income from plan assets	83.6	62.3
Expenses for accumulated interest	12.3	11.2
Excess of plan assets over pension liabilities	**0.0**	**0.0**

The valuation of cover assets at fair value produces an amount that exceeds the historical cost of these assets of €312.4m, which is, however, not blocked for distribution in accordance with section 268 (8) HGB.

29 Other provisions

€m	31 Dec 2024	31 Dec 2023
Provisions in investment funds business	84.5	79.2
Provisions for legal risks	3.7	0.9
Provisions for credit risks	18.0	8.7
Provisions for operational risks	6.7	7.1
Provisions in human resources	131.9	135.7
Sundry other provisions	98.5	113.8
Total	**343.3**	**345.4**

DekaBank performed voluntary investigations to ascertain whether its involvement enabled third parties to conduct share trades around the dividend record date and make use of abusive tax structures or whether it was otherwise involved in such structures. The possibility of a claim in the amount of €6.7m being asserted against DekaBank in this regard due to its function as custodian cannot be ruled out in all probability. As a result, a provision for operational risks was set up in the amount of €3.8m as at 31 December 2020. As at 31 December 2022, the amount of the provision was increased by €2.9m to €6.7m based on further analyses. No further risks in this regard were evident as at 31 December 2024. The official search of DekaBank's premises in June 2022, the additional information obtained as part of the search and further voluntary investigations carried out on this basis do not change the assessment at the present time. The situation is being constantly reviewed.

The sundry other provisions were established in respect of liabilities arising from a range of issues. Sundry other provisions mainly comprise a provision set up in the 2019 financial year for a capital-strengthening measure in relation to a company in the equity investment portfolio, with DekaBank entering into a commitment to provide potential support (up to a maximum amount of €100.0m). This commitment is valued using a Monte Carlo simulation to forecast a possible capital shortfall at the level of the affiliated company depending on capital market developments. As at the reporting date, the average net present value of the payments amounts to €–85.6m (previous year: €–88.3m). The provision amounted to €71.2m as at the reporting date (previous year: €88.3m). In addition, there is a contingent liability in the amount of €14.4m, by which the guaranteed maximum amount exceeds the average net present value of the payments.

30 Subordinated liabilities

€m	31 Dec 2024	31 Dec 2023
Expenses from subordinated liabilities	72.4	60.1
Accrued interest on subordinated liabilities	48.2	48.0

The borrowings below exceed 10% of the total amount of subordinated liabilities:

Type	Nominal amount €m	Year of issue	Interest rate % p.a.	Maturity
AT 1	177.4	2022	3.63	--
AT 1	125.0	2021	3.20	--
AT 1	296.2	2014	5.20	--

There were no such borrowings in the reporting year.

There are no agreements or plans to convert these funds into equity or another form of debt. There is no early repayment obligation.

31 Equity

The breakdown of equity (excluding profits intended for distribution) is as follows:

€m	31 Dec 2024	31 Dec 2023
a) Subscribed capital	191.7	191.7
b) Capital reserve	239.5	239.5
c) Other retained earnings	165.4	165.4
Balance sheet equity	**596.6**	**596.572**

The capital reserve results from other additional payments in accordance with section 272 (2) no. 4 HGB.

The capital reserve includes premiums from the issue of shares in the company in accordance with the provisions of the Bank's statutes. This item also includes the atypical silent partnerships that were dissolved and contributed to DekaBank in 2021.

32 Contingent liabilities and other obligations

The off-balance sheet contingent liabilities amounting to €6,402.4m (previous year: €6,129.3m) include guarantees and sureties as well as liabilities under CDS transactions as protection seller. The item primarily includes liabilities arising from warranty obligations in the amount of €6,388.0m (previous year: €6,011.4m). Other liabilities include an amount of €14.4m for a capital-strengthening measure in relation to a company in the equity investment portfolio, by which the guaranteed maximum amount exceeds the average net present value. Other liabilities consist of irrevocable lending commitments of €384.7m (previous year: €590.4m). Based on the credit rating analyses carried out, it can essentially be assumed that borrowers/debtors will meet their commitments. No utilisation is therefore expected. Loan provisions that were deducted from the items were recognised in individual cases where the default of the borrower is likely.

33 Foreign currency volumes

€m	31 Dec 2024	31 Dec 2023
Foreign currency assets	21,784.2	14,012.2
Foreign currency liabilities	11,288.8	2,628.3

Notes to the income statement

34 Breakdown by geographical market

The total amount of interest income, commission income and other operating income is distributed across the following markets:

€m	31 Dec 2024	31 Dec 2023
Germany	4,779.2	4,886.7
Luxembourg	229.9	207.3
Total	**5,009.0**	**5,094.0**

35 Current income

Current income from shares in affiliated companies is largely due to the distribution made by Deka Verwaltungsgesellschaft Luxembourg S.A., Luxembourg, in the amount of €71.8m.

36 Net income from trading portfolio

Net income from the trading portfolio totalled €95.7m (previous year: €158.2m) after an amount of €10.8m (previous year: €17.6m) was transferred to the fund for general banking risks in the reporting year.

37 Other operating income

Other operating income consists mainly of €368.4m from Group offsetting and €82.1m from the reversal of provisions (including interest effect of €71.6m).

38 Other operating expenses

This item includes additions to other provisions in the amount of €7.0m and expenses from Group offsetting of €10.8m.

39 Income from write-ups on equity investments, shares in affiliated companies and securities held as fixed assets

This item includes a write-up resulting from the reversal of impairment losses on shares in affiliated companies in the amount of €10.1m and gains on the disposal of securities held as fixed assets in the amount of €4.1m.

40 Fees for auditors

In accordance with section 285 sentence 1 no. 17 HGB, the total fee paid to the statutory auditors is not shown, since the corresponding information is included in the consolidated financial statements of DekaBank Deutsche Girozentrale.

41 Income taxes

As an institution incorporated under public law, DekaBank's income for tax purposes is subject to corporation tax, the solidarity surcharge and trade tax. This results in a combined tax rate of 31.90% for the companies in the DekaBank fiscal group. Current income tax assets or liabilities are calculated at the current tax rates expected for payments to or refunds from the tax authorities.

On 15 July 2021, the Federal Ministry of Finance (BMF) published a revised circular dated 9 July 2021 on the tax treatment of share trades around the dividend record date. Compared with the original BMF circular dated 17 July 2017, this BMF circular sets out more specific information on the requirements for relief from capital yields tax (*Kapitalertragsteuer*), as well as on the legal consequences in the event of refusal to allow relief for share trades around the dividend record date. Based on the view taken by the tax authorities as set out in the revised BMF circular dated 9 July 2021 on the tax treatment of share trades around the dividend record date, there are tax risks associated with relief from capital yields tax as a result of share trades around the dividend record date for the years from 2013 onwards.

