Statement on principal adverse impacts of investment decisions on sustainability factors

(30 June 2024; supersedes the statement dated 30 June 2023)

Deutsche Bank Luxembourg S.A., 529900FIAMEJDQ8C9097

Summary

Deutsche Bank Luxembourg S.A., 529900FIAMEJDQ8C9097, considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Deutsche Bank Luxembourg S.A..

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2023.

This statement is provided under the Sustainable Finance Disclosure Regulation (SFDR) – Regulation (EU) 2019/2088, which defines Financial Market Participants (FMPs) and in scope financial products. Therefore, this disclosure of principal adverse impacts applies to Deutsche Bank Luxembourg S.A.'s business units[1] to the extent it is an investment firm which provides portfolio management to EU clients.

Principal Adverse Impacts are defined by the European Commission as "negative, material, or likely to be material effects on sustainability factors that are caused, compounded by, or directly linked to investment decisions and advice performed by the legal entity". The principal adverse impacts, including their identification, prioritisation, and any action to be taken to manage exposure to them, will be reviewed annually by Deutsche Bank-wide governance forums in accordance with the Deutsche Bank Policy Governance Framework. Deutsche Bank Luxembourg S.A. has implemented the policies as defined by Deutsche Bank AG. Currently, Deutsche Bank Luxembourg S.A. follows a principle-based approach. As the regulatory requirements and associated data change on an ongoing basis, Deutsche Bank Luxembourg S.A. is fully committed to integrating a more thorough and exhaustive principal adverse impact framework into its discretionary portfolio management services in alignment with such developments.

[1] Business units within the Legal Entity that are in scope of the SFDR are limited to the Private Bank. The Corporate Bank and Investment Bank divisions do not meet the definition of FMP or manufacture the scope of Financial Products as defined by the regulation.

Since 10 March 2021, Deutsche Bank Luxembourg S.A. makes data relating to selected principal adverse impacts transparent against the investment universe, enabling informed decisions in the selection process for the construction of relevant financial products. The focus is on making the data available within the processes for selection of underlying products for Deutsche Bank Luxembourg S.A.'s managed portfolios. It is of utmost importance that Deutsche Bank Luxembourg S.A., given its fiduciary capacity, makes all investment decisions in the best interests of its clients and, in doing so, takes all financial and risk factors into account. Considering principal adverse impacts is therefore an additional aspect to be reviewed by Deutsche Bank Luxembourg S.A.'s portfolio managers when making investment decisions but not automatically outweighing other relevant factors. Deutsche Bank Luxembourg S.A. works with third-party data providers to help it to obtain the required data and monitor its investable product universe. This enables it to include information on the principal adverse impacts across the applicable universe on a monthly basis.

While Deutsche Bank Luxembourg S.A. carries out quantitative reporting in respect of all mandatory principal adverse impacts set out in the SFDR, it considers – in its role as an FMP – prioritised principal adverse impact indicators within its investment process. Indicators are selected on the basis of data availability, alignment with adverse activities on which Deutsche Bank is particularly focused and the ESG Investment Classification Criteria, which set out the standards to be met in the manufacturing of ESG investment products. The investment process must allow for robust asset allocation across different regions, asset classes and sectors, which means that principal adverse impacts are not always applicable, or data is not readily available for all of the securities invested in.

The prioritised principal adverse impacts are as follows:

- Greenhouse gas (GHG) emissions

    - Exposure to fossil fuels

        Industries that derive revenues from the exploration, mining, extraction, distribution or refinement of solid, liquid or gaseous fuels (i.e., coal, oil, natural gas)

    - Carbon emissions

        The carbon dioxide equivalents released by a company, measured by volume and intensity

- Social and employee matters

    - Compliance with United Nations Global Compact principles

    At a minimum, companies need to fulfil fundamental responsibilities in the areas of human rights, labour, the environment and anti-corruption

    - Exposure to controversial weapons

    Companies that have an industry tie to landmines, cluster munitions, chemical or biological weapons. An industry tie includes ownership, manufacture or investment

Deutsche Bank Luxembourg S.A. will continue to monitor its exposure to adverse sustainability indicators and where applicable may adapt its strategy in accordance with publication of each annual quantitative statement.

