

Procedure Document on ESG Methods, Data Sources and Data Processing

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1 / Purpose and Scope of Application

This Procedure Document on ESG Methods, Data Sources and Data Processing (“Procedure Document”) aims at providing further information on the DWS ESG Engine and ESG methods.

It applies to all retail investment funds or sub-funds thereof (“Fund or Funds”) reporting under Article 8 or Article 9 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, as amended (“SFDR”), for which the respective website disclosure document, according to Article 10 SFDR, includes an explicit reference to this Procedure Document.

Depending on the specific ESG investment strategy of the Funds, certain sections in this document may not apply or apply only to a limited extent, for example, with regards to ESG methodologies and ESG filters, sustainability assessments or principal adverse impact indicators (“PAIs”). For various reasons, such as a focus on a specific ESG/sustainability strategy or for historical reasons, certain Funds may apply other and/or further ESG/sustainability related methodologies. Therefore, investors are advised to consult the pre-contractual disclosures made for the respective Fund in accordance with Annex II or, respectively, Annex III of Commission Delegated Regulation (EU) 2022/1288 supplementing the SFDR (“Pre-Contractual Disclosures”) that include a description of the binding ESG investment strategy with the applied ESG and/or sustainability methodologies for each Fund.

References to “DWS” shall include DWS group entities acting as Financial Market Participant under SFDR and generally involved in the management of the Funds as described in the respective Prospectuses of the Funds, namely DWS Investment S.A, DWS Investment GmbH and, if applicable, further sub-delegated managers part of DWS group. Whereas the primary responsibility for the DWS ESG Engine and ESG Data outlined in this Document lies with DWS Investment GmbH.

2 / DWS ESG Engine

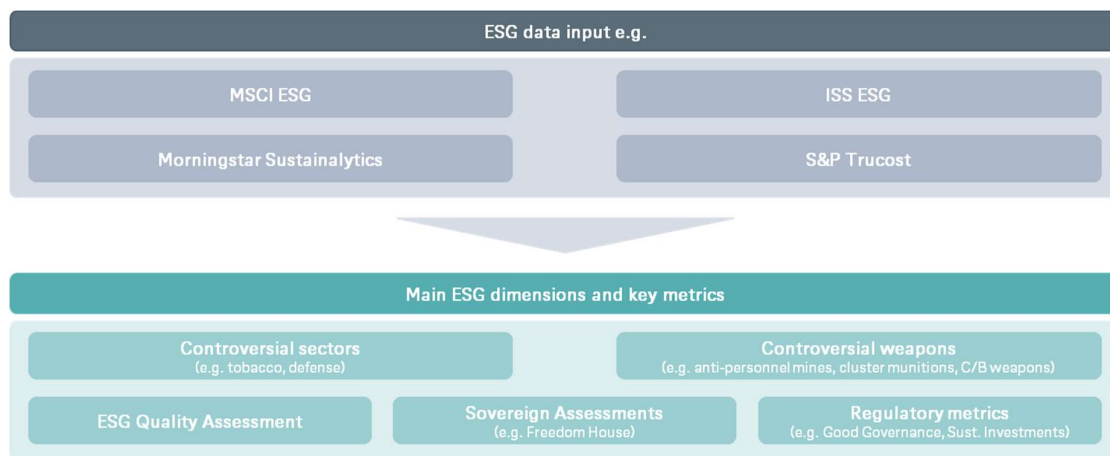
The DWS ESG Engine is a proprietary software tool and the centrepiece in the process of integrating ESG into the investment decisions for all Funds in scope. It is a multi-source ESG data aggregation, structuring and processing device, which allows a consolidated and qualified ESG analysis based on the ESG inputs from several ESG data providers, public sources and/or DWS internal assessment meeting, amongst others, the requirements outlined in the Pre-Contractual Disclosures.

Further, ESG methodologies, especially where it concerns vendor and data selection as well as choice of calculations, are designed and implemented by the DWS ESG Engine Team and are requested and approved by the relevant chairperson of the ESG methodology council (EMC). This council assembles specialists and stakeholders from various divisions.

2.1 ESG data inputs and main ESG dimensions

The DWS ESG Engine is used, amongst others, for the following main ESG dimensions: (i) Controversial sectors, (ii) Controversial weapons, (iii) ESG Quality Assessment, (iv) Sovereign Assessments, and (v) Regulatory metrics such as Good Governance Assessment or ‘sustainable investments’, as defined in Article 2(17) SFDR (Sustainability Investment Assessment).