The tax authorities issued tax assessment notices in December 2023 for 2013 to 2017 and in November 2024 for 2018 that refused to allow any relief from capital yields tax relating to share trades around the dividend record date for the years from 2013 onwards. In the context of these assessment notices, the tax authorities pointed out that the content of the share trades could not be reviewed, and that changes to the tax relief amounts could be made in the future (subject to a review). An appeal has been lodged in each case. DekaBank paid all of the stipulated amounts, including interest, in 2024.

DekaBank's risk assessment with regard to ultimate victory in fiscal court proceedings has not changed and continues to match the view taken by its tax adviser.

As a result, DekaBank still sees no convincing reason to believe that the share trades it transacted around the dividend record date will fall under the scope of section 42 of the German Tax Code (*Abgabenordnung*, AO). In the case of its share trades, DekaBank also believes that there was a transfer of beneficial ownership and therefore considers it more unlikely than not that a final claim will be made in this regard. Since a degree of uncertainty remains as to how the tax authorities and fiscal courts will ultimately assess the share trades concerned, it is considered likely that enforcing this legal position will require recourse to courts of law.

For the purposes of the Pillar 2 income tax regulations (minimum tax) that have applied since 1 December 2024, DekaBank is conducting a review of all jurisdictions in which it has at least one subsidiary or permanent establishment to determine whether it will have to pay a "top-up tax". No actual tax expenses were incurred in connection with the minimum tax regulations in the reporting year, and these regulations are not expected to give rise to any financial charges in subsequent years.

42 Management and intermediary services for third parties

In the course of ordinary business activities within the Deka Group, transactions with Group companies are concluded at arm's length. The unconsolidated subsidiaries receive services from DekaBank free of charge as part of general business management services. This also applies to three subsidiaries included in the consolidated financial statements of the Deka Group that do not employ any staff of their own.

The management and intermediary services provided for third parties outside the Group relate to custody account management in particular.

Information relating to covered bond (*Pfandbrief*) business

43 Calculation of cover for mortgage and public sector lending business

Mortgage *Pfandbriefe*

Outstanding Pfandbriefe and cover pool assets

	Nominal value		Net present value[1]	
€m	**2024**	**2023**	**2024**	**2023**
Outstanding mortgage Pfandbriefe	851.0	931.0	853.1	918.5
Cover pool mortgage Pfandbriefe	1,130.4	1,429.9	1,132.3	1,414.8
Overcollateralization	279.4	498.9	279.2	496.3
Overcollateralization as a % of outstanding	32.8	53.6	32.7	54.0

[1] Net present values according to vdp credit quality differentiation model

Outstanding Pfandbriefe and cover pool assets – risk adjusted net present values[2]

	Risk-adjusted net present value + 250 BP		Risk-adjusted net present value –250 BP		Risk-adjusted net present value Currency stress	
€m	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Outstanding mortgage Pfandbriefe	830.0	875.7	877.4	964.9	830.0	875.7
Cover pool mortgage Pfandbriefe	1,069.9	1,327.4	1,201.7	1,513.5	1,069.9	1,327.4
Overcollateralization	239.9	451.7	324.2	548.6	239.9	451.7
Overcollateralization as a % of outstanding	28.9	51.6	37.0	56.9	28.9	51.6

[2] Net present values according to with the static approach pursuant to the Pfandbrief Net Present Value Directive (PfandBarwertV)

Outstanding *Pfandbriefe* and cover pool assets are denominated exclusively in euros.

Maturity structure

Maturity ranges	Outstanding mortgage Pfandbriefe		Cover pool mortgage Pfandbriefe	
€m	**2024**	**2023**	**2024**	**2023**
up to 6 months	50.0	0.0	1.0	68.2
> 6 months to 12 months	440.0	80.0	226.5	214.5
> 12 months to 18 months	50.0	50.0	81.8	0.0
> 18 months to 2 years	256.0	440.0	39.0	241.7
> 2 years to 3 years	55.0	306.0	350.3	153.9
> 3 years to 4 years	0.0	55.0	240.9	352.2
> 4 years to 5 years	0.0	0.0	117.4	249.6
> 5 years to 10 years	0.0	0.0	73.4	149.7
> 10 years	0.0	0.0	0.0	0.0
Total	**851.0**	**931.0**	**1,130.4**	**1,429.9**

Breakdown of cover pool assets by size

€m	Total nominal value 2024	Total nominal value 2023
Ordinary cover:		
up to €0.3m[1]	0.0	0.0
> €0.3m to €1.0m[1]	0.0	0.0
> €1.0m to €10.0m[1]	35.4	35.4
> €10.0m[1]	870.4	1,169.8
	905.7	**1,205.2**
Other cover pool assets[1]	224.7	224.7
Total	**1,130.4**	**1,429.9**

[1] secured by mortgages

Additional information

	2024	2023
Share of fixed-interest assets outstanding (in %)	100.0	100.0
Share of fixed-interest assets in cover pool (in %)	86.7	83.2
Volume-weighted average age of receivables (in years)	4.5	4.0
Average weighted mortgage loan-to-value (in %)	59.9	59.8

As in the previous year, the cover pool assets do not include any derivatives.

Total amount of additional cover pool assets

€m	2024	thereof: exposure in covered bonds[1]	2023	thereof: exposure in covered bonds[1]
Other Cover pool assets according to Section 19 (1) no. 2 a) and b) PfandBG	102.7	102.7	52.7	52.7
based in:				
Federal Republic of Germany	32.7	32.7	32.7	32.7
Belgium	50.0	50.0	0.0	0.0
France	20.0	20.0	20.0	20.0
Other Cover pool assets according to Section 19 (1) no. 3 a) to c) PfandBG	72.0	71.0	122.0	121.0
based in:				
Federal Republic of Germany	1.0	0.0	1.0	0.0
Belgium	0.0	0.0	50.0	50.0
Finland	18.0	18.0	18.0	18.0
France	28.0	28.0	28.0	28.0
Norway	25.0	25.0	25.0	25.0
Other Cover pool assets according to Section 19 (1) no. 4 PfandBG			50.0	-
based in:				
Federal Republic of Germany	50.0		50.0	-
Cover pool assets according to Section 19 (1) no. 2 PfandBG	**224.7**	**-**	**224.7**	**-**

[1] pursuant to Article 129 of Regulation (EU) 575/2013

Breakdown of cover pool assets by type of use

Total amounts	Federal Republic of Germany		France		Total	
€m	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Commercial use	418.8	623.2	486.9	582.0	905.7	1,205.2
Total		**623.2**		**582.0**	**905.7**	**1,205.2**

[1)] Including mandatory overcollateralization/safeguarding liquidity

Breakdown of cover pool assets by type of building

Total amounts	Federal Republic of Germany		France		Total	
€m	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Office buildings	232.6	327.2	477.2	572.3	709.7	899.6
Retail buildings	63.0	63.0	0.0	0.0	63.0	63.0
Other commercial buildings	123.3	232.9	9.7	9.7	133.0	242.6
Total	**418.8**	**623.2**	**486.9**	**582.0**	**905.7**	**1,205.2**

[1)] Including mandatory overcollateralization/safeguarding liquidity

As in the previous year, there were no receivables in the cover pool assets that were in arrears by, or non-performing for, 90 days or more as at the reporting date.