As standards regarding the consideration of sustainability criteria are still emerging and reporting frameworks have not yet come into force, data is currently not always available from the investee companies, the bank's issuers or third-party data providers, especially with regard to the adverse impacts on sustainability factors.

Description of the principal adverse impacts on sustainability factors

Deutsche Bank Luxembourg S.A. discloses data related to principal adverse impact (PAI) on sustainability factors for products where it acts as an FMP and in scope of the SFDR. The following disclosure is an aggregation of all in scope assets of Deutsche Bank Luxembourg S.A. including volumes managed on external platforms and irrespective whether the clients are subject to MiFID. The data is relevant for the reference period 1 January to 31 December 2023.

At this point of time data availability and data quality for principle adverse impact on sustainability factors of the financial investment universe is still evolving. This is due to various factors including but not limited to, alignment and applicability of reporting standards for investee companies and sovereign issuers, evolving methodologies for calculation of sustainability indicators and ongoing efforts in the market and data providers to make data accessible and standardized. Deutsche Bank Luxembourg S.A. considers the data is not yet sufficient to derive well-founded decisions regarding actions to be taken. It is possible that as data availability and quality improve the impact on principal adverse impacts could increase organically and beyond the control of Deutsche Bank Luxembourg S.A..

Additionally, following the targeted consultation of SFDR in September 2023 there is potential for further changes to the regulation that may invalidate any actions set. Therefore, for its current quantitative reporting Deutsche Bank Luxembourg S.A. will continue to disclose and monitor its principal adverse impacts of its investment decisions on sustainability factors but without deriving any planned actions or applying thresholds for the following reference period to avoid or reduce the principal adverse impacts.

Deutsche Bank Luxembourg S.A. will review its current approach on an annual basis.

The investment universe for which Deutsche Bank Luxembourg S.A. acts as an FMP includes all assets including investee companies, sovereign issuers, indirect investments (Funds), derivatives, commodities, and cash. Following evolving guidelines, Deutsche Bank Luxembourg S.A. updated its approach to calculation of adverse impacts to consider only the applicable investments that are relevant to that indicator[2]. This change in methodology means that year on year numbers are not directly comparable and so, to aid this, additional "memo" values have been included in the table with proxy values for 2022 based on the updated methodology to enable a more consistent year on year comparison[3]. Further information is also included in the explanation column for each adverse impact where necessary.

For the current reference period, Deutsche Bank Luxembourg S.A. includes information on the coverage, which is represented as a percentage share of the applicable investments for which adverse impact data was available. The coverage values also reflect the change in methodology where in 2022 this was shown as a share of all investments, but for 2023 onwards reflects as a share of the applicable investments only. The full investment universe for Deutsche Bank Luxembourg S.A. in 2023 consisted of 71.13 % investments into investee companies, 10.05 % investments into sovereigns and supranationals and 18.82 % investments into other instruments for which adverse impacts are not currently applicable.

[2] The applicable investment universe is determined by the adverse impact indicator but will be limited to investee companies and indirect investments (Funds) for indicators applicable to investee companies, and to sovereign issuers and indirect investments (Funds) for indicators applicable to sovereigns. All non-applicable assets, such as derivatives, commodities, and cash are excluded. In 2022, coverage values were representative also of the asset mix, including those not relevant for the adverse impacts.

[3] Due to the significant methodology changes in the calculation of adverse impacts, additional "memo" values have been included for Y2022 in order to show a more comparable year on year change. These have been calculated based on 2022 holdings, but against 2023 adverse impact data, therefore should not be considered as an exact representation of Y2022 and only a guide. The updated methodology also includes adjustments to the value of investments in each snapshot to align with the year-end enterprise value. This is designed to offset market volatility's effect on PAIs that link to a company's enterprise value (PAIs 1,2,8 and 9). This has only been applied to equity instruments due to limitations in data and lack of clarity on other asset types.