Table 1: ESG data inputs and main ESG dimensions



The ESG assessment approach depends on the ESG metric under consideration, ranging from quantitative revenue thresholds up to proprietary ESG assessments, generally coded into a letter scheme of “A” to “F” with “A” being the best possible assessment and “F” being the worst possible assessment. The ESG assessments are used to define product filter specific exclusion criteria as outlined in section “3 – DWS ESG filters”.

These ESG assessments include, among others, the percentage share of revenues earned within a specific controversial sector, the degree of involvement in controversial weapons or proprietary ESG assessments such as the ESG Quality Assessment. The methodology applied to derive such overall assessments can be based on different methods, such as prioritizing one data vendor, worst-of or averaging approach. An example of the application of the “prioritisation” approach is the prioritised use of one specific vendor for carbon emission data to aim for a consistent model for estimating Scope 3 emissions while allowing to gap-fill with data of another vendor in case of missing data. A “worst-of” approach across different vendors is used, for example, for the assessment for involvement in military defense industry. The Norm Controversy assessment is an example of an assessment that is based on an averaging approach: The final verdict concerning the behaviour of a

company in relation to generally accepted international standards and principles is the result of averaging the input of three different data vendors, i.e considering consensus among the three data vendors.

The following table 2 shows two proprietary ESG assessments, that are in particular used for the Funds reporting under Article 8 SFDR and apply the above mentioned letter scheme. The table shows how the "A" to "F" letter code is to be understood depending on the underlying ESG metric.

Table 2: Proprietary ESG assessments

	Norm Controversy Assessment	ESG Quality Assessment
Measurement	Reconfirmed Norm Controversies (incl. UNGC and OECD)	Cross vendor consensus ESG quality assessment in peer group
A	No issue identified	True leader in ESG
B	Violations of lesser degree	ESG leader
C		ESG upper midfield
D		ESG lower midfield
E	Watch List	ESG laggard
F	Fail	True laggard in ESG
M	No coverage	No coverage
X	Not applicable/out of scope	Not applicable/out of scope

Details on the general ESG assessment methodologies as well as examples of DWS ESG Engine assessments applied in DWS’ standard ESG filters are outlined in more detail in section “4 - ESG assessment methodologies”.

2.1.1. ESG data sources and vendor selection

DWS uses leading external ESG data specialists. The multi-vendor approach allows DWS to select the most relevant data provider and data points for each ESG metric under consideration. However, the application of the multi-vendor approach does not apply for every assessment, especially in cases where data of one provider are deemed more appropriate or where only one vendors’ data point matches the exact requirements. The relevance of the ESG data is assessed, for example, in terms of coverage (to limit data gaps), reliability and quality/robustness by using ESG signals and sub-signals explicitly required as per DWS policy/statement and relevant in the context of the target investments. For example, if DWS considers the carbon emission data set from one data provider as superior to another data vendor, due to superior data coverage and consistency of methodology for different scopes of carbon emission, DWS will prioritize this vendor in the setup of metrics that rely on carbon emission data.

The following table 3 describes the main data providers currently used (as of the date of this document) for the different ESG/sustainability related topics and ESG filters:

Table 3: ESG/Sustainability related topics and main data providers

ESG/Sustainability related topics	Main data provider (for single issuer assessments)
Regulatory metrics	
PAB Exclusions	ISS-ESG, MSCI ESG, S&P TruCost
Good Governance	ISS-ESG, MSCI ESG, Morningstar Sustainalytics
PAIIs	ISS-ESG, MSCI ESG
Sustainability Investment Assessment SFDR 2(17)	ISS-ESG, MSCI ESG
Sustainability Investment Assessment EU Taxonomy	ISS-ESG, MSCI ESG
ESG Quality Assessment	
Exposure to controversial sectors	ISS-ESG, MSCI ESG, (S&P TruCost)
Exposure to controversial weapons	ISS-ESG, MSCI ESG, PAX
Sovereign Assessments	
	Freedom House, ISS-ESG, MSCI ESG, Morningstar Sustainalytics

Next to the commercial data provider, the following ESG data from Non-Governmental Organisations (“NGOs”) or other parties may be sourced for different purposes by DWS ESG Engine, either directly or via one of the aforementioned commercial ESG data providers, in particular from:

- Amnesty International – data on death penalty status (sovereign issuers),
- Climate Bond Initiative – data on use of proceed bonds;
- Freedom House – data on civil liberties and political rights (sovereign issuers),
- Germanwatch – data on climate (sovereign issuers),
- PAX – data on incendiary weapons, in particular those with white phosphorus (corporate issuers),
- Refinitiv – data on target fund holdings,
- Science Based Target initiative (“SBTi”) – data on corporate climate action,
- Transition Pathway Initiative (“TPI”) – data on global climate transition initiatives (corporate issuers),
- World Bank – data on population and other statistics (sovereign issuers), and/or
- Urgewald – data on fossil fuel (corporate issuers).