As in the previous year, there were no foreclosure sales or forced administration proceedings pending at the year-end.

As in the previous year, no foreclosure sales were carried out in the year under review.

As in the previous year, the Bank did not have to take over any property to prevent losses on mortgages.

As in the previous year, there were no arrears on interest payable on the mortgage debt.

Public Sector *Pfandbriefe*

Outstanding Pfandbriefe and cover pool assets

	Nominal value		Net present value[1)]	
€m	**2024**	**2023**	**2024**	**2023**
Outstanding public sector Pfandbriefe	2,762.0	3,178.4	2,649.7	3,012.2
Cover pool public sector Pfandbriefe	3,708.6	4,040.9	3,531.2	3,795.8
Overcollateralization	946.6	862.5	881.5	783.6
Overcollateralization as a % of outstanding	34.3	27.1	33.3	26.0

[1)] Net present values according to vdp credit quality differentiation model

Outstanding Pfandbriefe and cover pool assets – risk adjusted net present values[2)]

	Risk-adjusted net present value + 250 BP		Risk-adjusted net present value –250 BP		Risk-adjusted net present value Currency stress	
€m	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Outstanding public sector Pfandbriefe	2,432.3	2,744.4	2,907.9	3,333.4	2,432.3	2,737.0
Cover pool public sector Pfandbriefe	3,160.1	3,409.0	4,010.2	4,302.0	3,153.6	3,394.7
Overcollateralization	727.8	664.6	1,102.3	968.7	721.3	657.7
Overcollateralization as a % of outstanding	29.9	24.2	37.9	29.1	29.7	24.0

[2)] Net present values according to the static approach pursuant to the Pfandbrief Net Present Value Directive (PfandBarwertV)

Maturity structure

Maturity ranges	Outstanding public sector Pfandbriefe		Cover pool public sector Pfandbriefe	
€m	**2024**	**2023**	**2024**	**2023**
up to 6 months	270.0	352.5	150.2	350.4
> 6 months to 12 months	270.0	69.3	102.4	102.5
> 12 months to 18 months	85.9	270.0	51.8	182.9
> 18 months to 2 years	250.0	270.0	121.0	105.6
> 2 years to 3 years	510.0	331.7	472.4	199.3
> 3 years to 4 years	291.0	510.0	522.8	450.1
> 4 years to 5 years	286.5	291.0	204.1	510.8
> 5 years to 10 years	524.5	810.7	1,030.6	835.0
> 10 years	274.1	273.1	1,053.2	1,304.4
Total	**2,762.0**	**3,178.4**	**3,708.6**	**4,040.9**

Breakdown of cover pool assets by size

€m	Total nominal value 2024	Total nominal value 2023
Ordinary cover:		
up to €10.0m	164.9	154.5
> €10.0m to €100.0m	2,304.1	2,103.2
> €100.0m	1,148.7	1,672.2
	3,617.6	**3,929.9**
Other cover pool assets[1]	91.0	111.0
Total	**3,708.6**	**4,040.9**

Additional information

	2024	2023
Share of fixed-interest assets outstanding (in %)	100.0	100.0
Share of fixed-interest assets in cover pool (in %)	90.7	84.8
Net present values for each foreign currency in €m:		
USD	39.4	91.1

As in the previous year, the cover pool assets do not include any derivatives.

Total amount of additional cover pool assets

€m	2024	thereof: exposure in covered bonds[1]	2023	thereof: exposure in covered bonds[1]
Other Cover pool assets according to Section 20 (2) no. 2 PfandBG	91.0	90.0	110.0	110.0
based in:				
Federal Republic of Germany	90.0	90.0	110.0	110.0
Other Cover pool assets according to Section 20 (2) s. 1 no. 4 PfandBG	1.0	0.0	1.0	0.0
based in:				
Federal Republic of Germany	1.0	0.0	1.0	0.0
Cover pool assets according to Section 20 (2) PfandBG	**91.0**	**0.0**	**111.0**	**0.0**

[1] pursuant to Article 129 of Regulation (EU) 575/2013

Distribution of cover pool assets

Total nominal value of cover pool assets by country / type

	Sovereign		Regional authorities		Local authorities		Other debtors		Total	
€m	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Federal Republic of Germany	73.2	55.3	120.5	275.8	2,362.7	2,382.8	758.7	750.6	3,315.1	3,464.5
Denmark	0.0	0.0	0.0	0.0	0.0	0.0	97.7	122.2	97.7	122.2
Canada	0.0	0.0	0.0	27.7	0.0	0.0	0.0	0.0	0.0	27.7
Latvia	0.0	0.0	0.0	0.0	30.4	50.3	0.0	0.0	30.4	50.3
Netherlands	50.6	81.4	0.0	0.0	0.0	0.0	0.0	0.0	50.6	81.4
Norway	0.0	12.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.5
United States of America	29.8	41.4	0.0	0.0	0.0	0.0	0.0	0.0	29.8	41.4
United Kingdom of Great Britain and Northern Ireland	94.0	129.9	0.0	0.0	0.0	0.0	0.0	0.0	94.0	129.9
Total	**247.6**	**320.6**	**120.5**	**303.4**	**2,393.1**	**2,433.2**	**856.4**	**872.8**	**3,617.6**	**3,929.9**

of which: guarantees from export credit agencies

€m	2024	2023
Federal Republic of Germany	73.2	55.3
Denmark	97.7	122.2
Netherlands	50.6	81.4
Norway	0.0	12.5
United States of America	29.8	41.4
United Kingdom of Great Britain and Northern Ireland	94.0	129.9
Total	**345.3**	**442.7**

As in the previous year, there were no receivables in the cover pool assets that were in arrears by 90 days or more as at the reporting date.

