Climate transition plan of Deka Group

2025

Contents

1. Foreword by the Board of Management

Dear Sir or Madam,

Even in times of great geopolitical uncertainty and economic upheaval, climate protection and the principles of sustainable development remain central pillars of the Deka Group's business activities. The natural disasters of 2025 have once again demonstrated that climate change and the associated physical risks are evident and are already having an impact on the economy and society today.

The Paris Agreement therefore remains the central reference point for the Deka Group's climate strategy. This climate transition plan sets out how we apply this strategy to our financing activities and investment decisions within the context of our proprietary investments. We assign great importance to this transparency in the current political and social climate.

As Deka Group, we see it as our primary task to support companies on their path towards a climate-friendly business model. However, the reality is that the decarbonisation of the economy can only succeed if companies, for their part, define ambitious climate targets, draw up economically viable investment plans and develop innovative technologies.

We cordially invite you to join us in developing solutions for the necessary decarbonisation of our economy and, in doing so, to capitalise on the opportunities that arise.

Yours sincerely

Deka Group Board of Management

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The Deka Group and its climate transition plan at a glance

2. The Deka Group and its climate transition plan at a glance

2.1. Business model of the Deka Group

The Deka Group consists of DekaBank Deutsche Girozentrale (DekaBank) and its domestic and foreign subsidiaries. As the "Wertpapierhaus" of the savings banks, it supports the savings banks and their customers as well as institutional investors throughout the entire securities-related investment and advisory process. Through its activities in asset management and banking business, it acts as a service provider for the investment, administration and management of assets.

The Deka Group has divided its activities into five business divisions, each of which brings together related areas of expertise: The Asset Management Securities (AMW) and Asset Management Real Estate (AMI) divisions cover asset management activities. The Capital Markets and Financing business divisions relate to the Deka Group's banking business – together with its own business operations, they are the focus of this transition plan. The fifth business division, Asset Management Services (AMS), provides banking services for asset management.

The energy-efficient Deka building on Lyoner Straße at the Frankfurt site.

Sustainability principles of the Deka Group

The sustainability principles of the Deka Group are embedded in the Group's business strategy and encompass environmental, social and governance matters. They are consistent with the sustainability strategy of the Sparkassen-Finanzgruppe. The Deka Group:

1	**ESG as a holistic approach** … 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	**Needs-based investment solutions** … 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	**Support for sustainable action** … 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	**Services for savings banks** … supports the savings banks with comprehensive analysis, consulting and services in the sustainable orientation of customer business and proprietary business management.
5	**Conscious financing strategies** … supports financing that enables sustainable growth through targeted lending. This includes financing which supports customers in transforming their business model.
6	**Decarbonisation** … is continuing on its chosen path of reducing its greenhouse gas footprint, both in its internal operations and in its external business activities, while also analysing nature-related dependencies and impacts.
7	**ESG governance** … integrates sustainability consistently into structures and processes across the relevant internal value chains, which also contributes to fulfilment of voluntary commitments.
8	**Partners and service providers** … consistently demands compliance with ESG criteria from partners and service providers for its own operations.
9	**Appropriate remuneration policy** … 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	**Sustainable personnel strategy** … 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	**Responsible corporate governance** … 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	**Respect for human rights** … 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	**Dialogue as an investor & voting rights** … 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	**Social Engagement** … promotes projects in the areas of social issues, architecture, art, music, sport, education and science as part of its social engagement.

2.2. Deka Group's business strategy as the basis for climate strategy objectives and measures in banking business and own business operations

The Deka Group's business strategy forms the basis for climate-related strategic objectives and measures in banking business and in its own business operations. Since the 2015 financial year, sustainability issues – and thus climate aspects – have been an integral part of the business strategy and, as such, a core component of the Group's business policy. The key pillars of the sustainability strategy are set out in 14 sustainability principles. They significantly shape the sustainability approach of the entire Deka Group and define the key areas of action relating to sustainability. This sustainability approach applies equally to relationships with business partners, the standards set for the organisation itself, and the Deka Group's public engagement.

The sustainability principles include, among other things, the ambition to enable sustainable growth through targeted lending (Principle 5) and to consistently continue on the path taken to reduce the greenhouse gas (GHG) footprint both in its internal operations and in its external business activities (Principle 6). With regard to climate change, this means that the Deka Group, taking into account its ambitions and guidelines, actively promotes the climate-related transition of the real economy together with its business partners, owners and other stakeholders.

When making lending decisions in new business and investment decisions for proprietary investments, GHG emissions and, in sectors relevant to climate strategy, physical or economic intensities are taken into account, along with their impact on the sectoral targets set. In doing so, attention is always paid to a fair balance between the returns and opportunities offered by the financing or investment and compatibility with the strategic guidelines and decarbonisation targets.

The specific targets and measures to promote the transition of the real economy and, consequently, the decarbonisation of the Deka Group's business activities are set out in the respective climate transition plans. As part of the annual strategy process, the relevance and alignment of the business strategy with the Deka Group's strategic objectives are reviewed. This includes a review and further development of the climate strategy objectives, transition plans, guidelines and measures. This ensures that the content of the individual transition plans is closely linked to the business strategy as well as the relevant functional, divisional and business-division-specific strategies. Just as with all business strategy decisions, climate strategy objectives and measures are also incorporated into financial planning.

The Deka Group's climate strategy activities are firmly embedded across the board within the governance structure, with corresponding responsibilities. In addition, the Deka Group's external reporting takes place within the framework of the sustainability report in the Group management report. ESG data management (see section 4.4.) and the use of climate scenarios (see section 5.1.) are also organised across the Group. Where appropriate, overarching ESG targets and strategies are developed.

2.3. Transition plans for the main business activities at a glance

The Deka Group's climate transition plans define the decarbonisation pathways for the individual business divisions as well as for its proprietary investments and business operations. The individual plans are fundamentally geared towards achieving the greenhouse gas neutrality target ("net zero") defined in the Paris Agreement by 2050.

The Deka Group implemented the requirements of the Corporate Sustainability Reporting Directive (CSRD) for the first time in 2024 and developed individual transition plans for each material business activity, which together form the Deka Group's climate transition plan. In doing so, it was recognised that individual approaches must also be pursued within the business divisions when monitoring and managing the reduction of the respective GHG emissions.

The transition plans for financing and proprietary investments, as well as for the Group's own business operations (corporate environmental management), are presented in detail in this document.

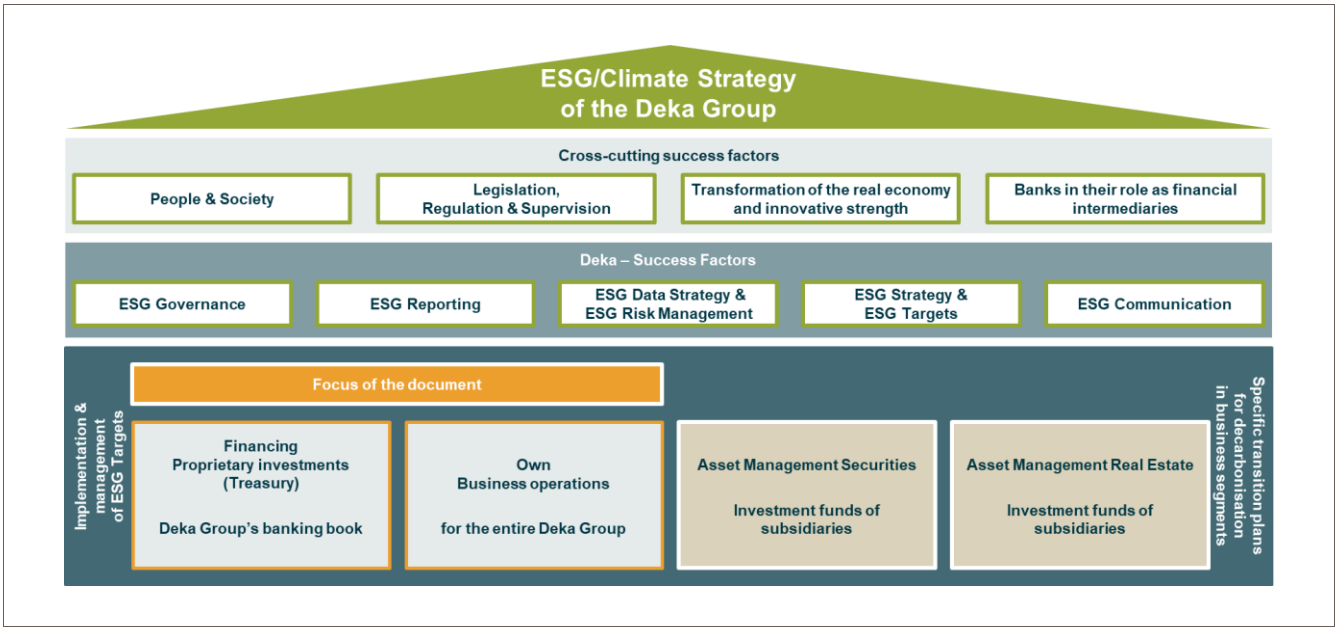

Figure 1: Deka Group's ESG/climate strategy at a glance

- For its **banking business** involving financing and proprietary investments, DekaBank is guided by the Paris Agreement. Where possible, GHG emissions are to be reduced to net zero by 2050.

  In both areas, the focus is on the economic sectors with the highest emissions financed by DekaBank. These currently include the electricity, air transport, burning of fossil fuels, marine transport, automotive (passenger cars and trucks), chemical products and real estate activities sectors. For the property financing sector, in line with the business activities of the AMI business division, a "below 2.0°C pathway" is pursued across all business divisions.

  The selection of focus sectors is regularly reviewed on the basis of their materiality (see section 5.2.). The sector-specific decarbonisation targets are to be achieved primarily through the further integration of climate aspects into management processes and measures, with a regular distinction being made between existing and new business.

- In its **own business operations**, the Deka Group is aiming for a 1.5°C target. With CO_2 emissions of 8,288 tonnes in 2025, this has comparatively little strategic significance for climate action compared to the Deka Group's other business divisions. However, the Deka Group is convinced that a consistent climate transition plan should also take these decarbonisation potentials into account.

  To achieve this target, low-emission business operations are to be implemented by 2045, and by 2050, unavoidable GHG emissions generated by the company's own business operations are to be reduced to net zero through appropriate offsetting measures. Key areas for action to reduce emissions include district heating, air travel, vehicle fleet, paper, commuters, data centers and electricity.

Fundamental orientation of transition plans in the asset management business divisions

The transition plans for the Asset Management Securities (AMW) and Asset Management Real Estate (AMI) business divisions are based on their responsibility as trustees of the investment funds. The ESG criteria defined as binding for the relevant products must be strictly adhered to by both business divisions as part of their fiduciary responsibility; this also applies to climate-related requirements. Against this background, AMW and AMI have defined the following climate strategy objectives and measures.

At the heart of the transition plan in the **AMW business division** are the climate targets formulated as part of the membership in the Net Zero Asset Managers Initiative. The aim is to halve the weighted CO_2 intensity of Scope 1 and Scope 2 emissions for the relevant assets (actively managed retail funds excluding ETFs) by 2030, using 2019 as the base year. The aim is to achieve the net-zero target for all managed funds by 2050. This is to be achieved in particular through various levers within the investment process.

These include

- exclusion criteria in investment decisions,
- thresholds for Principal Adverse Impacts (PAI) to reduce adverse effects on sustainability,
- the application of the ESG risk level model,
- net-zero management to reduce the weighted average carbon intensity (WACI) of Scope 1 and Scope 2 emissions in the net-zero portfolio, as well as
- active dialogue with the most emissions-intensive companies and the corresponding exercise of voting rights.

Further details on the aforementioned measures and on the AMW business division's climate strategy can be found in the ESG Policy, which is published alongside other documents at https://www.deka.de/privatkunden/ueber-uns/deka-Investment/deka-investment-nachhaltigkeit.

The **AMI business division's** objective is to achieve climate neutrality for the entire portfolio by 2050. This is consistent with the target of limiting global warming to well below 2 degrees in accordance with the Paris Agreement.

Key levers in this regard are

- energy efficiency measures, e.g. through operational optimisations in the properties,
- the decarbonisation of heating, e.g. through the use of green district heating, where available and economically viable,
- the decarbonisation of electricity, e.g. by expanding the procurement and use of renewable energy, and
- the conclusion of green leases.

As part of ongoing transactions, in accordance with the defined fund strategies, preference will be given to purchasing properties that, in the long term, fall below the 2-degree decarbonisation pathway of the Carbon Risk Real Estate Monitor (CRREM), or, in some cases, selling properties that exceed this target pathway.

Further details on the above points and on the climate strategy of the AMI business division can be found in the ESG strategy, which is published at https://www.deka-immobilien.de/de/nachhaltigkeit/strategie.