2.1.2. Input data based on DWS’ internal ESG research

Even though the DWS ESG Engine is mainly populated from external vendors data, DWS ESG Engine also includes ESG data based on DWS’ internal ESG research. This internal research might take into account e.g. factors beyond the processed data vendor information, such as an issuer’s future expected ESG development, plausibility of the data with regard to past or future events, an issuer’s willingness not only to engage in dialogues on ESG matters or corporate decisions, but also to commit to a path of improvement. DWS internal ESG research results are complementary data points to the DWS ESG Engine standard data sources and may consider the relevance of the exclusion criteria for the market sector of the investee company.

2.1.3. Data processing and measures taken to support data quality

DWS exercises due care and diligence when selecting data for its ESG and sustainability related assessments. Data quality is supported by selecting several data vendors, as discrepancies can be identified at an early stage by comparing the data of the various vendors. Regular meetings with the selected ESG data providers are held to discuss issues and challenge cases when necessary.

The data vendors establish upstream controls to ensure quality of their processes and of the data that is being provided to DWS. DWS has set up processes to monitor the quality of the ESG assessments produced in the DWS ESG Engine from the

inbound data. This concerns checks on availability and integrity of the data, as well as scrutiny towards cases where inbound data changes eligibility of assets under the sustainability criteria of the financial product.

The aforementioned ESG data is translated into ESG assessments and is quality controlled and validated by internal ESG teams and councils, where applicable. To that end, the DWS ESG Engine standardizes and aggregates data across various sources as outlined in section 2.1.1. "ESG data sources and data vendor selection". The ESG assessments may be supplemented with information from the DWS internal research and assessment process as indicated in section 2.1.2. "Input data based on DWS internal assessment".

The DWS ESG Engine team has a so-called result validation procedure in place. All ESG data is collected at the beginning of the month for publishing within DWS' internal systems by the ESG Engine at the beginning of the next month to allow for enough time to validate the updated ESG database. The task of the team in charge of this validation procedure is to quality assure the produced ESG assessments. To that end migrations are analyzed and if necessary escalated to the vendors for clarification and confirmation.

2.1.4. Limitations to methodologies and data

Although DWS has broad ESG data coverage through a multi-vendor approach and specialises on ESG data aggregation, processing and developing unique ESG methodologies through the DWS ESG Engine, the following limitations may apply:

1. While DWS internal assessments may close the data gap to some extent, for internal assessments based on single issuer research, the case-by-case review nature limits the number of issuers which can be reviewed.
2. Outdated data: The DWS ESG Engine team uses the outputs from selected data vendors, which might already be outdated, thoroughly reviews it to maintain the necessary quality controls and identifies data issues until a certain cut-off date, and then processes it within the DWS ESG Engine, which publishes the data only for a determined time period. As the process is time extensive, there may be time lags until the updated data are considered for the respective investments.
3. As part of the applicable regulation, the PAB Exclusions as well as the DNSH-Assessment are referring to the assessment on activity/project level, but activity-/project-related data are not yet accessible.

With respect to the limitations outlined above,

1. Regarding 'Limited data coverage for certain asset classes and investments on single issuer level' DWS takes a conservative approach when it comes to missing data for direct investments: Issuers, for which no full data coverage is obtained across all **binding elements even after incorporating DWS internal assessments**, are neither considered to be aligned with the promoted E/S characteristics nor the sustainable investment objective. This ensures that limited data coverage for certain asset classes and investments does not negatively affect E/S characteristics promoted by a product.
2. The 'outdated data' limitation explain why relevant data for the environmental and/or social ("E/S") characteristics promoted by the financial product become available with a time lag. Taking into account that ESG data have the tendency not to be of highest volatility and that there is a trade-off between the time it takes to run processes to monitor the quality of the ESG assessments produced in the DWS ESG Engine and having the latest data made available, DWS deliberately decided to emphasize quality control over timeliness to identify and rectify inconsistencies or errors.
3. As long as there will be insufficient data available on activity/project level, DWS applies the PAB Exclusions as well as the DNSH-Assessment on issuer level. If further relevant data becomes available in the future, we reserve the right to take the data related to a specific activity/project into account.