Other information

44 Average number of staff

	2024			2023		
	Male	Female	Total	Male	Female	Total
Full-time employees	1,958	869	2,827	1,860	791	2,651
Part-time and temporary employees	333	703	1,036	303	648	951
Total	**2,291**	**1,572**	**3,863**	**2,163**	**1,439**	**3,602**

45 Remuneration of Board members

€m	2024	2023
Remuneration of active Board members		
Board of Management	8,381,981	6,536,236
Administrative Board	1,219,038	1,142,774
Remuneration paid to former Board members and surviving dependants		
Board of Management	3,048,820	3,304,880
Provisions for pension commitments to these persons	53,785,003	54,941,364

The remuneration to active members of the Board of Management presented above includes all remuneration and benefits in kind paid in the respective financial year. This also includes variable components that are attributable to previous years and are thus dependent on business performance in earlier periods.

In the 2024 financial year, variable remuneration components amounting to €3.8m (previous year: €3.9m) were committed to current and former members of the Board of Management, which are dependent on future performance.

Half of the variable remuneration components to which an entitlement does not already arise in the year of the commitment and that are paid out at a later date (deferred variable remuneration components) are granted in the form of cash payments and half in the form of instruments. All deferred variable remuneration components are subject to a waiting period of up to five years, during which they can be reduced or forfeited altogether in accordance with the statutory provisions in the event of failure to meet targets at individual, company or Group level. The value of the instruments depends on the sustainable performance of the Deka Group. The instruments are subject to a one-year holding period following the end of the waiting period and are paid out after that period has elapsed. In the event of serious misconduct or breaches of duty, variable remuneration components that have already been paid out can still be clawed back for a period of up to two years following the end of the last waiting period for the financial year in question.

Total emoluments include deferred variable remuneration components from previous years payable to active members of the Board of Management amounting to €2.8m and to former members of the Board of Management amounting to €0.3m. The entitlement of active board members comprises €0.8m for the 2023 financial year, €1.0m for the 2022 financial year, €0.4m for the 2021 financial year, €0.2m for the 2020 financial year, €0.2m for the 2019 financial year and €0.2m for the 2018 financial year.

46 Loans to board members

No loans or advances were granted to members of the Board of Management or Administrative Board. No guarantees or other commitments were entered into in favour of such persons.

47 Recommendation regarding appropriation of net profit

The proposed appropriation of the net profit for the 2024 financial year of €300,073,100.00 is as follows:

Distribution of a dividend amounting to €300,073,100.00, i.e. 156.5% on existing shares in the Bank’s subscribed capital (€191,740,000.00) that are entitled to dividends as at 31 December 2024.

Seats on supervisory bodies

48 Notes regarding the seats on supervisory bodies (as at 10 January 2025)

Dr. Georg Stocker (Chairman of the Board of Management)		
- none -		

Dr. Matthias Danne (Deputy Chairman of the Board of Management)		
Chairman of the Supervisory Board	Deka Investment GmbH	Frankfurt/Main
Chairman of the Supervisory Board	Deka Vermögensmanagement GmbH	Frankfurt/Main
Chairman of the Supervisory Board	Deka Immobilien Investment GmbH	Frankfurt/Main
Chairman of the Supervisory Board	WestInvest Gesellschaft für Investmentfonds mbH	Düsseldorf
Managing Director	Deka Treuhand Erwerbsgesellschaft mbH	Frankfurt/Main

Birgit Dietl-Benzin (Member of the Board of Management)		
Deputy Chairwoman of the Supervisory Board	Deka Investment GmbH	Frankfurt/Main
Deputy Chairwoman of the Supervisory Board	Deka Vermögensmanagement GmbH	Frankfurt/Main
Deputy Chairwoman of the Supervisory Board	Deka Immobilien Investment GmbH	Frankfurt/Main
Deputy Chairwoman of the Supervisory Board	WestInvest Gesellschaft für Investmentfonds mbH	Düsseldorf
Deputy Chairwoman of the Supervisory Board	S Broker AG & Co. KG	Wiesbaden
Member of the Supervisory Board	S Broker Management AG	Wiesbaden
Member of the Administrative Board until 30/09/2024	FMS Wertmanagement AöR	Munich

Daniel Kapffer (Member of the Board of Management)		
Chairman of the Supervisory Board	Sparkassen Pensionsfonds AG	Cologne
Deputy Chairman of the Supervisory Board	S Broker AG & Co. KG	Wiesbaden
Deputy Chairman of the Supervisory Board	S Broker Management AG	Wiesbaden
Deputy Chairman of the Supervisory Board	bevestor GmbH	Frankfurt/Main
Deputy Chairman of the Supervisory Board	S-PensionsManagement GmbH	Cologne
Deputy Chairman of the Supervisory Board	Sparkassen Pensionskasse AG	Cologne
Deputy Chairman of the Administrative Board	Deka Verwaltungsgesellschaft Luxembourg S.A	Luxembourg

Torsten Knapmeyer (Member of the Board of Management)		
Chairman of the Supervisory Board	S Broker AG & Co. KG	Wiesbaden
Chairman of the Supervisory Board	S Broker Management AG	Wiesbaden

Martin K. Müller (Member of the Board of Management)		
Chairman of the Administrative Board	Deka Verwaltungsgesellschaft Luxembourg S.A	Luxembourg
Managing Director	Deka Treuhand Erwerbsgesellschaft mbH	Frankfurt/Main
Dr. Olaf Heinrich (Head of Digital Multichannel Management)		
Member of the Supervisory Board	S Broker AG & Co. KG	Wiesbaden
Manfred Karg (Head of Corporate Office & Communications)		
Member of the Supervisory Board	Heubeck AG	Cologne
Member of the Supervisory Board	S-PensionsManagement GmbH	Cologne
Member of the Supervisory Board	Sparkassen Pensionskasse AG	Cologne
Member of the Supervisory Board	Sparkassen Pensionsfonds AG	Cologne
Holger Knüppe (Head of Equity investments)		
Chairman of the Supervisory Board	Deka International S.A	Luxembourg
Member of the Supervisory Board (from 26/09/2024)	IQAM Invest GmbH	Salzburg
Member of the Supervisory Board	S-PensionsManagement GmbH	Cologne
Member of the Supervisory Board	Sparkassen Pensionskasse AG	Cologne
Member of the Supervisory Board	Sparkassen Pensionsfonds AG	Cologne
Thomas Leicher (Head of Institutional Customer Sales)		
Member of the Supervisory Board (until 25/09/2024)	IQAM Invest GmbH	Salzburg
Kalliopi Minga (Head of Strategy & HR)		
Member of the Administrative Board	Deka Verwaltungsgesellschaft Luxembourg S.A	Luxembourg
Dr. Hans-Jürgen Plewan (Head of IT)		
Member of the Supervisory Board	S Broker AG & Co. KG	Wiesbaden
Marion Spielmann (Head of COO Banking Business and depositary)		
Member of the Administrative Board	Deka Verwaltungsgesellschaft Luxembourg S.A	Luxembourg
Sebastian Vetter (Head of Financing)		
Member of the Supervisory Board	Deka Investors Spezialinvestment-aktiengesellschaft mit veränderlichem Kapital und Teilgesellschaftsvermögen	Frankfurt/Main

49 Notes on the Board members of DekaBank Deutsche Girozentrale (as at 10 January 2025)

Board of Management

Dr. Georg Stocker
Chairman of the Board of Management

Dr. Matthias Danne
Deputy Chairman of the Board of Management

Birgit Dietl-Benzin
Member of the Board of Management

Daniel Kapffer
Member of the Board of Management

Torsten Knapmeyer
Member of the Board of Management

Martin K. Müller
Member of the Board of Management

Administrative Board

Prof. Dr. Ulrich Reuter
(since 1 January 2024)
Chairman
President of the German Savings Banks and Giro Association e.V.
President of the German Savings Banks and Giro Association ö.K.