The calculation for the impact value is based on principal adverse impact data for investee companies and sovereigns and indirect investment products (Funds) sourced from a third-party data provider assessed against four snapshots of the assets managed during the reference period (31 March / 30 June / 30 September / 31 December).

Annual impact is the consolidated figure for Deutsche Bank Luxembourg S.A., based on the weighted average of the assets under management for the reported year. The number disclosed is an absolute value of impact, and variations in year-on-year values can also be linked to changes in the volume of assets

Adverse sustainability indicator		**Metric**	**Impact** *(Coverage)*[4]			**Explanation**[5]	**Actions taken, and actions planned, and targets set for the next reference period**[6]
			Y2023	**Y2022**[7]			
Indicators applicable to investments in investee companies							
Climate and other related environment-related indicators							
Greenhouse gas emissions	1. GHG Emissions	Scope 1 GHG emissions	43,187 *(92.71%)*	28,674 *(36.37%)* *Memo: 38,241* *(90.59%)*	tons CO_2e	Explanations for changes in year-on-year PAI values are attributable to a variety of reasons and so are	At this point of time data availability and data quality for principle adverse impact on
		Scope 2 GHG emissions	10,014 *(92.71%)*	6,232 *(36.37%)*	tons CO_2e		

[4] Coverage is included as voluntary additional information. It is based on the percentage of the applicable investment universe for which data was available for the adverse impact indicator. The applicable investment universe is determined by the adverse impact indicator but will be limited to investee companies and indirect investments (Funds) for indicators applicable to investee companies, and to sovereign issuers and indirect investments (Funds) for indicators applicable to sovereign. All non-applicable assets, such as derivatives, commodities, and cash are excluded.
[5] Explanation has been consolidated across all adverse impacts to highlight the general changes in data that need to be considered when considering year on year comparisons.
[6] for its current quantitative reporting Deutsche Bank Luxembourg S.A. will not include planned actions or apply thresholds for the following reference period, due to data limitations and regulatory evolution.
[7] Due to the significant methodology changes in the calculation of adverse impacts, additional "memo" values have been included for Y2022 in order to show a more comparable year on year change. These have been calculated based on 2022 holdings, but against 2023 adverse impact data, therefore should not be considered as an exact representation of Y2022 and only a guide.

Adverse sustainability indicator		Metric	Impact *(Coverage)*[4]			Explanation[5]	Actions taken, and actions planned, and targets set for the next reference period[6]
			Y2023	Y2022[7]			
				Memo: 9,437 (90.59%)		summarised collectively: **Entity calculations:** The bank approach for 2023 changed to consider only the investments applicable for the given adverse impact. **Data quantity and quality:** Changes in company reporting and increase in available data. Standardised data formatting completed by data providers to ensure consistency in values. Data update cycles also differ	sustainability factors is still evolving. This is due to various factors including but not limited to, alignment and applicability of reporting standards for investee companies and sovereign issuers, evolving methodologies for calculation of sustainability indicators and ongoing efforts in the market and data providers to make data accessible and standardized. It is
		Scope 3 GHG emissions	379,868 *(92.70%)*	203,934 *(36.37%)* *Memo: 322,194 (90.58%)*	tons CO_2e		
		Total GHG emissions	433,070 *(92.71%)*	238,840 *(36.37)* *Memo: 369,872 (90.59%)*	tons CO_2e		
	2. Carbon Footprint	Carbon Footprint	522.42 *(92.64%)*	504.33 *(67.93%)* *Memo: 461.87 (90.51%)*	tons CO_2e / EUR M		
	3. GHG Intensity of investee companies	GHG intensity of investee companies	978.39 *(97.86%)*	949.10 *(68.06%)* *Memo: 900.25 (94.65%))*	tons CO_2e / EUR M Revenue		
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	12.53 *(97.47%)*	7.37 *(77.29%)* *Memo:* 10.07 *(94.41%)*	percent		