2.1.5. Estimated data

DWS uses data from multiple data vendors, public sources and/or DWS internal assessments and research in order to perform a consolidated and qualified ESG assessment approach.

In these ESG and sustainability assessments, DWS uses publicly reported data, as well as estimated data, if no adequate primary data is available. The instances in which DWS uses estimates are for example the following:

- Estimates from data vendors (based on data coming from investee companies or other sources).
- In the case of group structures, the data of the parent company can be passed on to subsidiaries of the group in the case of missing data on subsidiary level.
- In case of insufficient data availability for the evaluation of the PAB-Exclusion criteria at use of proceeds bond level, the issuer of the use of proceeds bond will be evaluated instead.

Based on current understanding of the regulatory guidelines on estimates, DWS classifies all data that is not publicly reported by investee companies under (regulatory) reporting requirements as estimated data. This also includes all data received from data vendors, if the data vendor does not provide a qualified disclosure on coverage of estimated data. Therefore, up to 100% of the data used may be reported as estimated data.

3 / DWS ESG filters

Relevant ESG assessments, exclusions and revenue thresholds and other threshold-based limitations depend on the promoted E/S characteristics of a Fund, i.e. the Fund's investment strategy as per Pre-Contractual Disclosure. Depending on the product design, a wide range of ESG assessments and different ESG thresholds are applied across the Funds.

Currently, DWS defines minimum requirements for European-domiciled actively managed mutual funds aligned with SFDR disclosure and the ESMA naming convention. European-domiciled actively managed mutual funds reporting under Article 8 SFDR, including the Funds in scope of this Procedure Document, apply in general minimum exclusions based on one of two ESG filters: the "DWS Basic Exclusions" or the "DWS ESG Investment Standard". The DWS Basic Exclusions defines the minimum approach for Funds reporting under Article 8 SFDR. The DWS ESG Investment Standard filter is counting more exclusions (e.g. PAB Exclusions) in comparison to the DWS Basic Exclusions filter.

Several activities are excluded from most products, not only the ESG products. As such, companies not compliant with the DWS Coal Policy and DWS Controversial Weapons ("CW") Statement are excluded as an investment. Table 4 below shows different dimensions of ESG and their consideration in the respective ESG filter. In general, the number of ESG criteria applied increase if the product promotes more E/S characteristics depending on the ESG ambitions of the product. The DWS ESG approach is based on a comprehensive set of methodologies and assessments incorporating regulatory requirements and voluntary commitments where applicable. Investors shall consult the Pre-Contractual Disclosures of the relevant Fund to know which DWS ESG filter is applied.

Table 4: DWS Basic Exclusions (“BE”) and ESG Investment Standard (“EIS”) – criteria for direct investments