Walter Strohmaier
Member
First Deputy Chairman
Chairman of the Management Board of Sparkasse Niederbayern-Mitte

Michael Breuer
Member
(since 1 July 2024)
Second Deputy Chairman
President of the Rhineland Savings Banks and Giro Association

Thomas Mang
Member
(until 30 June 2024)
Second Deputy Chairman
President of the Savings Banks Association of Lower Saxony

Additional representatives elected by the Shareholders' Meeting

Michael Bräuer
(until 30 June 2024)
Chairman of the Management Board of Sparkasse Oberlausitz-Niederschlesien

Cord Bockhop
(since 1 July 2024)
President of the Savings Banks Association of Lower Saxony

Ingo Buchholz
Chairman of the Management Board of Kasseler Sparkasse

Prof. Dr. Liane Buchholz
President of the Savings Banks Association Westfalen-Lippe

Matthias Dießl
(since 1 January 2024)
President of the Savings Banks Association of Bavaria

Johannes Hartig
Chairman of the Management Board of Sparkasse Bielefeld

Christoph Helmschrott
(since 1 August 2024)
Chairman of the Management Board of Sparkasse Passau

Thomas Hirsch
President of the Savings Banks Association of Rhineland-Palatinate

Melanie Kehr
Member of the Executive Board of Kreditanstalt für Wiederaufbau

Dr. Stefan Kram
Chairman of the Management Board of Kreissparkasse Herzogtum Lauenburg

Ulrich Lepsch
(since 1 August 2024)
Chairman of the Management Board of Sparkasse Spree-Neiße

Dr. Matthias Neth
(since 1 May 2024)
President of the Savings Banks Association Baden-Württemberg

Nancy Plaßmann
Member of the Management Board of Berliner Sparkasse

Stefan Reuß
Executive President of the Savings Bank and Giro Association Hesse-Thuringia

Klaus Richter
(since 1 January 2024)
Chairman of the Management Board of Sparkasse Münsterland-Ost

Katrin Rohmann
Freelance auditor

Frank Saar
Chairman of the Management Board of Sparkasse Saarbrücken

Jürgen Schäfer
(until 31 March 2024)
Chairman of the Management Board of Sparkasse Aschaffenburg-Alzenau

Peter Schneider
(until 30 April 2024)
President of the Savings Banks Association of Baden-Württemberg

Dr. jur. Harald Vogelsang
Spokesman of the Management Board of Hamburger Sparkasse AG and President of the Hanseatic Savings Banks and Giro Association

Ludger Weskamp
Executive President of the Eastern German Savings Banks Association

Burkhard Wittmacher
Chairman of the Management Board of Kreissparkasse Esslingen-Nürtingen

Alexander Wüerst
Chairman of the Management Board of Kreissparkasse Köln

Employee representatives appointed by the Staff Committee

Marion Blume
(since 24 July 2024)
First Chairwoman of the Staff Committee of DekaBank Deutsche Girozentrale

Barbara Wörfel
Second Deputy Chairwoman of the Staff Committee of DekaBank Deutsche Girozentrale

Edwin Quast
(until 17 July 2024)
Member of the Staff Committee of DekaBank Deutsche Girozentrale

Representatives appointed by the Federal Organisation of Central Municipal Organisations

Helmut Dedy
Managing Director of the German Association of Cities

Prof. Dr. Hans-Günter Henneke
Managing Member of the Presiding Board of the German County Association

Ralf Spiegler
(since 1 January 2024)
Mayor of the Nieder-Olm community

Assurance of the Board of Management

We assure that, to the best of our knowledge, the annual financial statements prepared in accordance with the applicable reporting standards convey a true and fair view of the net assets, financial position and results of operations of the Company and that the management report conveys a true and fair view of the business performance including the business results and position of the Company and suitably presents the material risks and opportunities and likely development of the Company.

Frankfurt/Main, 3 March 2025

DekaBank Deutsche Girozentrale

The Board of Management

Dr. Stocker	Dr. Danne	Dietl-Benzin
Kapffer	Knapmeyer	Müller

INDEPENDENT AUDITOR'S REPORT

To DekaBank Deutsche Girozentrale AöR, Berlin and Frankfurt am Main/Germany

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of DekaBank Deutsche Girozentrale AöR, Berlin and Frankfurt am Main/Germany, which comprise the balance sheet as at 31 December 2024, and the statement of profit and loss for the financial year from 1 January to 31 December 2024, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of DekaBank Deutsche Girozentrale AöR, Berlin and Frankfurt am Main/Germany, for the financial year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the non-financial statement pursuant to Section 289b et seq. German Commercial Code (HGB) as included in section "Sustainability report" of the management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its financial performance for the financial year from 1 January to 31 December 2024 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion does not cover the content of the non-financial statement referred to above.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the key audit matters we have determined in the course of our audit:

1. Determination of fair values of certain assets and derivative liabilities in the trading portfolio for which signif-icant valuation parameters cannot be measured by observation
2. Valuation of certificate issuance in the trading portfolio (liabilities)

Our presentation of these key audit matters has been structured as follows:

a) description (including reference to corresponding information in the annual financial statements)
b) auditor's response

1 Determination of fair values of certain assets and derivative liabilities in the trading portfolio for which significant valuation parameters cannot be measured by observation

a) Customer-led trading of financial instruments is part of DekaBank's core business activities. Assets (bEUR 39.3 or 41.7% of total assets) and derivative liabilities (bEUR 7.5 or 8.0% of total assets) resulting from these business activities are disclosed under the line item "trading portfolio" on the assets and on the liabilities side of the balance sheet. In accordance with Section 340e (3) HGB, financial instruments of the trading portfolio are measured at fair value (taking into account a risk mark-down). Significant valuation parameters cannot be derived from observable market data for a proportion of derivative financial instruments, receivables from registered securities, debt securities and other fixed-interest securities in the total amount of mEUR 879.2 and a portion of derivative liabilities of mEUR 16.1 in the trading portfolio. The recognition of unrealised gains and losses pursuant to Section 340c HGB as well as the valuation at fair value (taking into account a risk mark-down) have a material impact on the assets and liabilities as well as on the financial performance of the bank.