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Targets of the climate transition plans

3. Targets of the climate transition plans

In line with the Paris Agreement and the resulting German climate legislation, the Deka Group aims to achieve the net-zero target for GHG emissions by 2050 across its banking business, including financing and proprietary investments, in its asset management divisions, and in its own business operations. To this end, the Deka Group has formulated decarbonisation targets for its individual business activities and defined specific measures to achieve them.

The targets and measures are derived in line with dynamic technological and real-economy developments, the political and regulatory framework, and the expectations of business partners, owners and other stakeholders; they are regularly reviewed and, where necessary, adapted to the respective framework conditions, developments and expectations.

The achievability of the defined targets and the success of the corresponding measures depend not least on whether companies in the real economy take consistent steps to achieve international and national climate targets and make targeted investment decisions.

3.1. An overview of the specific decarbonisation targets

3.1.1. Financing and proprietary investments

The Deka Group aims to decarbonise its financing portfolio and its proprietary investments by 2050. A sector-based approach is used for this purpose, whereby, as a first step, the sectors with the highest financed emissions or intensities are identified on the basis of the specific portfolio composition. Further information on this sector materiality analysis can be found in section 5.2.

For the sectors identified as strategically relevant to climate policy, DekaBank has, in a second step, set specific targets for reducing GHG intensities. These are reviewed annually, primarily in light of expected progress in decarbonisation within the relevant sectors, as well as developments in the macroeconomic environment and new scientific findings or technological advances (see table 1).

Sector	Status quo as at 31 December 2025	Target 2030	Decrease compared to the base year 2024	Target 2050	Decrease compared to the base year 2024
Electricity (in kg CO_2e/MWh)	384.54	174.31	-23%	2.63	-99%
Air transport (in g CO_2e/pkm)	100.76	87.31	-29%	2.44	-98%
Burning of fossil fuels (in g CO_2e/MJ)	58.23	52.13	-45%	0.00	-100%
Marine transport (in g CO_2e/tkm)	4.81	2.15	-49%	0.00	-100%
Automotive sector: passenger cars (in g CO_2e/vkm)	139.71	89.07	-37%	1.28	-99%
Automotive sector: trucks (in g CO_2e/tkm)	45.74	25.35	-48%	2.95	-94%
Chemical products (in t CO_2e/€ million of turnover)*	2,214.22	1,139.57	-38%	98.25	-95%
Real estate activities (in kg CO_2e/m^2)	37.57	16.88	-50%	3.55	-90%

Table 1: Decarbonisation targets for sectors defined as relevant to climate strategy; further details in section 5.2.; * Due to a lack of available data, the metric and target definition for the chemical products sector have been adjusted from physical to economic intensity; the new base year for this sector is 2025.

In deriving its targets, DekaBank follows the scientifically derived Net Zero 2050 climate pathways of the International Energy Agency (IEA). For the marine transport sector, the reference pathways of the Poseidon Principles apply, and for the real estate sector, the CRREM 2-degree decarbonisation pathway (see also section 4.1.). In real estate financing, DekaBank thus pursues a uniform and consistent approach in line with the Deka Group's other real estate-related activities in asset management.

The management of unavoidable emissions is set to change significantly with the further development of relevant carbon capture and storage (CCS) technologies. Both disruptive technologies and natural carbon sinks can play a key role in this.

DekaBank offers a wide range of financing solutions that support the transition of its clients' business activities towards a lower-emission future. These include both debt financing for companies and the financing of specific properties or projects.

Key drivers for reducing GHG emissions are technological change in the real economy and the corresponding financing of state-of-the-art technologies. In this respect, the selection of the assets or projects being financed and their technical

standards are of particular importance. In concrete terms, this means, for example, that in transport financing DekaBank gives preference to new-built ships with energy-efficient designs, such as dual-fuel-capable propulsion systems, when selecting financing targets. In real estate financing, attention is paid to the high energy efficiency of buildings.

Looking ahead, DekaBank plans to selectively pursue new business in infrastructure financing for hydrogen projects and in the field of advanced technologies such as battery storage, carbon capture and storage (CCS) and sustainable fuels, as soon as robust economic structures become available on the market that enable the economic scalability of these technologies and thus align with the Deka Group's risk appetite.

3.1.2. Own business operations

In its own business operations, the Deka Group aims to achieve low-emission business operations by 2045 and net-zero status by 2050. A significant reduction in GHG emissions compared with the base year 2024 is to be achieved as early as 2030. In the 2025 reporting year, GHG emissions were reduced by 1,585 tonnes compared with the base year, a reduction of around 16 per cent (see table 2). The overarching guiding principle for measures within its own business operations is "avoidance before reduction before offsetting".

	Status quo financial year 2025	Target 2030	Target 2050
Own business operations	8,288 t CO_2e	5,916.7 t CO_2e	0 t CO_2e
Decrease compared to the base year 2024	-16%	-40%	-100%

Table 2: Decarbonisation target for own business operations

The key areas for action within the own business operations are district heating, air travel, vehicle fleet, paper, commuters, data centers and electricity. These categories account for around 91 per cent of total emissions from own business operations, ensuring that the measures taken here are also focused on the key drivers. The target for the vehicle fleet is for it to be largely low-emission by 2035. The relevant measures, e.g. a car policy and a travel policy, are integrated into the Deka Group's environmental management system, which is certified in accordance with EMAS (Eco-Management and Audit Scheme) and DIN EN ISO 14001.

Continuous monitoring and the systematic documentation of progress made, e.g. in the ESG dashboard (see section 4.2.3.), ensure the targeted implementation and further development of the measures. In addition, the Deka Group's environmental management system is subject to an annual external audit.

3.2. Guidelines for deriving climate strategy targets and measures

The Deka Group's climate strategy, and thus also its climate transition plan, must take full account of internal and external requirements and, in particular, respond to changes in the economic and regulatory framework. For example, for a financial intermediary such as the Deka Group, the achievement of decarbonisation targets depends in particular on whether companies in the real economy are themselves pursuing sector-specific transition targets aligned with the Paris Climate Goals. Against this backdrop, the Deka Group is guided by the following five principles in the formulation, implementation and further development of its climate transition targets and measures.

Guideline 1:
Added value and consistency of targets and measures

At the heart of the Deka Group's activities lies the commitment to creating added value for its business partners, owners and society. In view of the challenges associated with climate change, this means, in concrete terms, helping to ensure that the Deka Group's various stakeholders can achieve their own climate-related targets. Climate change is therefore an integral part of the Deka Group's value chain and is taken into account in financing and investment decisions. Consistency of objectives and measures across the various areas of activity is particularly important in this regard.

- **Financing:** The Financing business division focuses on savings bank refinancing as well as infrastructure and transport financing. DekaBank is also primarily active in commercial real estate activities financing. The focus of its

financing activities is on supporting companies and projects in the transition to climate- and environmentally-friendly business practices. For example, DekaBank provides financing in the areas of public services and basic utilities to support the transition processes in the energy, heating and transport sectors, as well as digitalisation.

DekaBank is placing increasing emphasis on financing properties and projects utilising state-of-the-art technologies, the use of which leads to a significant reduction in GHG emissions compared to older technologies. Particular consideration is given to renewable energies or the modernisation of energy generation and production facilities, the implementation of which is accompanied by a significant reduction in emissions. The implementation of this strategy is set out in the Climate Aligned Credit Framework introduced in early 2026 (see section 4.3.1.2.). Every financing decision is subject to a sustainability assessment based on segment-specific ESG scores.

At the same time, various lending transactions are excluded or subject to specific requirements through corresponding provisions in the negative list of the credit risk strategy. Thus, with the exception of transport and storage (midstream), DekaBank does not enter into new business in the coal sector and offers financing in the gas sector as a bridging technology only on a very selective basis. Further details on the negative list can be found in section 4.3.1. and in the appendix.

- **Deka Group's proprietary investments:** In addition to the regular ESG assessment carried out using ESG scores as part of limit decisions, a sustainability filter is applied immediately prior to every investment decision regarding the Group's proprietary investments. This enables changes in companies' sustainability profiles that occur during the year to be taken into account in investment decisions. The sustainability filter generally covers the same criteria as the ESG scoring, ensuring that, in particular, the principles of the UN Global Compact and the corresponding exclusion criteria for issuers relating to human rights, labour standards, environmental protection and corruption can always be incorporated into investment decisions in a timely manner. Furthermore, as with financing, the negative list is taken into account (see section 4.3.1. and the appendix).

- **Own business operations:** As part of the "Commitment by German Savings Banks to climate-friendly and sustainable business practices", DekaBank has committed to decarbonising its own business operations as well. To this end, numerous measures are being implemented, such as the largely completed move to more energy-efficient buildings at the main site in Frankfurt, the gradual transition to a low-emission vehicle fleet, and increased cooperation with service providers to develop and implement joint solutions for reducing emissions (see section 4.3.2.).

DekaBank's Green Bond Framework

DekaBank's Green Bond Framework is based on the four core components of the International Capital Market Association (ICMA) Green Bond Principles (2021) and their key recommendations for increasing transparency, including external verification. In it DekaBank states that, for every green bond issued, it implements the use of proceeds, project evaluation and selection, management of issue proceeds, reporting and external verification in accordance with this framework. The aim is to use the proceeds from the green bond to refinance existing sustainable loans in the Financing business division. The framework focuses on two areas:

- Loans for the financing or refinancing of the development, construction, operation, distribution, infrastructure and maintenance of renewable energy sources, as well as the connection of renewable energy generation facilities to the electricity grid and their transmission through the grid.
- Loans for the financing or refinancing of "green" buildings that comply with regionally, nationally or internationally recognised regulations, standards or certifications.

Guideline 2:
Effective alignment with the current regulatory framework conditions

When deriving climate strategy objectives, plans and measures, comprehensive climate- and sustainability-related regulatory requirements must be taken into account. In addition to European and German climate protection legislation for the implementation of the Paris Climate Goals, these currently include, in particular, the CSRD, the EU Taxonomy Regulation and the Capital Requirements Regulation (CRR). The close link between climate strategy objectives and the resulting plans and measures on the one hand, and regulatory requirements on the other, necessitates regular review of the regulatory requirements and may require corresponding adjustments.

Guideline 3:
High flexibility and strategic adaptability to real-economy and market-related developments

In addition to the regulatory environment, the Deka Group takes into account the latest insights into economic, technological, competitive and demand-related developments and assumptions when deriving climate strategy objectives and measures. These developments and assumptions are continuously reviewed with regard to their potential impact on the climate strategy objectives, plans and measures. For instance,

cyclical or structural growth shortfalls may influence companies' investment activity, whilst technological innovations may open up new decarbonisation opportunities and, consequently, financing opportunities.

Achieving international and national climate targets depends significantly on the real economic conditions as well as companies' ability and willingness to transition. DekaBank can support companies through this transition with attractive financing, but the fundamental strategic decisions and investment planning remain the responsibility of the companies themselves.

At the same time, customers' expectations and needs regarding sustainable financial products and services are constantly evolving. The aim here is to develop bespoke solutions that best meet the current requirements of all customer segments.

Guideline 4:
Provision of adequate resources and clear governance

The necessary resources are provided to embed climate strategy activities and implement the climate transition plan. These include, for example, investments in building and data infrastructure, product development, recruitment and staff training.

The responsibilities and committee structures for managing climate strategy activities and internal reporting on them are clearly defined (see section 4.2.). These regulations are regularly reviewed for suitability and appropriateness and adjusted as necessary.

Guideline 5:
High level of transparency about climate strategy activities

The financial sector's shared responsibility for achieving climate targets has led to a high level of interest among various stakeholders in the Deka Group's relevant targets and measures, as well as their further development. In this context, transparency regarding the current status, progress made and potential adjustments is important. Through its wide range of publications, the Deka Group ensures that all stakeholders are kept transparently informed about climate-related activities. Further information can be found in section 6, "Climate and ESG-related reporting".

3.3. Climate-related initiatives and voluntary commitments

Through its membership of selected sustainability-related initiatives and associations, as well as its endorsement of voluntary commitments, the Deka Group underscores its commitment to climate protection and overarching ESG targets. As the targets of the Paris Agreement can only be achieved through constructive cooperation between various market players, the Deka Group is actively involved in selected initiatives, thereby promoting sustainable development at both national and global levels.

3.3.1. National initiatives and voluntary commitments

As the "Wertpapierhaus" of the savings banks, cooperation with owners, business partners and customers within the savings bank sector is of particular importance to the Deka Group. DekaBank is therefore one of the first signatories of the "Commitment by German Savings Banks to climate-friendly and sustainable business practices" published in 2020 by the German Savings Banks Association (DSGV). As part of this commitment, DekaBank, together with its partners, is committed to achieving the targets of the Paris Agreement for the entire economy.