Adverse sustainability indicator		Metric		Impact *(Coverage)*[4]			Explanation[5]	Actions taken, and actions planned, and targets set for the next reference period[6]
				Y2023	Y2022[7]			
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage		65.06 *(72.00%)*	69.95 *(62.38%)* *Memo:* 62.09 *(71.74%)*	percent	across PAIs, due to variances in investee company reporting timeframes, and sourcing from data providers. The third-party data provider also observed and applied several data updates/ corrections. **Changes in methodology for PAIs: *PAI 1: GHG emissions*** In Y2023, data for indirect investments were included for the first time. These are proxy values based on emissions	possible that as data availability and quality improve the impact on principal adverse impacts could increase organically and beyond the control of Deutsche Bank Luxembourg S.A. Additionally, following the targeted consultation of the SFDR regulation in September 2023 there is potential for further changes to the regulation that may invalidate any actions set. Therefore, for its
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	**NACE Code A:** Agriculture, forestry, and fishing	0.80 *(87.27%)*	0.85 *(57.84%)* *Memo:* 0.80 *(84.67%)*	GWh/million EUR revenue		
			NACE Code B: Mining and quarrying	0.68 *(87.27%)*	2.51 *(57.84%)* *Memo:*0.78 *(84.67%)*	GWh/million EUR revenue		
			NACE Code C: Manufacturing	0.55 *(87.27%)*	0.81 *(57.84%)* *Memo:* 0.59 *(84.67%)*	GWh/million EUR revenue		

Adverse sustainability indicator		Metric		Impact *(Coverage)*[4]			Explanation[5]	Actions taken, and actions planned, and targets set for the next reference period[6]
				Y2023	Y2022[7]			
			NACE Code D: Electricity, gas, steam and air conditioning supply	1.95 *(87.27%)*	3.61 *(57.84%)* *Memo: 2.51 (84.67%)*	GwH/million EUR revenue	per EUR million invested due to a lack of ready information on actual investor share for these products.	current quantitative reporting Deutsche Bank Luxembourg S.A. will continue to disclose and monitor its principal adverse impacts of its investment decisions on sustainability factors but without deriving any planned actions or applying thresholds for the following reference period.
			NACE Code E: Water supply; sewerage; waste management and remediation activities	1.23 *(87.27%)*	1.32 *(57.84%)* *Memo: 0.96 (84.67%)*	GwH/million EUR revenue		
			NACE Code F: Construction	0.18 *(87.27%)*	0.15 *(57.84%)* *Memo:* 0.18 *(84.67%)*	GwH/million EUR revenue		
			NACE Code G: Wholesale and retail trade; repair of motor vehicles and motorcycles	0.62 *(87.27%)*	0.39 *(57.84%)* *Memo: 0.69 (84.67%)*	GwH/million EUR revenue		
			NACE Code H: Transporting and storage	1.09 *(87.27%)*	2.33 *(57.84%)* *Memo: 1.06 (84.67%)*	GwH/million EUR revenue		

Adverse sustainability indicator		Metric		Impact (Coverage)[4] Y2023	Y2022[7]		Explanation[5]	Actions taken, and actions planned, and targets set for the next reference period[6]
			NACE Code L: Real estate activities	0.34 *(87.27%)*	0.41 *(57.84%)* *Memo:* 0.36 *(84.67%)*	GwH/million EUR revenue	***PAI 7: Activities negatively affecting biodiversity sensitive areas*** Data provider methodology change to consider broader array of factors that can contribute to negative activities in biodiversity-sensitive areas.	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas		12.84 *(98.10%)*	0.01 *(77.29 %)* *Memo:* 10.94 *(94.79%)*	percent		
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average		0.26 *(1.51%)*	3.78 *(7.78%)* *Memo:* 0.20 *(1.35%)*	tons / EUR M invested	***PAI 8: Emissions to Water*** Data changes in reported values to consider only polluting emissions.	
Waste	9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average		21.11 *(37.91%)*	91.78 *(24.83%)* *Memo: 20.12 (32.17%)*	tons / EUR M invested		