The fair value for financial instruments for which there is no active market and therefore there are no observable price-determining parameters is being determined by means of model non-observable parameters. In this respect, the characteristics used for the non-observable parameters represent the executive directors' assumptions and estimates as regards the measurement premises used as a basis by market participants to determine the pricing of these assets and derivative liabilities.

In our opinion, the determination of the fair values for financial instruments whose valuation is based on non-observable parameters to a significant extent within the scope of model-based valuations is of particular significance as the assumptions and estimates are based on the bank's executive directors' judgement and are prone to inherent and considerable estimation uncertainty. For this reason, we identified the determination of fair values for these financial instruments to be a key audit matter.

Corresponding information on the determination of the fair values of the trading portfolio are presented in section 2 "Accounting and valuation methods" subsection "Valuation of securities portfolios and derivatives" of the notes to the financial statements.

b) In the context of our risk-based audit approach, we audited the relevant internal control and performed substantive audit procedures based on our risk assessment. In so doing, we analysed the trading transactions measured using models. For this purpose, we gained an understanding of the underlying process and assessed the appropriateness and effectiveness of the relevant internal control for the valuation of these trading transactions, particularly regarding the controls in respect of the verification process for prices and market data independent of trading as well as of the model validation. We assessed the suitability of the used valuation models for products selected according to risk-based criteria by involving our internal valuation specialists, who are part of the audit team. In addition, we audited the effectiveness of the general and application-specific IT controls of the IT systems used.

Our valuation specialists performed independent subsequent valuations of the fair values on the basis of a sample test and independent of the values as at the balance sheet date determined by DekaBank’s valuation models. The results of these subsequent valuations were then compared with the valuation results provided by DekaBank.

In addition, we checked the disclosures in the notes for completeness and accuracy.

2 Valuation of certificate issuance in the trading portfolio (liabilities)

a) DekaBank issues structured financial instruments (so-called certificates), which are subscribed by private customers and institutional investors and which are disclosed as trading portfolio on the liabilities side in the amount of bEUR 18.3 or 19.4% of total assets. In accordance with Section 340e (3) HGB, financial instruments of the trading portfolio are measured at fair value. The valuation of certificate issuance is based on observable and non-observable input parameters. The recognition of unrealised gains and losses pursuant to Section 340c HGB as well as measurement at fair value have a material impact on the assets liabilities as well as on the financial performance of the bank.

The risk for the financial statements is particularly seen in appropriate market prices, valuation methods and models as well as parameters not being used for the determination of the fair values for certificate issuance. For this reason, we identified the valuation of certificate issuance to be a key audit matter.

b) In the context of our risk-based audit approach, we audited the relevant internal control and performed substantive audit procedures based on our risk assessment. In so doing, we analysed the trading transactions measured using models. For this purpose, we gained an understanding of the underlying process and assessed the appropriateness and effectiveness of the relevant internal control including general and application-specific IT controls for the valuation of these trading transactions, particularly regarding the controls in respect of the verification process for prices and market data independent of trading as well as of the model validation. We assessed the suitability of the used valuation models for products selected according to risk-based criteria by involving our internal valuation specialists. In addition, we audited the effectiveness of the general and application-specific IT controls of the IT systems used.

As at 31 December 2024, we, with the help of internal valuation specialists, have examined the subsequent valuation by applying independent valuation procedures, parameters and models in a risk-oriented manner by means of substantive procedures. In this respect, we covered the main product/model combinations used by DekaBank. Furthermore, we verified the discount curves used for the valuation of certificate issuance by means of external market data.

In addition, we checked the disclosures in the notes for completeness and accuracy.

Other Information

The executive directors are responsible for the other information. The other information comprises

- the non-financial statement pursuant to Sections 289b et seq. HGB included in section “Sustainability report” of the management report,
- the executive directors’ confirmations pursuant to Section 264 (2) sentence 3 and Section 289 (1) sentence 5 HGB regarding the annual financial statements and the management report.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the audited content of the disclosures in the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Administrative Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The administrative board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- plan and perform the audit of the annual financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the Company or of its business activities which serves as a basis for forming audit opinions on the annual financial statements and on the management report. We are responsible for the direction, supervision and inspection of the audit procedures performed for the purposes of the audit of the annual financial statements. We remain solely responsible for our audit opinions.
- evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Audit of the Electronic Reproductions of the Annual Financial Statements and of the Manage-ment Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Audit Opinion

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the annual financial statements and of the management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA-256 value 303a77318591af562675bae013668f7bb36e58b48aa389816e895dcfaacb2378, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the annual financial statements and the management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the annual financial statements and of the management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying annual financial statements and on the accompanying management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Annual Financial Statements and of the Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Audit Opinion

We conducted our audit of the electronic reproductions of the annual financial statements and of the management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the "Auditor's Responsibilities for the Audit of the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards (IDW QMS).

Responsibilities of the Executive Directors and the Administrative Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents based on the electronic files of the annual financial statements and of the management report according to Section 328 (1) sentence 4 no. 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The administrative board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited annual financial statements and to the audited management report.

Further Information Pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the general meeting on 21 March 2024. We were engaged by the administrative board on 31 May / 20 June 2024. We have been the auditor of DekaBank Deutsche Girozentrale AöR, Berlin and Frankfurt am Main/Germany, without interruption since the financial year 2023.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

In addition to the financial statement audit, we have provided to the audited Company or its controlled entities the following services that are not disclosed in the annual financial statements or in the management report:

- review of the interim financial report,
- voluntary annual financial statements audits of subsidiaries,
- securities accounts audit and German Securities Act (WpHG) audits pursuant to Section 89 WpHG and Section 68 (7) German Investment Code (KAGB),
- assurance engagements pursuant to ISAE 3402 / ISAE 3000,
- assurance services under supervisory law.

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as with the audited ESEF documents. The annual financial statements and the management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited annual financial statements and the audited management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Stephanie Fischer.

Frankfurt am Main/Germany, 6 March 2025

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Klaus Löffler	Stephanie Fischer
Wirtschaftsprüfer	Wirtschaftsprüferin
(German Public Auditor)	(German Public Auditor)

TRANSLATION

– German version prevails –

Glossary

Additional Tier 1 bond (AT1 bond)
Non-cumulative, fixed-interest bearer bonds issued by DekaBank as Additional Tier 1 capital with subsequent adjustment of its interest rate and an unlimited term. If the Common Equity Tier 1 capital ratio falls below a set minimum, the nominal and redemption values of the bearer bonds may be reduced in specific circumstances. DekaBank's issued AT1 bonds are fully eligible as core capital and thus help improve the regulatory ratios.