	Description	SFDR Art. 8 BE	SFDR Art. 8 EIS
<i>Companies</i>			
Regulatory metrics	PAB Exclusions: The fund exclude companies subject to the EU Paris-aligned Benchmark exclusion criteria as set forth in article 12(1) of Commission Delegated Regulation 2020/1818.		x
	Good Governance assessed via the Norm Controversy Assessment (incl. UNGC, UNGP, ILO and OECD). Companies with the worst assessment of “F” are excluded as an investment.	x	x
	Share of sustainable investments: The fund commits to a minimum share of sustainable investments assessed via the Sustainability Investment Assessment.	(x) ¹	x
	PAI Consideration: The fund considers at least PAII	4, 10, 14, (16) ²	1, 2, 3, 4, 10, 14, (16) ²
ESG Quality Assessment	Overall ESG assessment, for example, concerning the handling of environmental changes, product safety, employee management or corporate ethics. Companies with the worst assessment of “F” are excluded as an investment.		x
Exposure to controversial sectors	a. Manufacturing of products and/or provision of services in the defence industry: 5% or more		x
	b. Manufacturing and/or distribution of civil handguns or ammunition: 5% or more	x	x
	c. Manufacturing of products in and/or provision of services for the gambling industry: 5% or more		x
	d. Manufacturing of adult entertainment: 5% or more		x
	e. Manufacturing of palm oil: 5% or more		x
	f. Nuclear power generation and/or uranium mining and/or uranium enrichment: 5% or more		x
	g. Unconventional extraction of crude oil and/or natural gas (including oil sand, oil shale/shale gas, arctic drilling): more than 0%		x
	h. Companies that derive 25% or more from thermal coal mining and thermal coal-based power generation as well as companies with thermal coal expansion plans, such as additional expansion of coal mining, coal production or coal usage.	x	x
	i. Manufacturing or selling of nuclear weapons or key components of nuclear weapons		x
	j. Manufacturing of tobacco products: 5% or more	x	>0%
	k. Mining of oil sand: 5% or more	x	>0%
Exposure to controversial weapons ³	<i>Manufacturing or selling of or key components of controversial weapons</i>		
	a. anti-personnel mines	x	x
	b. cluster munitions	x	x
	c. chemical weapons	x	x
	d. biological weapons	x	x
	e. blinding laser weapons		x
	f. non-detectable fragments		x
	g. depleted uranium weapons/munitions		x
	h. incendiary weapons using white phosphorus		x
<i>Sovereigns</i>			
Sovereign Assessments	Countries that are classified as “not free” by Freedom House are excluded	x	x
	For sovereign issuers, the ESG Quality Assessment assesses countries based on a peer group comparison considering E/S criteria as well as indicators for good governance, including, for example, the political system, the existence of institutions and the rule of law. Sovereign issuers with the worst assessment of “F” are excluded as an investment.		x

¹ Only Funds that will commit to a minimum proportion of sustainable investments

² Only Funds with a permanent allocation in sovereign bonds, as described in the fund’s investment policy, will consider PAI 16

³ For SFDR Art. 8 EIS funds, companies are also excluded if they are identified as being involved in other CW related specific activities

4 / ESG assessments

4.1. Basic Exclusions

4.1.1. Norm Controversy Assessment

The Norm Controversy Assessment evaluates the behaviour of companies in relation to generally accepted international standards and principles of responsible business conduct within, amongst others, the framework of the principles of the United Nations Global Compact, the United Nations Guiding Principles, the standards of the International Labour Organization and the OECD Guidelines for Multinational Enterprises. Examples of topics covered within these standards and principles include, but are not limited to, human rights violations, violations of workers' rights, child or forced labour, negative environmental impacts and business ethics. The Norm Controversy Assessment evaluates reported violations of the aforementioned international standards. Companies with the worst Norm Controversy Assessment of "F" are excluded as an investment.

4.1.2. Exposure to controversial sectors

Companies involved in certain business areas and/or activities in controversial areas ("controversial sectors") are excluded according to their share of total revenues generated in controversial sectors as follows:

- a. Manufacturing and/or distribution of civil handguns or ammunition: 5% or more
- b. Manufacturing of tobacco products: 5% or more
- c. Mining of oil sand: 5% or more
- d. Companies that derive 25% or more from thermal coal mining and thermal coal-based power generation as well as companies with thermal coal expansion plans, such as additional expansion of coal mining, coal production or coal usage. Companies with thermal coal expansion plans are excluded based on an internal identification methodology. In the event of exceptional circumstances, such as measures imposed by a government to address challenges in the energy sector, the Management Company may decide to temporarily suspend the application of the coal-related exclusions to individual companies/geographical regions.

4.1.3. Exposure to controversial weapons

Companies are excluded if they are identified as being involved in the manufacturing or selling of controversial weapons or key components of controversial weapons (anti-personnel mines, cluster munitions, and/or chemical and biological weapons). In addition, the shareholdings within a group structure may be taken into consideration for the exclusions.

4.1.4. Freedom House status

Freedom House is an international non-governmental organization that classifies countries by their degree of political and civil liberties. Based on the Freedom House Status, countries that are classified as "not free" are excluded as an investment.

4.1.5. Use of Proceeds Bond Assessment

This assessment is specific to the nature of this instrument and an investment in use of proceeds bonds is permitted only if the following criteria are met. Firstly, all use of proceeds bonds are checked for compliance with the Climate Bonds Standards, similar industry standards for green bonds, social bonds or sustainability bonds (such as ICMA Principles) or the EU Green Bond Standard or whether bonds have been subject to an independent review. Secondly, certain ESG criteria are applied in relation to the issuer of the bonds which can lead to the exclusion of issuers and their bonds as an investment.