Adverse sustainability indicator		Metric	Impact (Coverage)[4] Y2023	Y2022[7]		Explanation[5]	Actions taken, and actions planned, and targets set for the next reference period[6]
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters							
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.11 *(98.24%)*	17.66 *(77.29%)* *Memo:* 0.13 *(94.72%)*	percent	***PAI 10: Violations of UNGC and OECD*** Adjusted methodology to only look at violations as per data provider methodology (prior numbers considered also unconfirmed violations) ***PAI 11: Lack of processes and compliance mechanisms to monitor compliance with UNGC and OECD*** Data provider change in methodology to consider a broad array of public disclosed policies.	See comments above for Deutsche Bank Luxembourg S.A. approach to actions
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance complaints handling mechanisms to address violations of the UNGC principles or OECD	0.35 *(97.47%)*	36.10 *(77.11%)* *Memo:* 0.38 *(94.43%)*	percent		

Adverse sustainability indicator		Metric	Impact (Coverage)[4]			Explanation[5]	Actions taken, and actions planned, and targets set for the next reference period[6]
			Y2023	Y2022[7]			
	Guidelines for Multinational Enterprises	Guidelines for Multinational Enterprises					
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	11.17 *(18.08%)*	14.17 *(22.68%)* *Memo:* 9.57 *(18.30%)*	percent		
	13. Board Gender Diversity	Average ratio of female to male board members in investee companies	34.57 *(97.06%)*	32.86 *(68.77%)* *Memo:* 33.15 *(93.94%)*	percent		

Adverse sustainability indicator		Metric	Impact *(Coverage)*[4]			Explanation[5]	Actions taken, and actions planned, and targets set for the next reference period[6]
			Y2023	Y2022[7]			
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.03 *(98.26%)*	0.03 *(77.29%)* *Memo:* 0.03 *(94.77%)*	percent		
Indicators applicable to investments in sovereigns and supranationals							
Environ-mental	15. GHG Intensity	GHG intensity of investee countries	278.52 *(91.54%)*	313.10 *(9.67%)* *Memo: 266.98* *(90.02%)*	t CO_2e / M EUR GDP	See comments above for general explanations.	See comments above for Deutsche Bank Luxembourg S.A. approach to actions.
Social and employee matters	16. Investee countries subject to	Number of investee countries subject to social violations (absolute	7.00 *(91.54%)*	5.00 *(11.46%)* *Memo: 6.00*	Count of Countries[8]	***PAI 16: Investee Countries subject to social violations*** Data provider only	

[8] Numbers are presented as an average of 4 holding snapshots, it is possible not to include a whole number.

Adverse sustainability indicator		Metric	Impact *(Coverage)*[4]			Explanation[5]	Actions taken, and actions planned, and targets set for the next reference period[6]
			Y2023	Y2022[7]			
	social violations	number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law		*(90.02%)*		considers countries subject to EU sanctions. Change in methodology for reporting relative number. Previously considered the % of AuM invested in sanctioned countries. New approach considers the % of sanctioned countries as a share of all unique countries invested in	
			7.37 *(91.54%)*	0.28 *(11.46%)* *Memo: 6.38* *(90.02%)*	Violations / Total Sovereign		
Indicators applicable to investments in real estate assets							
Fossil Fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	*(0.94%)*	*(0.99%)*	percent	Due to limited/no data on real estate assets from data providers, no impact can be provided for PAI 17 and 18[9]	Identifying potential PAI data sources that can supply real estate data.
Energy	18. Exposure to energy-	share of investments in energy inefficient real estate assets	*(0.94%)*	*(0.99%)*	percent		