Through the Association of German Public Banks (VÖB e. V.), DekaBank supports the further development of current ESG issues and the formulation of statements on regulatory matters, including through its involvement in the Sustainable Finance Commission.

Furthermore, DekaBank has been active in the Sustainable Finance Cluster e. V. since 2018, whose aim is to pool expertise in the field of sustainable finance and, in collaboration with the Hessian Ministry of Economics and other partners, to provide impetus to develop Germany into a leading location for sustainable finance. DekaBank is also involved in the Association for Environmental Management and Sustainability in Financial Institutions (VfU) and is a member of the Corporate Responsibility Interface Center (cric) e. V., which is committed to promoting climate- and environmentally-friendly, sustainable capital investment.

The Deka Group's association activities are complemented by asset management's involvement in sector-specific interest groups, in particular within the German Investment Funds Association (BVI) and the German Property Federation (ZIA).

3.3.2. International initiatives and voluntary commitments

Internationally, too, the Deka Group supports various initiatives aimed at embedding climate and sustainability criteria more firmly within the core business of banks and asset managers.

As an asset manager and asset owner, the Deka Group is committed to the UN Principles for Responsible Investment (PRI). These represent the world's largest initiative of institutional investors and asset managers who have committed to

implementing six principles of responsible investment. The aim of the initiative is to develop, implement and establish comparable standards for the integration of ESG issues into investment decision-making processes at a global level.

Since the end of 2018, DekaBank has been a partner of the Climate Bonds Initiative (CBI), which has set itself the target of integrating the international bond market more closely into the financing of climate protection, whilst also supporting the further market development of green and climate bonds in particular. In addition to its cooperation with the CBI, DekaBank has also been a member of the ICMA's Green & Social Bond Principles since November 2016, which serve as the internationally recognised framework for the issuance of green and social securities.

Since 2022, DekaBank has supported the "Poseidon Principles" initiative, an international voluntary commitment by and for financial institutions. The aim of the initiative is to help ensure that GHG emissions caused by marine transport can be reduced to net zero by 2050 at the latest, in line with the Paris Agreement targets.

Since 2024, DekaBank has been involved in the Partnership for Carbon Accounting Financials (PCAF). This alliance of financial market participants is working to develop and implement a harmonised approach to assessing and disclosing the GHG emissions associated with their loans and investments.

Table 3 provides an overview of selected memberships and voluntary commitments of the Deka Group.

Memberships and voluntary commitments	Since
Association for Environmental Management and Sustainability in Financial Institutions (VfU)	2007
CDP (formerly Carbon Disclosure Project)	2010
Equator Principles	2011
UN Principles for Responsible Investment (PRI)	2012
Green & Social Bond Principles of the International Capital Markets Association (ICMA)	2016
Climate Bonds Initiative (CBI)	2018
Sustainable Finance Cluster Germany	2018
Commitment by German Savings Banks to climate-friendly and sustainable business practices	2020
Net Zero Asset Managers Initiative	2021
Poseidon Principles	2022
Partnership for Carbon Accounting Financials (PCAF)	2024

Table 3: Selected climate-related memberships and voluntary commitments of the Deka Group. A detailed overview can be found at https://www.deka.de/deka-group/our-responsibility/how-we-practice-sustainability/sustainable-corporate-management-at-dekabank/business--human-rights

04

Success factors for implementing the climate strategy

4. Success factors for implementing the climate strategy

The implementation of the climate strategy to achieve the climate strategy objectives set out in section 3 is based on …

1 ▶ **Regulatory sound methodology**

… the use and ongoing development of robust methodologies for deriving decarbonisation pathways using recognised and sector-specific scenarios,

2 ▶ **Control & governance model including reporting**

… the establishment of a comprehensive governance and management model, including reporting to document progress towards achieving the defined ambitions and targets,

3 ▶ **Decarbonisation measures**

… the development and implementation of effective decarbonisation measures to achieve climate strategy targets in collaboration with business partners,

4 ▶ **ESG data**

… the continuous improvement of the coverage and quality of ESG data, as well as

5 ▶ **ESG further education**

… expanding staff expertise through appropriate training and development measures for transition processes and ESG impacts.

4.1. Methodology for deriving target pathways using standard market scenarios

A key basis for the climate strategy targets and the derivation of business division- and sector-specific transition plans is the "Net Zero Emissions by 2050 Scenario" (NZE scenario) of the International Energy Agency (IEA). Based on forecasts for climatic, technical and economic developments, among other factors, it defines development pathways for a selection of sectors, on the basis of which the decarbonisation targets can be achieved by 2050. The IEA scenario is also used in various tools employed to determine decarbonisation pathways (see, for example, the Carbon Risk Real Estate Monitor (CRREM)).

The IEA's "Net Zero Emissions by 2050 Scenario" (NZE scenario)

The IEA's NZE scenario is consistent with current regulatory requirements and the targets of the Paris Agreement. However, current emissions and investment trajectories are raising doubts about the feasibility of this scenario and reducing the probability of it occurring. Nevertheless, the scenario continues to be used as a baseline by the Science Based Targets initiative (SBTi) and the Transition Pathway Initiative (TPI).

Based on the calculated total remaining GHG budget, which must not be exceeded globally in order to achieve the 1.5°C target, the scenario specifies a GHG budget for the various sectors. The determination of the resulting pathways is based on various assumptions made by the IEA.

These include, among others:

- Expected global economic and demographic trends (growth in gross domestic product (GDP) of 135 per cent between 2020 and 2050 and population growth of 25 per cent between 2020 and 2050).
- Expected technological advances and expected political and regulatory market interventions.
- The development of CO_2 prices, with the IEA assuming a rise in the CO_2 price to 169 US dollars per tonne of CO_2 by 2040 and to 209 US dollars per tonne of CO_2 by 2050.

The IEA's assumptions for its NZE scenario were reviewed within the Deka Group by sector experts and economists, who may arrive at their own assessments in specific areas. For example, a different growth rate for gross domestic product in Europe is assumed. Nor do the experts view the use of Direct Air Capture (DAC), i.e. the capture of CO_2 from the air, as an element of technological progress on the scale reflected in the IEA's assumptions – nevertheless, DAC is included in the target pathways due to its relevance.

Example of a specific sector pathway: Carbon Risk Real Estate Monitor (CRREM)

CRREM is an initiative in the real estate sector that aims to assess and reduce the GHG footprint of real estate portfolios. The initiative builds on the IEA's assumptions and provides real estate investors and financiers with practical tools to minimise GHG emissions in their portfolios. To this end, specific GHG intensities for various real estate types and locations are made available. In addition to GHG assessment, CRREM also offers a risk assessment regarding the carbon emissions of real estate portfolios.

To complement the IEA's NZE scenario, DekaBank has developed its own long-term, internal baseline scenario. The macroeconomic parameters of this scenario are based on the scientific "Net Zero 2050" scenario of the Network for Greening the Financial System (NGFS). The selection of this scenario is based on an internal assessment of the plausibility of the macroeconomic parameters. The baseline scenario includes estimates of future emissions and the necessary reductions at sector level required to achieve the international climate target of 1.5°C.

As the targets of the NGFS "Net Zero 2050" scenario are comparable to the long-term targets of the IEA's NZE scenario, a consistent overall picture of the long-term transition targets emerges. The combination of various sector-specific development pathways makes it possible to take into account a broad spectrum of scientific findings and expectations based on expert opinions.

Based on these framework conditions and the estimates they contain regarding future emissions reductions at sector level, long-term climate strategy planning up to 2050 is carried out, which includes, in particular, assumptions regarding the future portfolio composition. Taking the scenarios into account and based on the assessments of sector experts, decarbonisation pathways were defined for the identified sectors relevant to climate strategy, taking into account the specific circumstances of real-economy expectations (see section 5.2.). In doing so, the following sectors, which are material in terms of emissions financed by DekaBank, were identified:

- Electricity
- Air transport
- Burning of fossil fuels
- Marine transport
- Automotive (passenger cars and trucks)

- Chemical products
- Real estate activities

As at 31 December 2025, these sectors account for a total of 63 per cent of financed emissions in financing and proprietary investments.

An annual environmental report has been produced for the Deka Group's own business operations since 2009. Based on this report and the environmental management system, which was upgraded to EMAS in 2025 and continues to include DIN EN ISO 14001, the significant sources of GHG emissions for the Group's own business operations have been identified. When setting the targets, information from key suppliers and service providers was taken into account, as was the relevant legislation of the Federal Republic of Germany and the European Union (EU). Furthermore, the assumptions were compared with the IEA's NZE scenario.

Based on these framework conditions and the estimates they contain regarding future emission reductions at the driver level, long-term climate strategy planning up to 2045 is being carried out. The target for 2045 is to achieve low-GHG business operations; by 2050, unavoidable residual emissions are to be fully offset (see sections 3.1.2. and 4.3.2.).

4.2. Overarching governance and management model

To ensure the achievement of the climate strategy targets, the Deka Group has developed a corresponding governance and management model, building on already established governance and management structures.

4.2.1. Governance

ESG and, consequently, climate strategy issues are addressed at both bank and group level. The following bodies are particularly relevant for climate strategy management:

	Body	Topics (excerpt)
Deka Group	Overall Board of Management: ESG TOP "ESG Strategy & Transformation" in every meeting	Adressing cross-cutting issues, reporting on ESG-related key performance indicators, and decision-making/reporting on measures with significant strategic and economic impact.
Deka Group	Division heads: ESG Round Table	Discussion of portfolio performance based on defined key performance indicators (KPIs), recommendation/preliminary discussion of measures in the event of missed targets and coordination of potential countermeasures, as well as discussion of regulatory updates and market developments. Addressing relevant ESG issues, e.g. current aspects/points for discussion relating to climate change across the business divisions.
Deka Group	Project/department heads & ESG champions: ESG Circle	Coordination of the cross-departmental identification and alignment of ESG-relevant (cross-cutting) issues with the aim of creating cross-cutting transparency and ensuring consistency of content for the Deka Group.

Table 4: Regular consideration of climate and other ESG topics by committees within the Deka Group

To ensure a holistic approach and the operationalisation of climate strategy aspects, the "greenhouse gases" dimension has been integrated into the relevant strategy, financial reporting and planning processes. This includes, amongst other things, regulatory monitoring to ensure timely consideration of regulatory changes, as well as the ongoing analysis of the business environment.

The holistic view of responsibilities for and roles in ESG matters within the Deka Group is documented in an internal framework directive on ESG governance. This outlines the specific ESG responsibilities of the organisational units, the ESG processes, and cross-functional roles and tasks.

It also sets out the responsibilities for organising and running cross-unit ESG committees and similar coordination formats within the Deka Group to ensure robust ESG governance.

Climate and environmental aspects in remuneration and Code of Ethics

The Deka Group's remuneration policy takes climate and environmental risks, as well as broader ESG factors, into account in various areas. These are thus integral components of the calculation of performance-related remuneration for the Board of Management within the Deka Group.

For all employees, adherence to the values and principles of the Code of Ethics is an essential component of their remuneration. It serves as a binding framework for ethically and morally correct conduct, as well as sustainable, climate- and environmentally-conscious behaviour on the part of employees, and is embedded in management and decision-making structures, guidelines, processes and control systems.

4.2.2. Control system

Responsibility for the ongoing management of climate strategy measures in the banking business lies with the relevant business units within the Deka Group – financing and treasury for proprietary investments. Within the framework of management, a distinction is made between new and existing business; the key indicator for management at sector level is the specifically defined physical intensity, e.g. tonnes of CO_2 per megawatt hour, or economic intensity.

Management of new business

In new business, the credit approval processes for financing involve an assessment of the emissions to be financed as part of the standard credit assessment. For GHG-intensive sectors, this assessment is expanded to include an evaluation of the physical or economic intensity and the anticipated impact on sector-specific decarbonisation pathways. In proprietary investments, too, an ad hoc assessment of the impact on sector-specific decarbonisation pathways may be carried out prior to purchasing a security from a company in the sectors relevant to management.

Financing and investment decisions are always made taking the overall context into account: if, for example, a financing transaction is classified as "transition finance" and is intended to support a client in their "green transition", even initially negative effects on the decarbonisation pathway may be acceptable. This is decided on a case-by-case basis.

Management of existing business

The basis for managing the existing portfolio is a control cycle that is carried out every six months (see figure 2). The process begins on 30 June and 31 December, respectively, with an analysis of the current status of GHG-intensive sectors and a comparison of the actual figures with the set targets. In the event of significant deviations, an analysis of the causes is carried out and an assessment made as to whether measures need to be initiated. In doing so, the expected development of the portfolio, e.g. with regard to the maturities of current financing, is also considered in relation to the target path.