Advisory-/management mandate
External funds which are managed by a Deka Group investment management company (Kapitalverwaltungsgesellschaft – KVG). For advisory mandates, the Deka Group company acts only as an adviser, i. e. it is up to the external management company to verify compliance with investment regulations and contractual restrictions before placing orders. For management mandates, by contrast, investment decisions are taken, reviewed and carried out by a Deka Group investment management company.

Asset management net sales
Asset management net sales is an indicator of sales performance and customer acceptance in asset management. This figure essentially consists of total direct sales of mutual and special funds, fund-based asset management, funds of cooperation partners, master funds, advisory/management mandates and ETFs. Sales generated through proprietary investment activities are not included.

Asset management volume
The management volume essentially comprises the income-relevant volume of mutual and special fund products (including ETFs), direct investments in cooperation partner funds, the portion of fund-based asset management activities attributable to cooperation partners, third-party funds and liquidity, master funds and advisory/management mandates.

Assets under custody
All assets held in custody by the Deka Group as depositary.

Base year
The base year is a historical year that serves as the reference point for a time series. It is used to compare data from the current reporting year with data from a previous reporting year. This allows developments and progress over time to be recorded in relation to a fixed point in time and a baseline value in the past. On the other hand, the reference year is a variable point that can change over time. In some cases, the reference year is the same as the base year. The baseline value is stated for both the base year and the reference year and is the value of the information expressed as a quantitatively measured unit or a qualitatively described fact.

Business environment analysis
The annual business environment analysis serves to ensure transparency regarding the impact that climate and environmental risks have on the business environment (including customers, competitors and the regulatory framework). This can be used as a basis for examining the resulting impacts on the Deka Group's business model and business activities. The analysis is conducted for a short, medium and long-term time horizon using various scenarios.

Certificate volume
The certificate volume comprises only the certificates issued by Deka. It does not include cooperation certificates.

Climate scenarios
Various climate scenarios are used to assess the impacts of climate and environmental risks in the medium and long term. These climate scenarios are based on narratives published by scientific and regulatory institutions, particularly the scenarios of the Network for Greening the Financial System (NGFS).

Cost/income ratio (CIR)
In the Deka Group, this indicator is calculated from the ratio of total expense (excluding restructuring expense) to total income (excluding risk provisions in the lending and securities business) in the financial year.

CRREM
The Carbon Risk Real Estate Monitor (CRREM) is an important tool for analysing and assessing the specific emissions of individual properties and the portfolio as a whole. This science-based tool takes into account different variables such as the type of use of a property and its location and provides information on the maximum levels that should be permitted for energy consumption and carbon emissions at specific times in order to meet the Paris climate targets. These CRREM target pathways are continuously being adjusted on the basis of current developments and improved data as part of the research project.

Economic perspective
The economic perspective is one of two approaches on which the internal capital and liquidity adequacy assessment processes (ICAAP and ILAAP) are based. In the context of the ICAAP, the economic perspective is implemented via the concept of risk-bearing capacity. It serves to secure the capital of the Deka Group in the long term, thus making a key contribution to ensuring the institution's survival. The aim is also to protect creditors against losses from an economic view. In the context of the integrated quantification, management and monitoring of liquidity risk (ILAAP), the key risk measure in the economic perspective are the funding matrices defined by the Board of Management as being relevant for management purposes.

Economic result
The economic result is, in principle, determined in accordance with accounting and measurement policies of IFRS Accounting Standards. As well as the total of profit or loss before tax, the economic result also includes changes in the revaluation reserve before tax as well as the interest rate- and currency-related valuation result from financial instruments recognised at amortised cost, which are not recognised in the income statement under IFRS Accounting Standards but are relevant for assessing financial performance. The interest expense in respect of AT1 bonds (Additional Tier 1 capital), which is recognised directly in equity, is also included in the economic result. Furthermore, the economic result takes into account potential future charges that are considered possible in the future but that are not yet permitted to be recognised under IFRS due to the fact that accurate details are not yet available. The economic result is therefore a control variable on an accrual basis, whose high level of transparency enables recipients of the external financial reporting to consider the company from the management perspective.

ESG scorecard
ESG scorecards enable the Bank to assess the risks associated with ESG factors for both the borrower and the specific financing each time a limit is set, increased or extended and when monitoring existing business. ESG scorecards take into account physical and transitory climate transition risks, labour and human rights criteria and governance issues on a segment-specific basis.

Fund assets according to BVI
Fund assets according to BVI comprise the fund assets of the mutual funds, special funds, funds-of-funds and the master fund. In contrast to the method for determining the asset management volume of the Deka Group, direct investments in cooperation partner funds, the proportion of unit-linked asset management products attributable to cooperation partner funds, third-party funds and liquidity, and advisory/management and asset management mandates are not attributed to the Deka Group fund volume according to BVI.

Gross certificate sales
Gross certificate sales are an indicator of certificate sales performance. Redemptions and maturities are not taken into account, since the impact on earnings is primarily determined by the issue volume. Gross certificate sales include both certificates issued by Deka and cooperation certificates issued by other institutions and sold via sales support platforms.

Gross loan volume
In accordance with the definition set out in section 19 (1) of the German Banking Act (Kreditwesengesetz), the gross loan volume includes debt instruments issued by public authorities and bills of exchange, amounts due from banks and customers, bonds and other fixed-interest securities, shares and other non-fixed-interest securities including fund units, equity investments and shares in affiliated companies, equalisation claims against the public sector, items for which lease agreements have been concluded as the lessor, irrespective of their recognition in the balance sheet, other assets where they are subject to counterparty risk, sureties and guarantees, irrevocable lending commitments as well as market values of derivatives. In addition, the gross loan volume includes underlying risks from derivative transactions, transactions for the purposes of covering guarantee payments on guarantee funds, as well as the volume of off-balance sheet counterparty risks.

IEA
The International Energy Agency (IEA) is an organisation dedicated to promoting a secure, sustainable and affordable supply of energy worldwide. It provides comprehensive analyses, data and political recommendations to support the global energy industry. The IEA's Net Zero by 2050 climate roadmap is a detailed plan that aims to reduce global carbon emissions from energy to zero by 2050. This plan requires a complete transformation of energy production, distribution and use, with a focus on renewable energies such as solar and wind power.

Locked-in emissions
Unavoidable emissions that will continue even if immediate reduction measures are implemented, due to existing infrastructure and technologies or long-term contracts. These emissions are "locked in" as they depend on investments that have already been made.