[9] Coverage is provided as a reference on % of portfolio exposed to Real Estate activities (NACE Code L)

Adverse sustainability indicator		Metric	Impact *(Coverage)*[4]			Explanation[5]	Actions taken, and actions planned, and targets set for the next reference period[6]
			Y2023	Y2022[7]			
	inefficient real estate assets						
Additional climate and other environment-related indicators							
Greenhouse gas emissions	4. Investments in companies without carbon emission reduction initiatives	Company's carbon emission reduction initiatives aimed at aligning with the Paris Agreement	24.37 *(95.81%)*	33.93 *(77.23%)* *Memo: 21.66* *(93.18%)*	percent	See comments in previous tables for general explanations.	See comments in previous tables for Deutsche Bank Luxembourg S.A. approach to actions.
Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters							
Social and employee matters	14. Number of identified cases of severe human rights issues and incidents	Number of Severe and Very Severe Human Rights Issues and Incidents	0.00 *(94.05%)*	0.00 *(69.07%)* *Memo:* 0.00 *(92.15%)*	cases/M EUR invested	See comments in previous tables for general explanations.	See comments in previous tables for Deutsche Bank Luxembourg S.A. approach to actions.

Description of policies to identify and prioritize principal adverse impacts on sustainability factors

Deutsche Bank has established a robust governance, helping to manage, measure, and monitor sustainability activities across the bank. This governance structure includes a number of forums devoted entirely to sustainability. The most senior is the Group Sustainability Committee, which was created in 2020. Chaired by the Chief Executive Officer and the Chief Sustainability Office (Vice-Chair), it consists of Management Board members, the heads of Deutsche Banks business divisions and certain infrastructure functions.

Deutsche Bank Luxembourg S.A. applies an overarching approach to the management of sustainability, which is set out in various group level policies and procedures. Deutsche Bank Luxembourg S.A. has implemented the policies as defined by Deutsche Bank.

As the regulatory requirements and data change on an ongoing basis, Deutsche Bank Luxembourg S.A. - where it acts as an FMP - does not have a single defined policy relating to principal adverse impacts. Where relevant, however, they are covered by existing procedure documents. Deutsche Bank Luxembourg S.A. is fully committed to integrating a more thorough and exhaustive principal adverse impact framework into its discretionary portfolio management services in alignment with such developments.

Frameworks for Deutsche Bank Luxembourg S.A. where it acts as an FMP describe the core processes, responsibilities, governance structures and monitoring environment. These stipulate that portfolio managers are provided with selected principal adverse impact information alongside the investment universe, enabling them to make informed decisions in the selection process for the construction of relevant managed portfolios. The focus is on making the data available within the processes for the selection of underlying products for Deutsche Bank Luxembourg S.A.'s managed portfolios. It is of the utmost importance that Deutsche Bank Luxembourg S.A., given its fiduciary capacity, makes all investment decisions in the best interests of its clients and, in doing so, takes all financial and risk factors into account. Considering these principal adverse impacts is therefore an additional aspect to be reviewed by Deutsche Bank Luxembourg S.A.'s portfolio managers when making investment decisions but will not automatically outweigh other relevant factors.

For financial products that follow an ESG investing approach, Deutsche Bank has additionally specified an ESG Classification Criteria Procedure (first issued 2021) that has to be adhered to. Deutsche Bank Luxembourg S.A. in its role as an FMP uses third-party data providers to exclude or set threshold limits on exposure to industries or practices that are aligned to select adverse sustainability indicators.