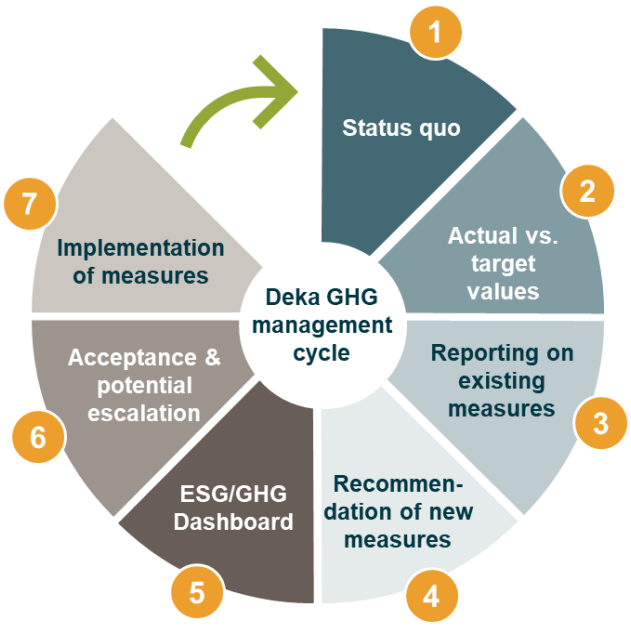


Figure 2: GHG control cycle at DekaBank

The Board of Management is involved in the decision to implement measures with financial materiality; the implementation itself takes place within the units responsible for management.

Should significant deviations from the set targets or decarbonisation pathways arise due to external factors beyond own control, e.g. regulatory changes, sector-specific developments or changes to the data set, the targets may be adjusted. Such adjustments are decided upon by the ESG governance bodies.

GHG emissions from sectors not identified as climate-strategically relevant for financing and proprietary investments are subject to regular monitoring, so that further sectors could be included in GHG management as required.

Risk management

Responsibility for considering climate as a risk driver – for example, in the form of physical risks – lies with risk management. ESG risks are regarded as part of existing risk categories, such as market price or counterparty risk. As part of the operational management of ESG risks, numerous procedures and qualitative guidelines are employed, for example the negative list, ESG scoring, risk determinants and minimum standards for financing, and the sustainability filter for proprietary investments. Further information can be found in section 4.3, "Decarbonisation levers", and in section 5.1, "Dealing with climate and environmental risks".

Control in own business operations

Management within own business operations is based on existing processes within the framework of environmental management. A half-yearly review of emissions trends and regular reporting to the Board of Management enable mitigation measures to be taken where necessary. The primary control metrics used within own business operations are the relevant emissions for Scope 1–3.

4.2.3. Internal reporting: ESG dashboard

Various internal reporting formats are used to document relevant developments in the defined emissions and management indicators. In particular, the ESG dashboard serves to provide the Board of Management with key ESG key performance indicators (KPIs) and key risk indicators (KRIs) for the Deka Group. It is structured in line with the content of CSRD sustainability reporting.

The ESG dashboard is discussed by the Board of Management every six months as part of the regular agenda item "ESG Strategy & Transformation" at Board of Management meetings, with the focus on the documented changes. The data documented in the ESG dashboard is also regularly analysed and evaluated during discussions among division heads (ESG Round Table).

4.3. Decarbonisation levers for achieving the climate strategy targets

DekaBank has identified specific decarbonisation levers and measures for its banking business involving financing and proprietary investments, as well as for its own business operations, in order to proceed efficiently and purposefully towards achieving its strategic climate targets. These levers and measures are regularly reviewed by experts in light of the decarbonisation progress achieved and changes in the political, regulatory, economic and technological environment of the relevant sectors, and are further developed where necessary.

4.3.1. Financing and proprietary investments

4.3.1.1. Financing and investment principles

In its financing and proprietary investments, the Deka Group aims to facilitate the economic transition and thereby enable sustainable and climate-friendly growth, among other things through targeted lending and investment decisions. Binding internal guidelines for the units responsible for management are therefore an important component of climate-related governance. These include, in particular, the positive list as part of the business strategy and the negative list, which efficiently addresses climate- and environment-related risks as part of the credit risk strategy.

Compliance with the defined guidelines of the credit risk strategy is subject to a comprehensive ESG review for all credit decisions, i.e. the setting, increase and prolongation of credit limits. For relevant project finance transactions, the requirements of the Equator Principles are also taken into account. These encompass social and environmental standards and refer to the guidelines developed by the International Finance Corporation (IFC) as well as industry-specific Environmental, Health and Safety (EHS) guidelines for project finance.

Positive list

The positive list, as part of the business strategy, defines investment areas in which the Deka Group wishes to expand its involvement or actively seek new financing, whilst aiming for transactions that demonstrate a positive sustainability impact. A key focus is on financing the transition in the identified focus sectors, e.g. electricity, air and marine transport and the real estate activities sector (see section 5.2.). In this context, as mentioned, DekaBank supports sector-specific initiatives such as the Poseidon Principles, which aim to support the sector's transition towards achieving the Paris Climate Goals.

Excerpt from the positive list

The positive list defines investment areas in which the Deka Group wishes to expand its involvement.

The Deka Group supports financing aimed at **producing electricity** from **renewable energies** 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 finances **ships** only if they are equipped in accordance with the **International Maritime Organization's Ballast Water Management Convention,** which came into force in 2017, to prevent the introduction of invasive species into foreign ecosystems.

The Deka Group seeks to finance **aircraft** whose **production** and **operation** meet **the highest possible environmental standards**.

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**.

Negative list

At the same time, as part of its negative list, the Deka Group excludes from financing and proprietary investments those companies and projects whose activities or implementation have a negative impact on the climate and the environment, as well as other sustainability aspects that are material to the Deka Group. This negative list also includes various exclusions linked to the extraction and use of fossil raw materials, such as coal mining and electricity generation, and oil extraction using particularly environmentally harmful methods or in particularly sensitive natural areas such as the Arctic. In combination with the targeted promotion of renewable energies, this far-reaching exclusion of fossil fuels helps to limit the transitional and physical risks triggered by climate change. The negative list applies to all counterparty risks with the exception of investments by special funds, which are subject to their own guidelines.

Excerpt from the negative list

In accordance with the negative list of the credit risk strategy, transactions with companies are excluded, among other things.

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.

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)**.

which per se pose **significant risks to the environment or society**, e.g. financing related to **mountaintop removal mining.**

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).

The complete positive and negative lists can be found in the appendix (see section 7.1.).

4.3.1.2. Decarbonisation levers

To decarbonise the financing portfolio and proprietary investments, overarching levers have been identified that affect various levels of financing and investment decisions.

Financing

Decarbonisation lever "Focus on GHG-intensive sectors" with the following measures (selection):

- Continuous expansion of financing that supports the transition to a low-GHG future.
- Implementation of a Climate Aligned Credit Framework for new business in the relevant sectors. The framework sets out specific criteria that financing projects must meet in order to be classified as "climate-aligned". Key reference points include not only the taxonomy classification but also the sector-specific decarbonisation pathways outlined in this climate transition plan.

Decarbonisation lever "Integration of climate aspects into processes" with the following measures (selection):

- ESG assessment using sector-specific ESG scores in the lending process, which integrate, among other things, quantitative data points on GHG emissions, water and waste, energy efficiency and, for real estate, the Energy Performance Certificate (EPC label) and GHG reduction pathways.
- Assessment of GHG emissions, physical and economic intensities, and transition risk in the loan application.
- Use of a process for annual or ad hoc monitoring of the entire portfolio with regard to the status quo and the achievement of set decarbonisation targets. Definition of escalation processes in the event of deviations from the decarbonisation pathway and derivation of countermeasures.

Decarbonisation lever "Differentiated assessment of counterparties", for example with the following measure:

- Focus on new business based on transition-related real estate activities or product characteristics, including technical progress.

Proprietary investments of the Deka Group

Decarbonisation lever "Focus on GHG-intensive sectors" with the following measures (selection):

- Continuous monitoring – in particular, bonds with short remaining maturities allow their contribution to achieving climate targets to be assessed, as the reinvestment date falls within the short-term planning horizon. This means that, when making reinvestment decisions, the portfolio's alignment with decarbonisation pathways can be adjusted.
- When making investment decisions, a simulation can be carried out on an ad hoc basis. This serves to assess the impact of a potential investment on the achievement of overarching targets, particularly on adherence to the climate-related target pathway, and, where necessary, to determine the effects on returns should certain investment decisions not be implemented due to the climate targets being pursued.

Decarbonisation lever "Integration of climate aspects into processes" with the following measures (selection):

- ESG assessment using ESG scores for limit setting, increases and extensions. In addition, consideration of physical and economic intensity as well as absolute emissions as part of the limit proposal for relevant exposures. Application of the bank's own sustainability filter prior to any new business (see section 3.2.).
- Annual or ad hoc monitoring of the entire portfolio with regard to the status quo and the achievement of the set decarbonisation targets. Deviations lead to corresponding analyses and, where necessary, countermeasures.

Decarbonisation lever "Differentiated assessment of issuers", including the following measure:

- Review of each issuer or counterparty as part of limit decisions against the negative list (see section 7.1.).

4.3.2. Own business operations

In its own business operations, the Deka Group has been pursuing the target of reducing GHG emissions for several years now, with the result that numerous potential savings have already been largely realised. The progress already achieved in this regard is reflected in the annual GHG balance sheet, which reports total emissions from business operations of 8,288 tonnes (2024: 9,873 tonnes) for the 2025 financial year.

At the same time, the GHG balance sheet highlights where further action is needed. Various decarbonisation measures have been identified for the individual areas of action, through which GHG emissions can be further reduced in order to achieve the net-zero target defined for the Group's own business operations (see table 5).

In implementing these measures, the Deka Group is dependent on relevant market developments and therefore works with the relevant suppliers wherever possible. For instance, the car policy includes provisions for the prioritised procurement of electric vehicles. The implementation of these requirements, in turn, depends on the performance and availability of suitable vehicles as well as the public charging infrastructure. The climate-related impact of promoting local public transport for commuters is all the greater, the more renewable energies are utilised in buses and trains.

Areas of action	Decarbonisation measures, including timeframe	Expected reduction by 2045 in tonnes of GHG
Electricity	Relocating to more energy-efficient buildings (2024) Purchasing green electricity (with lower emission factor) (2024-2045) Further measures (2024-2045)	765
District heating	Relocating to more energy-efficient buildings (2024) Purchase of low-emissions district heating (2024-2045) Further measures (2024-2045)	1,240
Vehicle fleet	Use of incentives to encourage the use of public transport (2024-2045) Discontinuation of the option to order hybrid vehicles, mandatory ordering of electric cars and electrification of the company car fleet; use of incentives to switch from combustion engine vehicles to electric cars (2024-2035)	2,650
Air travel	Expansion of innovative and technology-supported working methods (2024-2045) Further measures (2024-2045)	1,500
Paper	Centralised management of paper requirements, taking into account all relevant sustainability criteria (2024-2045) Reporting on internal paper consumption, including consultancy services on the digitalisation of paper-based processes (2024-2045)	350
Commuters	Use of incentives to encourage the use of public transport (2024-2045) Further measures (2024-2045)	1,150
Data centers	Use of energy-efficient hardware (2024-2045) Further measures (2024-2045)	900
Neutralisation actions	Use of credits from natural or engineered carbon sink projects from 2045	640

Table 5: Areas of action and decarbonisation measures in own business operations

As part of the collaboration with service providers and suppliers, the Deka Group will engage in ongoing discussions to identify and realise GHG reduction potentials, with the aim of gradually reducing emissions from purchased services and goods. This includes, for example, selecting partners who employ climate-friendly practices and implement climate- and environmentally-friendly supply chain strategies. This measure applies in particular to the areas of electricity, district heating, air travel, commuters and data centers.

Even with these comprehensive measures, it will not be possible to avoid all GHG emissions resulting from the Group's own business operations by the target year of 2045. The Deka Group currently assumes that the remaining, unavoidable residual emissions can be offset using state-of-the-art technologies and available instruments.

4.4. ESG data

ESG data forms a central basis for the transition plans, as it is required both for calculating the baseline situation – for example, financed emissions – and for setting target values. In this regard, the Deka Group uses, on the one hand, data published by the companies themselves, although there are currently still significant differences in the type and scope of the data provided by them. Here, the implementation of the CSRD with its specific data requirements, could in principle improve data availability in Europe. However, due to the recently decided significant limitation of the CSRD's scope of application, voluntary reporting standards must supplement data availability.

The overall expected improvement in the data basis may necessitate adjustments to climate targets and target pathways if, for example, estimates can be replaced by actual ESG data. DekaBank's membership of the PCAF also contributes significantly to improving the data situation.