Net funds inflow according to BVI
Net funds inflow according to BVI is the difference between funds inflow from unit certificate sales and funds outflow from unit certificate redemptions. In contrast to the method for determining the Deka Group's net sales, cooperation partner funds and advisory/management and asset management mandates are not attributed to the Deka Group's net funds inflow according to BVI. Net sales from proprietary investments are included in net funds inflow according to BVI only.

Normative perspective
The normative perspective is one of two approaches on which the internal capital and liquidity adequacy assessment processes (ICAAP and ILAAP) are based. In the context of the ICAAP, the normative perspective includes all internal instruments, regulations, controls and processes aimed at ensuring that regulatory and supervisory capital requirements are met on an ongoing basis, i.e. also prospectively, over the next few years. This means that it directly pursues the objective of ensuring that the institution can continue as a going concern. In the context of the integrated quantification, management and monitoring of liquidity risk (ILAAP), the key risk measure in the normative perspective is the LCR in accordance with the CRR in conjunction with Commission Delegated Regulation (EU) 2015/61 as well as 2018/1620 and the NSFR in accordance with the requirements of the CRR.

Number of (active) employees
The number of employees is the effective number of active full-time employees at the reporting date, with part-timers being counted in proportion to their working hours. Active employees means staff members who are actively involved in DekaBank's work processes. This includes the Board of Management, other managers, core staff members, contract staff and temporary staff. Vocational and other trainees, interns and employees on long-term leave are not included.

NZAM
Since October 2021, Deka Investment GmbH and Deka Vermögensmanagement GmbH have been members of the Net Zero Asset Managers Initiative (NZAM), which was founded in December 2020. Within this international alliance, participating asset managers commit to supporting the achievement of "net zero greenhouse gas emissions" by 2050 at the latest in the context of their activities, in order to limit the rise in global average temperatures to 1.5°C compared with pre-industrial levels, in line with the Paris climate targets. To achieve this goal, the signatories undertake to align their portfolios accordingly in the course of strategic and tactical asset allocation and to define interim targets for a reduction in the greenhouse gas emissions for an initial portion of assets under management, which must be met as early as 2030.

Payments to the alliance partners
Payments made to the alliance partners (savings banks and Landesbanks) by the Asset Management divisions are made up of the partners' portions of investment fund entry charges, sales commissions, sales performance fees, asset management fees and other payments from asset management. The payments to alliance partners have also included commissions on certificates.

Poseidon Principles
The Poseidon Principles are an international framework created by and for financial institutions and allow climate considerations to be taken into account in lending decisions, to promote the decarbonisation of the international shipping industry. The goal is to reduce greenhouse gas emissions in shipping by at least 20 percent, with the aim of achieving a 30 percent reduction compared with 2008 levels by 2030 and of reaching net zero by around 2050.

Resilience analysis
The significance analysis, business environment analysis and climate scenario analyses are the main tools used to analyse resilience.

Return on equity (RoE)
Return on equity before tax at the Deka Group is calculated as the return on balance sheet equity. The annualised economic result is expressed relative to the average balance sheet equity excluding Additional Tier 1 (AT1) capital and adjusted for intangible assets. Average balance sheet equity is calculated based on the capital at the previous year-end and the last quarterly financial statements.
At business division level, return on equity before tax is calculated as regulatory return on equity. This involves expressing the annualised economic result (before income distribution of the Treasury function) relative to the average regulatory capital employed. The average is calculated using monthly risk-weighted assets multiplied by 13 percent (the strategic target for regulatory capital employed), starting with the figure at the previous year-end.

Risk appetite
Risk appetite refers to the overall aggregate risk of individual risk types that the Deka Group is prepared to enter into, within the limits of its risk capacity, in order to achieve its strategic objectives and business plan. In the economic perspective, the risk appetite for risks affecting profit and loss is defined in the risk-bearing capacity analysis as the allocated risk capital (allocation) for overall risk at Group level. The maximum permissible risk appetite is equal to risk capacity less a management buffer and a buffer for climate and environmental risks. With regard to liquidity risk, the Deka Group has defined its risk appetite in the economic perspective as the scenario that gives it an indefinite survival period in an extreme hypothetical stress scenario involving a simultaneous institution-specific and market-wide stress event. This hypothetical stress scenario is illustrated in the "combined stress scenario" funding matrix. Permanent solvency and an unlimited survival horizon are achieved by setting a limit of 0 on the liquidity balances of all relevant maturity bands for periods of up to 20 years.

Risk-bearing capacity
The aim of the risk-bearing capacity analysis is to ensure the adequacy of capital resources from an economic view. Sufficient assets must be available to cover risk events, even those which materialise extremely rarely. This involves combining all risk types with a holding period of one year and a correspondingly high confidence level of 99.9 percent, which is consistent with DekaBank's target rating. The overall risk is then compared against the internal capital, which corresponds to the risk capacity, and the risk appetite defined by the Board of Management.

Significance analysis
The significance analysis is specifically designed to identify and assess ESG risks and is carried out each year as part of the risk inventory. The analysis looks at the impacts of ESG risk drivers on the main risk types. It covers the entire portfolio and all business activities of the Deka Group.

Suppliers and service providers
The Deka Group defines suppliers as companies that provide physical goods that are needed for day-to-day operations. This includes providers of IT hardware and office equipment, for example. These goods are essential to ensure physical and technological operations at the Deka Group. In contrast, a service provider provides specialist services that support the Deka Group in its business activities. Such services may include IT support, facility management, consultancy services, accountancy services or customer services. Service providers use their specialist knowledge and human resources to improve efficiency and optimise the Bank's operations.

This report is available in both German and English. In the event of discrepancies between the English and German versions, the German version shall prevail.

Gender clause
In this annual report, words in the masculine include words in the feminine; in parts of the report, the masculine form has been used solely to make the document easier to read.

Disclaimer
The Group management report and other parts of the Annual Report contain forward-looking statements as well as expectations and forecasts. These are based on the information available to us at this time, which we have deemed to be reliable after careful consideration. We do not assume an obligation to update based on new information and future events after the publication of this information. We have derived our estimations and conclusions from these forward-looking statements, expectations and forecasts. We expressly point out that all of our future-oriented statements are associated with known or unknown risks or imponderables and are based on conclusions relating to future events, which depend on risks, uncertainties and other factors that are outside of our area of influence. Such developments may result from a change in the general economic situation, the competitive situation, development of the capital markets, changes in tax law and the legal framework and from other risks, among other things. The events actually occurring in the future may thus turn out to be considerably different from our forward-looking statements, expectations, forecasts and conclusions. We can therefore assume no liability for their correctness and completeness or for the actual occurrence of the events predicted.

Due to rounding, numbers and percentages presented in this report may not add up precisely to the totals provided.

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