In particular, investments in use of proceeds bonds are prohibited based on the following issuer criteria:

- Sovereign issuers classified as "not free" by Freedom House;
- Companies with the worst Norm Controversy Assessment of "F" as referred to above;
- Companies that manufacture tobacco products: 5% or more;
- Companies with involvement in controversial weapons as referred to above; or

- Companies with identified thermal coal expansion plans as referred to above.

4.1.6. Target Fund Assessment

Target funds are evaluated in relation to the underlying companies and are eligible if these companies are aligned with the criteria of the Norm Controversy Assessment and the exposure to controversial weapons (anti-personnel mines, cluster munitions, and/or chemical weapons and biological weapons). Investment in companies with the worst Norm Controversy Assessment of "F" is permitted up to a determined threshold.

Considering the tolerance threshold, diversity of data vendors and methodologies, the available data coverage as well as the target fund portfolio rebalancing, this sub-fund may be indirectly exposed to certain assets that would be excluded if invested directly or for which data coverage is limited or not available.

In case the target fund is assessed to be in breach of any of the target fund assessments listed above, the target fund has to be sold within a three month period.

4.1.7. Sustainability Investment Assessment

The Sustainability Investment Assessment identifies the share of sustainable investments under SFDR Article 2(17).

Where a positive contribution is determined, the investment is considered sustainable if no significant harm is identified and the company follows good governance practices. For further details please refer to section "6 - Sustainable Investment SFDR Article 2(17)".

The Sustainability Investment Assessment is based on data from one or several data providers, public sources and/or internal assessments.

4.2. ESG Investment Standard

4.2.1. PAB Exclusions

In accordance with the applicable regulations, the Fund applies the PAB-Exclusions and excludes all of the following companies:

- a. companies involved in controversial weapons (manufacturing or selling of anti-personnel mines, cluster munitions, chemical weapons and biological weapons) assessed as part of the assessment of the "Exposure to controversial weapons" as described below;
- b. companies involved in the cultivation and production of tobacco;
- c. companies that are found in violation of the United Nations Global Compact principles or the OECD Guidelines for Multinational Enterprises (assessed as part of the "Norm Controversy Assessment" as described below);
- d. companies that derive 1% or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;
- e. companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;
- f. companies that derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels;
- g. companies that derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO₂ e/kWh.

The PAB-Exclusions are, not applied for sight deposits with credit institutions and certain derivative instruments. The extent of the application of the PAB-Exclusions at use of proceeds bond level is described below under the section "Use of proceeds bond Assessment".

Full ESG data coverage is required for the assessment of direct investments in companies in relation to the PAB-Exclusions.

4.2.2 Norm Controversy Assessment

The Norm Controversy Assessment evaluates the behaviour of companies in relation to generally accepted international standards and principles of responsible business conduct within, amongst others, the framework of the principles of the United Nations Global Compact, the United Nations Guiding Principles, the standards of the International Labour Organization and the OECD Guidelines for Multinational Enterprises. Examples of topics covered within these standards and principles include, but are not limited to, human rights violations, violations of workers' rights, child or forced labour, negative environmental impacts and business ethics. The Norm Controversy Assessment evaluates reported violations of the aforementioned international standards. Companies with the worst Norm Controversy Assessment of "F" are excluded as an investment.

Additionally, the Funds applying DWS ESG Investment Standard exclude companies that are assessed by MSCI as data provider with an "OECD Alignment fail".

4.2.3. ESG Quality Assessment

The ESG Quality Assessment distinguishes between investments in companies and investments in sovereign issuers.

For companies, the ESG Quality Assessment allows for a peer group comparison based on an overall ESG assessment, for example, concerning the handling of environmental changes, product safety, employee management or corporate ethics. The peer group for companies is made up from the same industry sector. Companies that score higher in this comparison receive a better assessment, while companies that score lower in the comparison receive a worse assessment. Companies with the worst assessment of "F" are excluded as an investment.

For sovereign issuers, the ESG Quality Assessment assesses countries based on a peer group comparison considering E/S criteria as well as indicators for good governance, including, for example, the political system, the existence of institutions and the rule of law. Sovereign issuers with the worst assessment of "F" are excluded as an investment.

4.2.4. Freedom House status

Freedom House is an international non-governmental organization that classifies countries by their degree of political and civil liberties. Based on the Freedom House Status, countries that are classified as "not free" are excluded as an investment.