4.5. Qualification of employees

The integration of climate and other ESG aspects into business processes places new demands on staff, requiring them to possess sound ESG knowledge tailored to the specific requirements.

Through a wide-ranging training programme, all employees – regardless of their specific roles – are informed about the background and significance of this topic for the Deka Group, as well as the implementation of ESG measures within their own business operations and in the business activities of a bank and an asset manager. In addition, ESG training programmes tailored to relevant specialist and central departments are available, with the particular aim of raising awareness of ESG risks within the respective fields of activity. The Deka Group's experts also make use of external ESG training courses and certification programmes to keep their knowledge up to date.

In the context of internal ESG training, cross-group communication on ESG topics plays a key role. This is achieved through bodies such as the ESG Circle, which provides cross-functional information on ESG-related topics and ensures that various ESG issues are linked across business divisions and central functions. Division-specific "ESG multipliers" act as coordinators to support the flow of information. Employees are also regularly informed via the intranet about the Deka Group's ESG activities.

05

Risk and decarbonisation management

5. Risk and decarbonisation management

As part of its strategic climate objectives, the Deka Group places the needs and interests of its business partners, owners and other stakeholders at the heart of its business activities. It recognises that the transition towards a sustainable approach presents customers with major challenges characterised by economic, political and social uncertainties.

In this dynamic environment, DekaBank can support companies through the transition and assist them with bespoke financial solutions. By covering part of the capital requirements arising from investments in the transition, as well as the necessary process changes and implementation, DekaBank not only supports the achievement of the Paris Climate Goals but also promotes macroeconomic growth and opens up interesting growth prospects within the framework of its business model.

To achieve the climate targets as efficiently as possible, the Deka Group focuses, as part of its climate transition plan, on those sectors within its financing portfolio and proprietary investments that account for a significant proportion of the GHG emissions attributable to the financing portfolio and proprietary investments. Specific profiles are drawn up for each of these sectors, describing both the respective decarbonisation pathway and the trends that significantly influence this pathway and the sector environment (see section 5.2.).

5.1. Dealing with climate and environmental risks

For the Deka Group, climate and environmental risks form part of ESG risks and describe the risk that business activities with links to the climate and environment may lead to developments or events which result in a deterioration in capital adequacy or liquidity, either directly through the Group's own business operations or indirectly via customers and business partners.

With regard to climate and the environment, the Deka Group distinguishes in particular between physical and transitional climate and environmental risks. Physical climate and environmental risks primarily encompass the impacts of individual extreme weather events and their consequences (acute) as well as long-term changes in climatic and ecological conditions (chronic). Transitional climate and environmental risks may arise directly or indirectly as a result of the adaptation process towards a lower-emission and more environmentally sustainable economy, for example through changes to the regulatory framework or consumer behaviour.

ESG risks are drivers of the relevant risk types, which require particular attention due to their significance. They are always viewed in the context of the relevant risk types and are not considered in isolation. To take account of the significance of ESG risks, and in particular climate and environmental risks, the influence of ESG risks on the Deka Group's business activities and risk profile is regularly and systematically identified, assessed and monitored, taking into account the currently available data. Various interlinked approaches are pursued in this regard. These include, in particular:

- **Business environment analysis**: A tool for creating transparency regarding changes in the business environment driven by climate and environmental factors and their impact on the business model.
- **Materiality analysis**: Systematic identification and assessment of ESG risks as part of the annual risk inventory, based on a detailed compilation and description of all relevant risk drivers,
- **Climate scenarios**: Analysis of the long-term impacts of climate and environmental risks on the risk profile and earnings situation,

- **Buffers for climate and environmental risks**: Provisions for the future management of potential medium- to long-term impacts of climate and environmental risks,
- **Monitoring of selected ESG-related key performance indicators** as part of regular reporting.

The Deka Group uses the findings from these analyses both in the strategic alignment of its various business areas – for example, in the development of business and risk strategies and capital planning – and in the targeted management of potential ESG risks within relevant business and decision-making processes. The latter is achieved both through regular reporting on climate and environmental risks based on selected key performance indicators and through risk-type-specific qualitative guidelines on risk tolerance. Various targeted procedures are used to actively manage climate and environmental risks in the context of individual business transactions. These include, among other things, the assessment of ESG risks using segment-specific ESG scores as part of the credit approval and limit-setting processes.

5.2. Sector-based decarbonisation approach

As outlined, DekaBank pursues a sector-based approach for its banking business. In doing so, it focuses on the sectors that account for the highest proportion of the total emissions it finances. Currently, these are the seven sectors outlined below: electricity, air transport, burning of fossil fuels, marine transport, automotive, chemical products and real estate activities; the selection is regularly reviewed based on the volume of emissions financed within the sectors ("sector materiality analysis").

For each sector, statements on climate-related significance and relevant trends in this context are documented. These trends reflect the technical, regulatory, economic and social environment that is taken into account in sector-specific measures. Particularly relevant in this regard is often the financing of new, climate-friendly technologies where economic potential for DekaBank is linked to a positive impact on the transition. For example, the switch from four-engine to twin-engine aircraft is capital-intensive and simultaneously enables kerosene savings and thus a reduction in CO_2 emissions. In the electricity sector, the financing of grid operators is of crucial importance for the economic transition and, alongside the expansion of renewable energies, contributes significantly to decarbonisation.

In principle, emissions across the sectors are taken into account along the value chain of the financed assets or companies in accordance with the Greenhouse Gas Protocol (GHG Protocol). Exceptions to this are GHG intensities in marine transport, real estate activities, and the automotive and air transport sectors, for which only emissions from the use or operational phase are considered.

The sector profiles also include information on the economic potential as assessed by the Deka Group, the respective sector-based decarbonisation pathways up to 2050, as well as the currently financed emissions and the targets set for 2030 and 2050. With regard to the medium- and long-term targets shown in the charts, it should be noted that, with the exception of the target values for 2030 and 2050, all other values in the chart are interpolated. The values determined by interpolation, e.g. for 2032, do not represent an explicit target.

The data on financed emissions generally relate to both financing and proprietary investments; exceptions are noted where applicable. When analysing and interpreting the reported financed emissions, it should be noted that the emissions data provided by companies still vary quite significantly in terms of scope (Scope 1–3) and quality. The figures should therefore be understood as a snapshot; selective, including retrospective, adjustments to the data cannot be ruled out (see section 4.4.).

Within the framework of the transition plan, potentially locked-in GHG emissions play a role in terms of the risk to emission reduction targets and the promotion of transition risks. Locked-in GHG emissions are understood to be the emissions financed by the Deka Group's existing financing and proprietary investments. It should be noted here that there are currently no or no significant, commitments with maturities extending beyond 2050 in the portfolio. It can therefore currently be assumed that there is no threat to emission reduction targets or transition risks up to the year 2050.

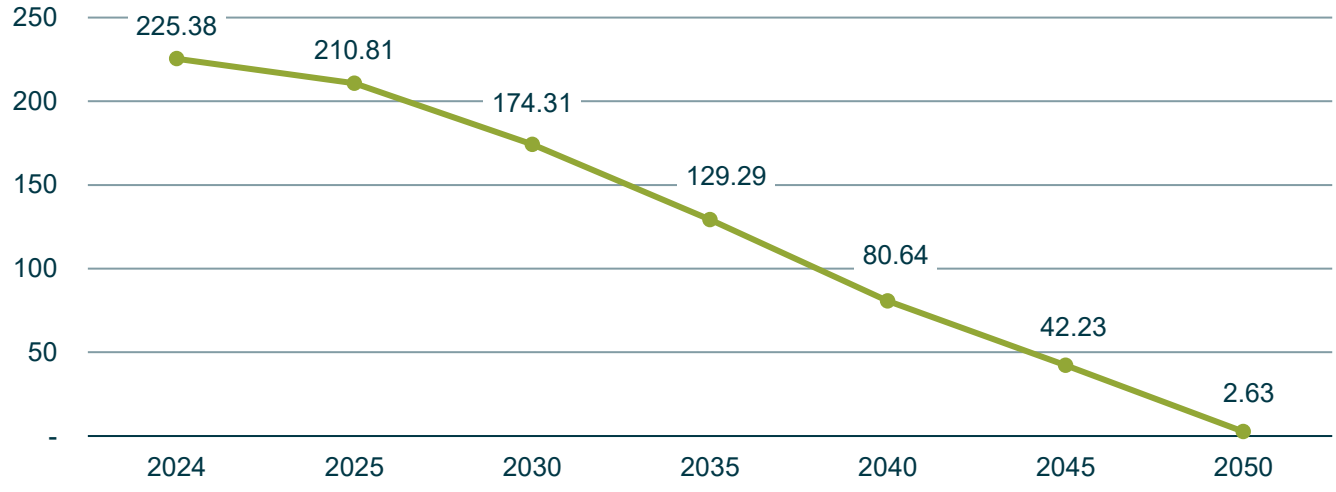
5.2.1. Electricity

Sector overview

As a result of the impending electrification of the transport and industrial sectors, the electricity sector faces the major challenge of meeting a significant impending increase in demand – for example, from electric cars and heat pumps as part of the transport and heating transitions – whilst undergoing its own transition to renewable technologies, the energy transition. Against this backdrop, the following trends in the electricity sector should be noted:

1. Industry and consumers must be able to switch quickly to low-carbon and renewable energy sources in order to reduce emissions. Renewable energy generation is crucial for the decarbonisation of other sectors, such as the automotive and steel industries.
2. Rise in electricity demand: It is forecast that the decarbonisation of all sectors of the economy will lead to a roughly twofold increase in electricity demand by 2050, resulting in significant growth in demand for renewable electricity within the electricity sector. In addition, coal-fired power stations in Germany are set to be phased out by 2038 at the latest. In this challenging environment, utilities must ensure security of supply and will primarily use gas as a bridging technology to achieve this.
3. Increasing coverage of demand through renewable energies: The expansion of renewable energies reinforces both positive climate effects and financial incentives through lower electricity generation costs. It is therefore forecast that a large proportion of the additional electricity demand will be met by renewable energies in future. This gives rise to additional risks due to days with no wind or sunshine ("dark doldrums").

Key figures and targets (electricity)



Reduction pathway: Electricity kg CO_2e/MWh

The financing portfolio currently includes both renewable energy sources, such as wind power and photovoltaic plants, and conventional power stations. The portfolio of proprietary investments mainly comprises securities issued by grid operators. With regard to the sector's physical intensity, the key figure kg CO_2e/MWh (kilograms of CO_2 equivalents per megawatt hour) is used.

The increase in the physical intensity calculated for the electricity sector in 2025 compared to 2024 results from the adjustment of the calculation methodology to the PCAF framework. In cases where no actual customer emissions or output data were available, approximate values were linked to the reference value of the corresponding IEA decarbonisation pathway.

Key figures

Financed emissions in the base year (2024)	2,211,782.9 t CO_2e
Financed emissions in the reporting year (2025)	2,469,523.8 t CO_2e
Physical GHG intensity (2024)	225.38 kg CO_2e/MWh
Physical GHG intensity (2025)	384.54 kg CO_2e/MWh

Key figures

Target 2030	174.31 kg CO_2e/MWh
Target 2050	2.63 kg CO_2e/MWh

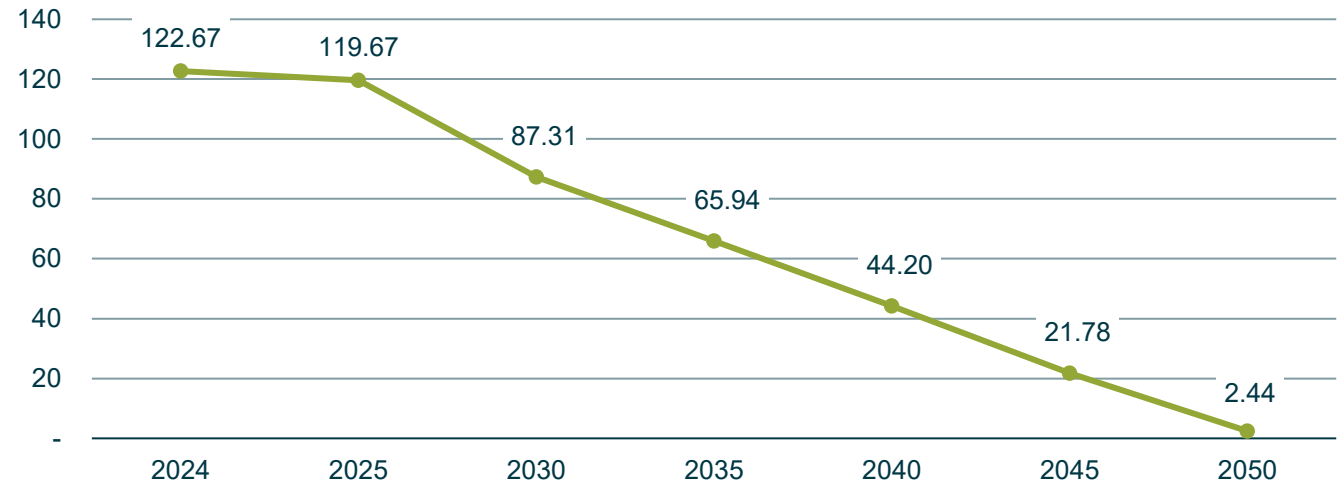
5.2.2. Air transport

Sector overview

Air transport is an indispensable part of international passenger and freight transport, but is the focus of climate policy measures due to its contribution to climate change. Its direct share of global CO_2 emissions amounts to around 3.1 per cent. In addition to examining the use of carbon capture and storage by airlines to offset their own CO_2 emissions, the following trends are observed in the air transport sector:

1. Technical developments: In air transport, emissions can be reduced in the short to medium term through efficiency-enhancing measures, in particular more efficient propulsion technologies and improved aircraft aerodynamics. The switch from four-engine to more resource-efficient and economical twin-engine aircraft also contributes to reducing emissions. The air transport industry and policymakers aim to create opportunities for climate-neutral flying and implement CO_2 pricing mechanisms to counteract the climate and environmental impacts of air transport.
2. Operational efficiency improvements: In the short term, emissions in the air transport sector can be reduced, for example, by optimising capacity utilisation. Improving flight routes will also contribute to lower emissions. For instance, ITA Airways will equip all new aircraft with Iris technology. This establishes a satellite link with air transport controllers to optimise flight routes.
3. Use of Sustainable Aviation Fuel (SAF): In the long term, the use of alternative fuels such as SAF will also become essential in air transport. However, SAF is currently difficult to scale up further, and the industry has only limited influence on production capacities.
4. Development of new propulsion technologies, such as hydrogen or electric propulsion: These more climate-friendly technologies are to receive additional support, meaning that modern aircraft of the future will rely on a combination of different propulsion systems and fuels. However, these are not yet available on the market.

Key figures and targets (air transport)



Reduction pathway: Air transport g CO_2e/pkm

The focus of the air transport portfolio lies on the financing of modern short-, medium- and long-haul aircraft. DekaBank is therefore also able to determine the physical intensity for the air transport sector, which is central to the management of the sector. In developing the sector pathway and determining the target values, the available real-world data on the aircraft was taken into account, which in turn is calculated for the portfolio with the assistance of external data providers. With regard to the sector's physical intensity, the metric g CO_2e/pkm (grams of CO_2 equivalents per passenger kilometre) is used for management purposes.

In comparison with the IEA scenario, the current assumption of the internal sector experts is that technological leaps and the use of SAF will not progress to the extent predicted by the IEA in its assumptions. Against this backdrop, DekaBank has set itself the target of achieving a reduction in physical intensity of approximately 29 per cent by 2030 compared to 2024, and near-net-zero by 2050.

Key figures

Financed emissions in the base year (2024)	2,110,518.6 t CO_2e
Financed emissions in the reporting year (2025)	1,714,303.3 t CO_2e
Physical GHG intensity (2024)	122.67 g CO_2e/pkm
Physical GHG intensity (2025)	100.76 g CO_2e/pkm
Target 2030	87.31 g CO_2e/pkm
Target 2050	2.44 g CO_2e/pkm

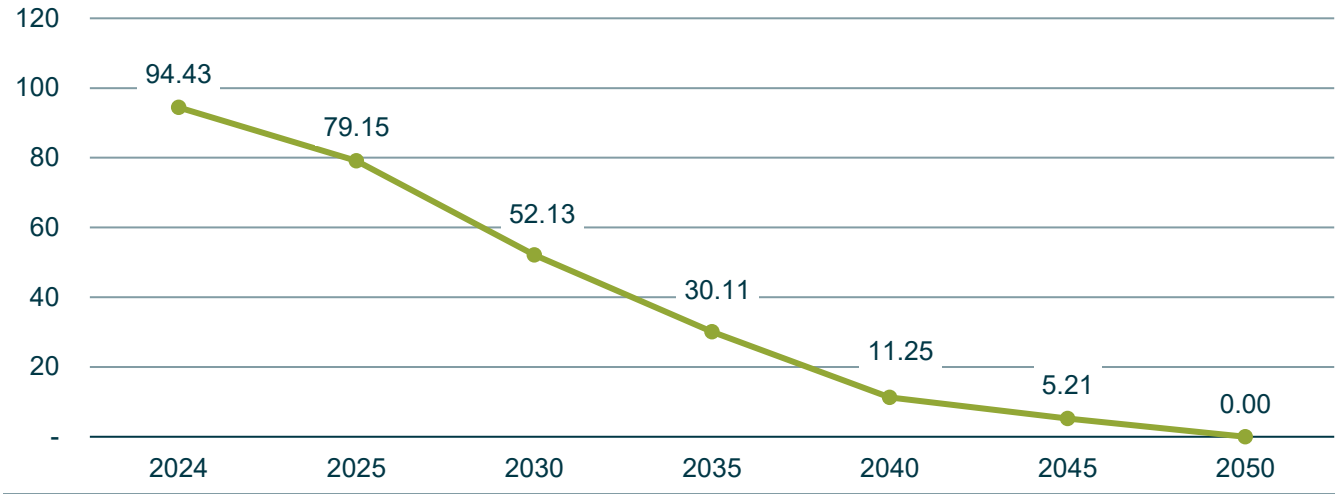
5.2.3. Burning of fossil fuels

Sector overview

Fossil fuels comprise the three energy sources coal, oil and natural gas. Their share of primary energy consumption in Germany stood at just over 77 per cent in 2024; they continue to play a major role, particularly in heat generation and the transport sector. In the German electricity mix, however, fossil fuels play a significantly smaller role, as well over half of the electricity already comes from renewable sources. GHG emissions arise during the extraction, transport and processing of these hydrocarbons, as well as during their use, meaning that fossil fuels account for a significant proportion of total global emissions. Against this backdrop, the following global trends regarding fossil fuels should be noted:

1. Reduction of methane emissions in the oil and gas sector: Reducing unwanted methane emissions resulting from leaks during storage and transport is a simple and efficient measure to significantly reduce the emissions associated with the oil and gas sector. Methane is the second most important greenhouse gas and 28 times more harmful to the climate than carbon dioxide. Further emission reductions can be achieved by utilising the methane produced as a by-product of oil extraction, thereby largely avoiding controlled methane flaring and venting.
2. Increasing use of carbon capture technologies in the extraction of fossil fuels; use of carbon capture and storage (CCS, the capture and permanent storage of greenhouse gases in geological rock formations) and carbon capture and utilisation (CCU, the capture and subsequent use of carbon, particularly from CO_2).
3. In addition to climate protection, it is particularly important in Germany to ensure the maintenance of security of supply in the context of the phase-out of nuclear and coal power. New hydrogen (H_2) or CCS-capable gas-fired power stations are of great significance in this regard.

Key figures and targets (burning of fossil fuels)



Reduction pathway: Burning of fossil fuels g CO_2e/MJ

The focus of the financing portfolio in the area of burning fossil fuels is on the financing of mid- and downstream activities, i.e. the transport and processing of raw materials into products for sale. In new business, financing of upstream activities in the oil sector is generally excluded, both through lending and through the purchase of bonds as part of proprietary investments. Due to the extensive exclusion of coal financing and very selective new business in the gas sector as a bridging technology, the sector will play an increasingly minor role in the financing portfolio in future. Pipelines, which play a major role in bridging technologies such as biomethane or hydrogen, will continue to play a role in the portfolio. For this reason, DekaBank is focusing on the oil and natural gas sector in its portfolio decarbonisation efforts within the fossil fuels sector. In view of the sector's physical intensity, the metric g CO_2e/MJ (grams of CO_2 equivalents per megajoule) is used.

Key figures

Financed emissions in the base year (2024)	1,698,683.1 t CO_2e
Financed emissions in the reporting year (2025)	1,369,450.9 t CO_2e
Physical GHG intensity (2024)	94.43 g CO_2e/MJ
Physical GHG intensity (2025)	58.23 g CO_2e/MJ
Target 2030	52.13 g CO_2e/MJ
Target 2050	0 g CO_2e/MJ

5.2.4. Marine transport

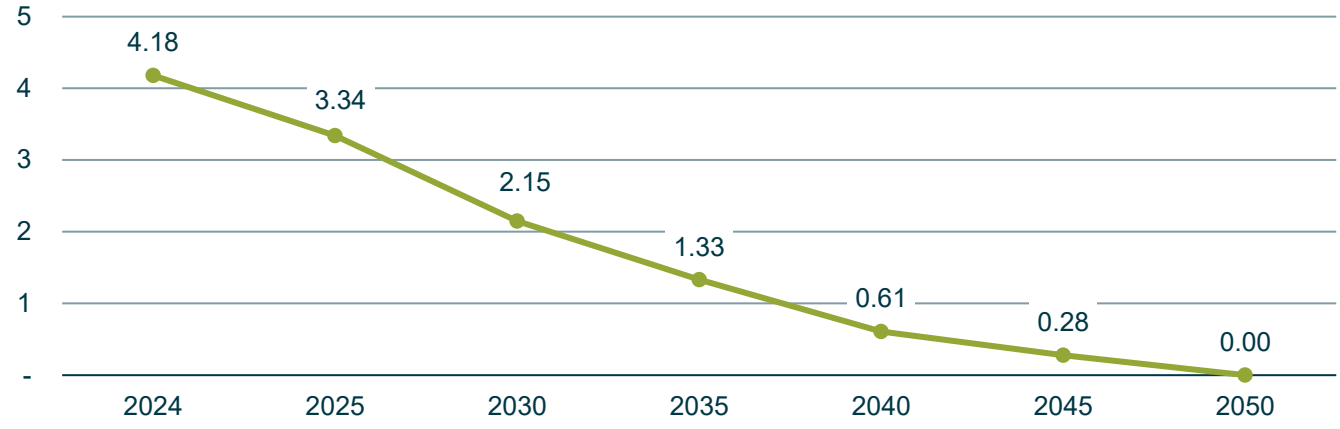
Sector overview

Marine transport plays a key role in international freight transport and is now more than ever a critical factor for the success of a functioning global economy. Nevertheless, a radical transformation is needed in marine transport, as the sector is responsible for around three per cent of global GHG emissions and therefore plays a vital role in global climate protection. Against this backdrop, the following trends in marine transport should be noted:

1. Short- to medium-term operational and technical improvements: Increased transport capacity, combined with optimised capacity utilisation and route planning, is intended to achieve greater efficiency. At the same time, more efficient ship engines, reduced sailing speeds, and adapted ship designs are expected to help reduce fuel consumption and, consequently, emissions in the short to medium term.

2. Long-term move away from fossil fuels: In the long term, however, the greatest emission reductions can only be achieved by moving away from fossil fuels and using alternative fuels. The International Maritime Organization's (IMO) climate protection strategy also aims to reduce emissions of nitrogen oxides and other harmful substances through technical innovations such as exhaust gas cleaning systems and new maritime regulations.
3. Infrastructure transformation through the use of alternative fuels: As with electric vehicles, the switch to more climate-friendly fuels requires a global expansion of infrastructure in ports, which is why the transition necessitates cooperation between various market players.

Key figures and targets (marine transport)



Reduction pathway: Marine transport g CO_2e/tkm

Making marine transport more climate-friendly requires significant innovation in the field of alternative fuels. However, the long lifecycle of ships, including the investment required for technological adaptation and retrofitting, makes it difficult to introduce low- or zero-emission technologies. DekaBank nevertheless sees the greatest potential in the construction of new ships, which is why the focus of the marine transport portfolio currently lies on the financing of tankers, container ships and cargo vessels. In doing so, it adheres to the Poseidon Principles, which are in line with the IMO's guidelines and objectives, including its target of reducing the total annual GHG emissions from marine transport to net zero by or around 2050. The Poseidon Principles therefore provide an important framework for the assessment and transparency of marine transport portfolios. With regard to the sector's carbon intensity, the metric g CO_2e/tkm (grams of CO_2 equivalents per tonne-kilometre) is used.