Deutsche Bank Luxembourg S.A. in its role as an FMP identifies and prioritizes selected principal adverse impact indicators within its investment process. The selection of indicators is determined via data availability, alignment to adverse activities in focus by Deutsche Bank, and the ESG Investment Classification Criteria which sets out standards to be met for portfolio management that considers ESG criteria. The investment process must allow for a robust allocation across different regions, asset classes and sectors, and as such principal adverse impacts are not always applicable or data is not readily available for all securities invested in. Deutsche Bank Luxembourg S.A. will continue to monitor its exposure to adverse sustainability indicators and where applicable may adapt its strategy in accordance with the publication of each annual quantitative statement.

Deutsche Bank also regularly performs an assessment to determine the materiality of non-financial topics for the bank and its stakeholders. As part of this assessment, Deutsche Bank assesses actual and potential positive and negative impacts as well as actual and potential risks and opportunities for ESG topics in terms of Deutsche Bank's business activities, business relations, and products and services.

For the assessment of principal adverse impacts on sustainability factors, Deutsche Bank Luxembourg S.A. relies on data provided by third-party data provider. These providers expose data as reported by investee companies, or investment fund managers. If no data from the investee company or investment fund company is available, the third-party data provider may provide estimated data which can be used.

Deutsche Bank Luxembourg S.A. does not guarantee that this information is correct or complete. Furthermore, Deutsche Bank Luxembourg S.A. cannot guarantee the correctness of the third-party data provider's assessment. Deutsche Bank Luxembourg S.A. also has no influence on any disruptions to the third-party data provider's analysis and research preparation.

As the standards and the regulatory framework regarding the consideration of sustainability criteria are still evolving, data on the consideration of principal adverse impacts is not always available and there may still be restrictions on the consideration of the principal adverse impacts.

To minimise these restrictions, Deutsche Bank Luxembourg S.A. has carefully selected its third-party data provider and maintains close contact with regard to changes in the quality of the data.

Engagement policies

Where Deutsche Bank Luxembourg S.A. acts as an FMP for financial products within the scope of the Disclosure Regulation, it does not currently engage directly with investee companies and therefore does not influence their business activities or risks.

References to international standards

Deutsche Bank is embedding sustainability into its policies, processes, and products, focusing on four dimensions: Sustainable Finance, Policies and Commitments, People and Operations as well as Thought Leadership and Stakeholder Engagement. Making progress in these dimensions will enable Deutsche Bank to maximize its contribution to the achievement of the Paris Climate Agreement's targets and the United Nations (UN) Sustainable Development Goals.

To underpin its long-standing commitment to sustainability, Deutsche Bank follows internationally recognized principles for sustainable business and banking conduct and formally endorses universal sustainability frameworks and initiatives such as:

- the 10 principles of the UN Global Compact,
- the Principles for Responsible Banking convened by the United Nations Environment Programme Finance Initiative
- the UN Guiding Principles on Business and Human Rights

- Signatory of Net-Zero Banking Alliance

A full list and further details of the standards adhered to can be found at Deutsche Bank Policies & Commitments (db.com)

By taking into account certain internationally recognized standards, such as the conventions of the United Nations Global Compact Principles, setting a maximum involvement within certain sectors, e.g. thermal coal and/or unconventional oil/gas and by excluding activities in connection to e.g. controversial weapons such landmines, cluster munitions, biological and chemical weapons, Deutsche Bank Luxembourg S.A. where acting as an FMP, indirectly aligns its portfolio management that considers ESG criteria to certain principal adverse impacts.

Within portfolio management services, Deutsche Bank Luxembourg S.A. collaborates with third-party data providers for data related to sustainability factors of investee companies for direct as well as indirect investments. For portfolio management that considers ESG criteria this includes, but is not limited to, assessing whether the investee universe has exposure to UN Global Compact or OECD Violations (PAI 10), and Controversial weapons (PAI 14).

For portfolio management services, Deutsche Bank Luxembourg S.A. is invested in developing net-zero aligned forward-looking climate scenarios, which are aligned to the Paris Climate Agreement. However, currently Deutsche Bank Luxembourg S.A. does not consider climate-scenarios in the investment decision process.