Key figures

Financed emissions in the base year (2024)	625,387.8 t CO_2e
Financed emissions in the reporting year (2025)	806,816.2 t CO_2e
Physical GHG intensity (2024)	4.18 g CO_2e/tkm
Physical GHG intensity (2025)	4.81 g CO_2e/tkm
Target 2030	2.15 g CO_2e/tkm
Target 2050	0 g CO_2e/tkm

5.2.5. Automotive sector

Sector overview

The automotive sector plays a major role in the decarbonisation of the economy and private transport. Following the EU's new plans to reduce CO_2 emissions by 90 per cent by 2035 compared to 2021, the sector's focus remains on the electrification of cars. However, there are still hurdles to increasing the corresponding market share, particularly with regard to an inadequate charging infrastructure. For trucks, the EU regulation on the tightening of CO_2 emission standards for new heavy-duty vehicles stipulates

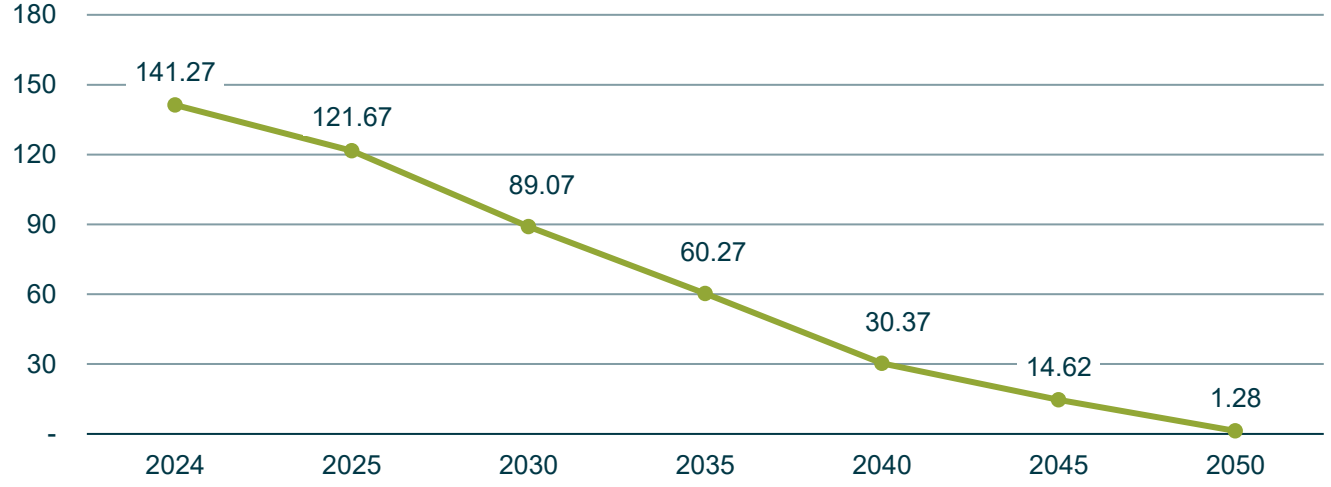
that average CO_2 emissions must be reduced by 45 per cent from 2030, by 65 per cent from 2035 and by 90 per cent from 2040 compared to the base year 2019. Against this backdrop, the following trends in the automotive sector should be noted:

1. Emissions reduction through electrification: In the automotive sector, a significant reduction in emissions will be achieved primarily through the electrification of passenger cars. Alternative low-emission propulsion technologies include not only the use of battery-powered electric vehicles but also hydrogen-powered fuel cell cars. Consumer interest in Western markets remains more subdued than forecast, whereas in China growth is exceeding expectations.

   Emissions reductions through electrification are also possible in the truck segment; however, larger batteries with significantly higher weight are required for greater ranges and heavier loads. Overall, the costs of electrification in heavy goods transport are higher than in passenger car transport. The industry is therefore also focusing on alternative low-emission drives such as hydrogen and natural gas. As with passenger cars, the development of truck sales in Western markets is subject to ongoing uncertainties.

   As the number of passenger cars and trucks with fossil fuel combustion engines is declining only slowly, GHG emissions will also fall only gradually.
2. Electric charging infrastructure: The use of electric and hydrogen vehicles requires not only a costly conversion of car manufacturers' production lines but also a nationwide expansion of the electric charging infrastructure and the hydrogen-based refuelling station network. In particular, the development of the charging infrastructure, which is a key prerequisite for the acceptance of e-mobility, requires substantial investment.
3. Use of transitional technologies: Experts assume that, until the complete electrification or conversion of all car and truck models to alternative low-emission drive systems, emission reductions will be achieved through the use of transitional technologies. These include alternative biofuels and hybrid technologies, the use of which results in lower emissions than conventional fuels or fossil fuel combustion engines.

Key figures and targets (passenger cars)



Reduction pathway: Passenger cars g CO_2e/vkm

Funding for the electrification of the automotive sector – in particular the roll-out of charging infrastructure – and for the transition of the truck sector to alternative drive systems contributes to the systematic shift towards lower-emission vehicles and, consequently, to the decarbonisation of road transport. Given the sector's physical intensity, the metric g CO_2e/vkm or /tkm (grams of CO_2 equivalents per vehicle-kilometre or tonne-kilometre) is used.

Passenger cars (Deka Group's proprietary investments)	
Financed emissions in the base year (2024)	353,396.6 t CO_2e
Financed emissions in the reporting year (2025)	322,862.8 t CO_2e
Physical GHG intensity (2024)	141.27 g CO_2e/vkm
Physical GHG intensity (2025)	139.71 g CO_2e/vkm
Target 2030	89.07 g CO_2e/vkm
Target 2050	1.28 g CO_2e/vkm

Trucks (Deka Group's proprietary investments)	
Financed emissions in the base year (2024)	289,112.1 t CO_2e
Financed emissions in the reporting year (2025)	744,684.0 t CO_2e
Physical GHG intensity (2024)	48.79 g CO_2e/tkm
Physical GHG intensity (2025)	45.74 g CO_2e/tkm
Target 2030	25.35 g CO_2e/tkm
Target 2050	2.95 g CO_2e/tkm

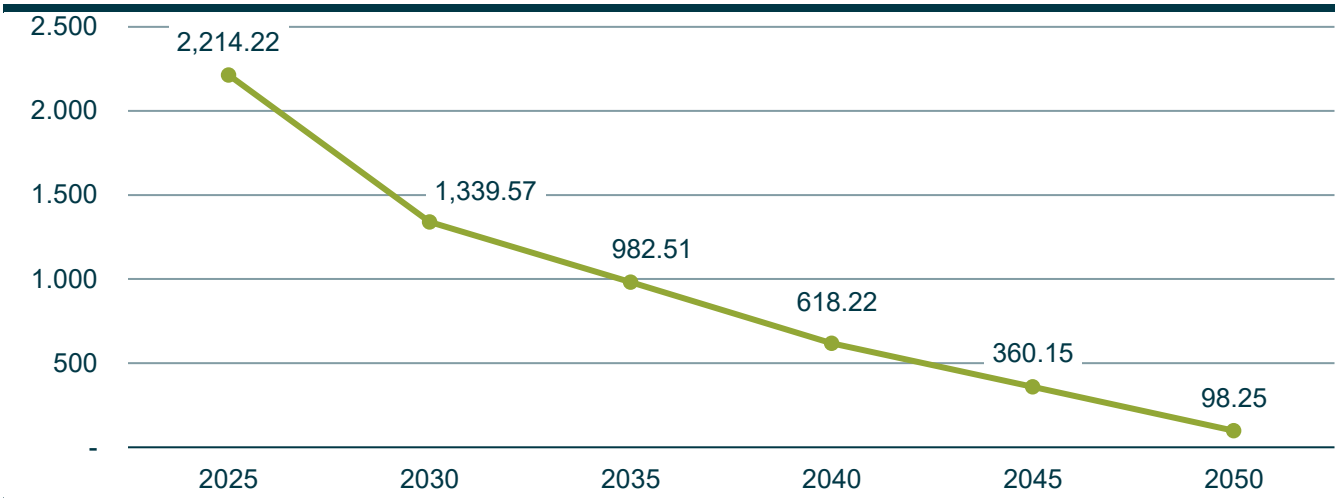
5.2.6. Chemical products

Sector overview

The energy-intensive production of basic chemicals in Germany accounts for around two-thirds of the GHG emissions of the entire chemical and pharmaceutical industry and around 24 per cent of total industrial emissions. Although the chemical industry in Germany managed to reduce its GHG emissions by 62 per cent between 1990 and 2024 despite rising production rates, new production processes must now be implemented and renewable raw material sources tapped to achieve the target of GHG neutrality. Against this backdrop, the following trends should be noted in the chemical products sector:

1. Defossilisation: The sector stands out sharply from other economic sectors, as, in addition to decarbonisation, the defossilisation of raw materials and products is a key factor in the sector's shift towards a more climate-friendly orientation. The term "defossilisation" refers to the move away from fossil raw materials, particularly carbon-based energy sources, and the switch to renewable alternatives.
2. Support for other sectors: Indirectly, defossilisation measures can also drive the decarbonisation of other economic sectors, as chemical feedstocks are used in numerous other sectors.
3. Heterogeneity: The sector is characterised by the fact that conditions within the individual sub-sectors are highly varied, meaning that decarbonisation opportunities vary significantly across market segments and depend largely on the chemical products manufactured or processed.

Key figures and targets (chemical products)



Reduction pathway: Chemical products t CO_2e/€ million turnover

The investment focus in the chemical sector is on basic chemicals, where fossil raw materials such as crude oil and natural gas are processed and which sits at the very front of the value chain. Through collaboration with and financing of the relatively few companies active in this sub-sector, direct GHG emissions can be reduced and the value chain decarbonised.

Instead of the physical intensity reported in the previous report, this report uses the economic intensity of t CO_2e per million euros of turnover for the respective companies. The reason for this change is that the data required to calculate physical intensity – specifically the quantities produced – is not comprehensively published by the real economy. As part of this change, the base year has also been adjusted to 2025. With regard to the sector's economic intensity, the key figure t CO_2e/€ million turnover (tonnes of CO_2 equivalents per € million turnover) is used.

Key figures (Deka Group's proprietary investments)

Financed emissions in the base year (30 June 2025)	459,138.2 t CO_2e
Financed emissions in the reporting year (31 December 2025)	464,462.8 t CO_2e
Economic GHG intensity (30 June 2025)	2,152.14 t CO_2e/€ million turnover
Economic GHG intensity (31 December 2025)	2,214.22 CO_2e/€ million turnover
Target 2030	1,339.57 t CO_2e/€ million turnover
Target 2050	98.25 t CO_2e/€ million turnover

5.2.7. Real estate activities

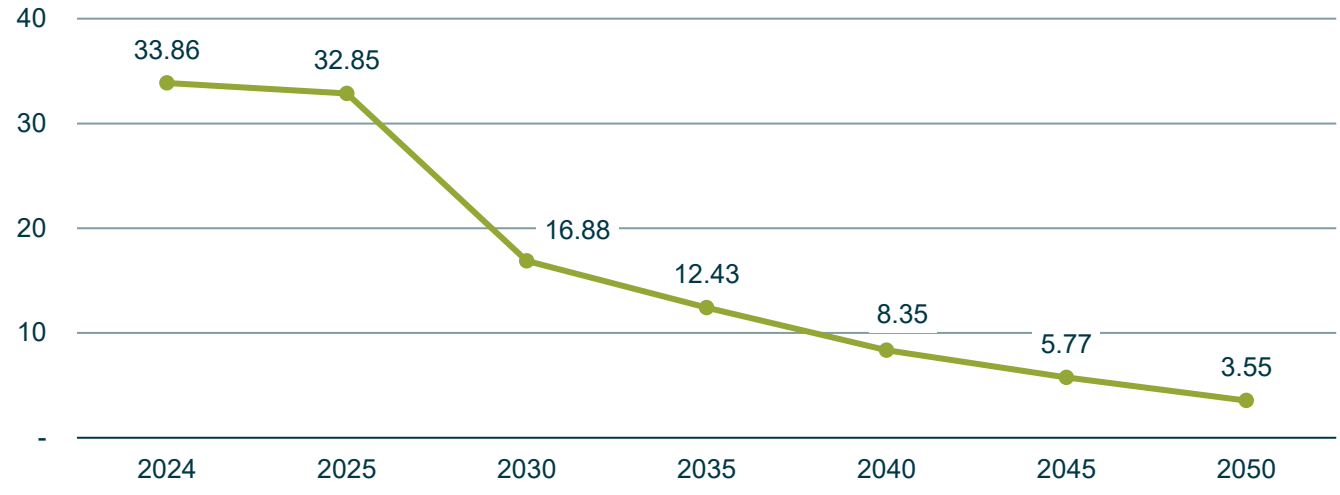
Sector overview

The real estate sector accounts for more than 30 per cent of CO_2 emissions in the EU, which is why it plays a key role in achieving the Paris Climate Goals. The decarbonisation of the existing building stock is of great importance here, as energy savings in these properties can only be achieved through complex and capital-intensive measures such as energy-efficient refurbishment. Against this backdrop, the Deka Group – like many experts and the majority of the industry – assumes that, under current conditions, the 1.5°C target defined for other sectors is unrealistic and that even the 2.0°C target currently pursued by the Deka Group is comparatively ambitious.

Against this backdrop, the following trends in the real estate activities sector, particularly in the European market, should be noted:

1. Reduced consumption of fossil fuels in real estate activities use due to legal requirements to increase energy efficiency and the use of renewable energy sources.
2. Energy savings through the modernisation of building envelopes. This will result in a reduction in average energy consumption – and consequently also in emissions – within the real estate activities sector. Additionally, increasingly efficient building operations and the renewal of technical building equipment will contribute to this.
3. Change in demand: The rising demand for "green" and energy-efficient buildings and the falling demand for buildings with poor energy efficiency are driving the sector's transition towards a climate-friendly approach.

Key figures and targets (real estate activities)



Reduction pathway: Real estate activities kg CO_2e/m^2

By meeting the rising demand for financing energy-efficient and low-emission properties, DekaBank can contribute to the decarbonisation of the building sector and, consequently, of its financing portfolio. The focus of the financing portfolio is on the office, retail, logistics and hotel sectors. Given the sector's physical intensity, the metric kg CO_2e/m^2 (kilograms of CO_2 equivalents per square metre) is used.

Key figures

Financed emissions in the base year (2024)	81,766.4 t CO_2e
Financed emissions in the reporting year (2025)	96,901.5 t CO_2e
Physical GHG intensity (2024)	33.86 kg CO_2e/m^2
Physical GHG intensity (2025)	37.57 kg CO_2e/m^2
Target 2030	16.88 kg CO_2e/m^2
Target 2050	3.55 kg CO_2e/m^2

5.3. Biodiversity and ecosystem services as further components of a holistic ESG approach

In addition to climate change, the topics of biodiversity and ecosystem services are currently receiving increasing attention in the financial market. The background to this is, on the one hand, the integration of these topics into the requirements of the CSRD, and on the other hand, their close link to climate change. For instance, ecosystems such as oceans and peatlands make a significant contribution to CO_2 sequestration. Damage to these ecosystems caused by rising sea temperatures or desiccation due to declining rainfall leads to a reduction in this sequestration function, thereby exacerbating climate change.

A process model for developing a comprehensive strategy was devised to serve as a basis for systematically addressing issues relating to biodiversity and ecosystem services. As a first step, this involved a closer examination of the relevant regulatory requirements and a detailed competitive analysis. To prepare for the next steps, the Deka Group's business divisions carried out portfolio analyses using, among other tools, the market-established ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) database and the WWF Biodiversity Risk Filter (BRF).

06

Climate and ESG-related reporting

6. Climate and ESG-related reporting

The Deka Group is committed to transparent communication with its various internal and external stakeholders in order to keep them systematically and comprehensively informed about measures and progress in implementing its climate transition plan, as well as other sustainability-related topics. In doing so, it utilises the full range of available communication channels. These range from external reporting, press events and social media to sales and customer events. The Deka Group's website also offers a comprehensive range of resources, providing up-to-date information on the Deka Group's sustainability-related activities.

The information provided includes, in particular, the following regular reporting formats:

- the Deka Group's Annual Report, which has included the Deka Group's Sustainability Report within the Group Management Report since the 2024 financial year. The requirements of the EU Taxonomy Regulation and the European Sustainability Reporting Standard (ESRS) form the basis for the Sustainability Report.
- this Deka Group's Climate Transition Plan
- the disclosure report in accordance with the Capital Requirements Regulation (CRR)
- the Impact and Allocation Report providing an overview of green bond activities and the associated Green Bond Framework
- the environmental statement as part of the EMAS certification of the environmental management system
- further documents from the subsidiaries responsible for asset management, such as the Engagement Report or ESG policies
- supplementary ESG facts on the Deka Group's website

As the German CSRD Implementation Act was not passed by the end of 2025, the requirements of the Non-Financial Reporting Directive (NFRD) continue to apply to the Deka Group for the 2025 financial year.

The CSRD, which has since been revised, is expected to be transposed into German law in 2026. Nevertheless, the Deka Group is reporting voluntarily in accordance with the ESRS framework for the 2025 financial year, including detailed information on the Deka Group's climate transition plans.

7. Appendix

7.1. Positive and negative list

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 Group Board of Management defines investment areas in which the Deka Group aims to acquire more sustainable financing business or support growth. The guiding principle is the potential contribution to fulfilment of the UN Sustainable Development Goals (SDGs). The current list took effect on 1 January 2026.

- The Deka Group supports financing aimed at producing electricity from renewable energies 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 to finance ships whose production and operation meet the highest possible environmental standards. DekaBank is a signatory of the Poseidon Principles, a global voluntary commitment to climate-friendly ship financing in line with the Paris climate targets.
- The Deka Group finances ships only if they are equipped in accordance with the International Maritime Organization's Ballast Water Management Convention, which came into force in 2017, 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. Certificates and EPC labels are key indicators for this.
- 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 in particular, the Deka Group has categorised the following transactions as undesirable and/or high-risk and generally excludes them. These transactions may only be executed with the special permission of the Group Board of Management. The current list took effect on 1 January 2026:

- 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
  - they involve borrowers with a "red" overall ESG score,
  - 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,
  - 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.
- Transactions 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 conduct mining in a controversial context (e.g. deep-sea mining),
  - 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 controversial forms of 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 large 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 in an environmental, social or governance sense.
- Transactions in connection with internationally prohibited and/or controversial weapons/weapons systems and with weapons manufacturers based in Russia or China:
  - In accordance with Principal Adverse Impact 14 of Directive (EU) 2019/2088 (Sustainable Finance Disclosure Regulation, SFDR) and the industry framework of the German Banking Industry Committee (DK), the German Structured Securities Association (BSW) and the German Investment Funds Association (BVI), internationally prohibited weapons include anti-personnel mines, cluster munitions and biological and chemical weapons.
  - Controversial weapons include nuclear warheads and single-use delivery systems for nuclear weapons (except for manufacturers of single-use delivery systems headquartered in NATO member states), incendiary weapons, undetectable fragments, blinding laser weapons and white phosphorus weapons (except for obscurant systems) and fully autonomous weapons (weapons systems which are autonomous in their critical functions and which (1) are able to select targets without human intervention, i.e. search, detect, identify, track and ultimately select them, and (2) are able to attack without human control, i.e. exert force, neutralise, damage or destroy).
- Transactions directly linked to illegal logging or in which protected forests are destroyed.
- Transactions of a speculative nature or which carry very unusual risk (particularly loans as defined in the ECB Guidance on leveraged transactions).
- New business in securitisation classes for proprietary investments (excluding auto ABS, RMBS and CLOs).
- 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 and vaping products (e-cigarettes).
- 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.

7.2. Glossary

Keyword	Description
AMI	Asset Management Immobilien (Real Estate)
AMW	Asset Management Wertpapiere (Securities)
CBI	Climate Bonds Initiative
CCS	Carbon capture and storage – Underground storage of carbon dioxide (CO_2).
CCU	Carbon capture and utilisation – CO_2 is captured either from an industrial process or directly from the air (DAC – Direct Air Capture) and used for other industrial or material applications.
Climate scenario	Hypothetical descriptions of possible future climatic conditions, based on various assumptions regarding GHG emissions, land use, economic development and other factors.
CO_2e	CO_2 equivalents; a unit of measurement used to standardise the climate impact of different greenhouse gases.
CRR	Capital Requirements Regulation
CRREM	The Carbon Risk Real Estate Monitor (CRREM) forms an important basis for the analysis and assessment of the specific emissions of individual properties or the entire portfolio. This science-based tool takes various variables into account, such as a real estate´s use and location, to provide information on what the maximum energy consumption and CO_2 emissions should be at specific points in time in order to achieve the Paris Climate Goals. These CRREM target pathways are continuously adapted by the research project to reflect current developments and improved data sets.
CSRD	The Corporate Sustainability Reporting Directive is an EU directive that, under certain conditions, requires companies to report comprehensively on their environmental, social and governance aspects. The aim of the directive is to increase transparency and accountability so that investors, consumers and other stakeholders can make informed decisions.
Decarbonisation	Transition to an economic model that reduces and avoids CO_2 emissions.
Economic intensity	Economic intensity is defined as the ratio of a company's absolute GHG emissions to its turnover. It is measured in CO_2 equivalents per unit of turnover, e.g. in tonnes of CO_2e per million euros of turnover.
EMAS	Eco-Management Audit Scheme, a European standard for environmental management systems, the requirements of which are set out in EC Regulation 1221/2009.
ENCORE	Exploring Natural Capital Opportunities, Risks and Exposure
Equator Principles	The Equator Principles are a framework adopted by financial institutions on a voluntary basis for identifying, assessing and managing environmental and social risks in project finance.
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standard
GHG	Greenhouse gases are radiative gases in the atmosphere that cause the greenhouse effect by absorbing the Earth's thermal radiation, thereby contributing to global warming. These include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), water vapour (H_2O) and fluorinated gases (F-gases).
ICMA	International Capital Market Association
IEA NZE	The International Energy Agency (IEA) is an organisation dedicated to promoting a secure, sustainable and affordable energy supply worldwide. It provides comprehensive analysis, data and policy recommendations to support the global energy sector. The IEA's Net Zero Emissions by 2050 (NZE) Scenario is a detailed plan aimed at reducing global energy-related CO_2 emissions to zero by 2050. This plan requires a complete transformation of

Keyword	Description
	energy production, distribution and use, with a focus on renewable energies such as solar and wind power.
IFC	International Finance Corporation
ILO	International Labour Organization
IMO	International Maritime Organization
KPIs and KRIs	Key performance indicators (KPIs) and key risk indicators (KRIs); metrics with set targets (KPIs) or set limits (KRIs).
Net Zero Target	Setting a net-zero target at company level in line with societal climate targets means: I. achieving emission reductions in the value chain on a scale commensurate with the depth of reduction required at the respective stage on the path to the 1.5-degree target, and II. to neutralise the impact of any remaining emissions (after approximately 90–95% of emissions have been reduced, with the possibility of justified sectoral deviations in line with a recognised sectoral pathway) through the permanent removal of an equivalent amount of CO_2.
NFRD	Non-Financial Reporting Directive
NGFS	Network for Greening the Financial System
PAI	Principal Adverse Impacts, indicators of the negative impacts of an investment on ESG aspects as defined under the Disclosure Regulation.
Paris Agreement	Global agreement on climate protection from 2015, with the aim of reducing GHG emissions.
PCAF	Partnership for Carbon Accounting Financials: An initiative by the financial sector that provides guidelines for the consistent and comparable assessment and calculation of financed emissions within the financial sector.
Physical intensity	This refers to the absolute emissions of a financed company divided by the sector-specific unit of output/quantity component. Physical intensity is measured as a unit of CO_2 equivalents per unit of output/quantity component, e.g. the company's energy generation (kWh).
Poseidon Principles	The Poseidon Principles are an international framework developed by and for financial institutions for incorporating climate considerations into lending decisions to promote the decarbonisation of international shipping. The target is a 30% reduction by 2030 compared to 2008 and the achievement of net zero by or around the year 2050.
PRI	Principles for Responsible Investment; a financial initiative for responsible investment, supported by the United Nations.
SAF	Sustainable Aviation Fuel
SBTi	Science Based Targets initiative: An initiative that supports companies in setting science-based targets for reducing their GHG emissions.
Scope 1 emissions	Direct GHG emissions from sources owned or controlled by the company.
Scope 2 emissions	Indirect emissions from the generation of purchased or received electricity, steam, heat or cooling consumed by the company.
Scope 3 emissions	All indirect GHG emissions (not covered by Scope 2) occurring in the company's value chain, including both upstream and downstream emissions. Scope 3 GHG emissions can be broken down into 15 Scope 3 categories (in accordance with the Greenhouse Gas Protocol).
Scope 3.15 (Financed emissions)	These are the total financed GHG emissions of a portfolio or a financed company. They are measured in tonnes of CO_2 equivalents.
TCFD	Task Force on Climate-related Financial Disclosures; the TCFD was dissolved in 2024 and its responsibilities were taken over by the IFRS Foundation.
TPI	Transition Pathway Initiative

Keyword	Description
Transition Plan	A climate transition plan is a company's specific action plan aimed at reducing GHG emissions and supporting the transition to a low-carbon economy ("decarbonisation"). In accordance with the requirements of ESRS E1 (CSRD), this plan comprises, in addition to reduction and target pathways, a structured set of targets and measures to achieve the defined level of ambition.
UNFCCC	United Nations Framework Convention on Climate Change
UN Global Compact	A global voluntary commitment by companies to adhere to ten principles of responsible corporate governance in the areas of human rights, labour standards, climate and environmental protection, and anti-corruption.
WACI	Weighted Average Carbon Intensity

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