4.2.5. Exposure to controversial sectors

Companies involved in certain business areas and business activities in controversial areas ("controversial sectors") are excluded according to their share of total revenues generated in controversial sectors as follows:

- a. Manufacturing of products and/or provision of services in the defence industry: 5% or more
- b. Manufacturing and/or distribution of civil handguns or ammunition: 5% or more
- c. Manufacturing of products in and/or provision of services for the gambling industry: 5% or more
- d. Manufacturing of adult entertainment: 5% or more
- e. Manufacturing of palm oil: 5% or more
- f. Nuclear power generation and/or uranium mining and/or uranium enrichment: 5% or more
- g. Unconventional extraction of crude oil and/or natural gas (including oil sand, oil shale/shale gas, arctic drilling): more than 0%
- h. Companies that derive 25% or more from thermal coal mining and thermal coal-based power generation as well as companies with thermal coal expansion plans, such as additional expansion of coal mining, coal production or coal usage. Companies with thermal coal expansion plans are excluded based on an internal identification methodology.
- i.

Further, companies involved in the manufacturing or selling of nuclear weapons or key components of nuclear weapons are excluded and the shareholdings within a group structure may be taken into consideration.

4.2.6. Exposure to controversial weapons

Companies are excluded if they are identified as being involved in the manufacturing or selling of controversial weapons or key components of controversial weapons or other related specific activities (anti-personnel mines, cluster munitions, chemical and biological weapons, blinding laser weapons, weapons with non-detectable fragments, depleted uranium weapons/munitions and/or incendiary weapons using white phosphorus). In addition, the shareholdings within a group structure may be taken into consideration for the exclusions.

4.2.7. Use of Proceeds Bond Assessment

The use of proceeds bonds financing environmentally and/or socially beneficial projects will be assessed in a two-stage process.

1. In a first stage, use of proceeds bonds are checked for compliance with the Climate Bonds Standards, similar industry standards for green bonds, social bonds or sustainability bonds (such as ICMA Principles) or the EU Green Bond Standard or whether bonds have been subject to an independent review. These standards focus, for example on the use of proceeds, the selection of the projects financed by these proceeds and the proceeds impact. Further, where sufficient data is available, use of proceeds bonds are checked for compliance with the below described PAB-Exclusions (except for c.) at the level of projects or activities financed by such use of proceeds bonds.

2. In a second stage, and if a bond complies with the requirements described for the first stage, the ESG quality of the issuer is assessed in relation to defined minimum standards in respect to E/S factors with the following assessment approaches:

PAB-Exclusions

The Fund excludes all of the following companies:

- a. companies involved in controversial weapons (manufacturing or selling of anti-personnel mines, cluster munitions, chemical weapons and biological weapons) as assessed as part of the assessment of the "Exposure to controversial weapons" described above;
- b. companies involved in the cultivation and production of tobacco;
- c. companies that are found in violation of the United Nations Global Compact principles or the OECD Guidelines for Multinational Enterprises (assessed as part of the "Norm Controversy Assessment" as described above).

Where no sufficient data is available for the evaluation of the PAB-Exclusion at use of proceeds bond level, the issuer will be in addition evaluated and excluded based on the following:

- d. companies that derive 1% or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;
- e. companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;
- f. companies that derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels;
- g. companies that derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO₂ e/kWh.

Green bonds identified as issued under the EU Green Bond Standards will at least be assessed for the PAB-Exclusions a) to c) on issuer level.

In addition, the sub-fund excludes all of the following companies:

- a. companies with identified thermal coal expansion plans;
- b. companies that derive more than 0% of their revenues from unconventional extraction of crude oil and/or natural gas (including oil sand, oil shale/shale gas, arctic drilling);
- c. companies that derive 5% or more of their revenues from nuclear power generation and/or uranium mining and/or uranium enrichment;
- d. sovereign issuers classified as "not free" by Freedom House.

4.2.8. Target Fund Assessment

Target funds are eligible if they are aligned with the PAB-Exclusions (starting from 21 May 2025) and, where applicable, the Freedom House Status. The target fund assessment relies on target fund related information acquired from external data sources or is evaluated in relation to the underlying assets of the portfolios of the target funds.

PAB Exclusions for external funds are based on the information at the overall fund level (e.g. Pre-contractual Disclosure or EET). For internal funds, investments are only made in those that comply with the PAB Exclusions. The evaluation of Freedom House occurs through the look-through of the underlying assets. Investments in countries that are classified as "not free" are not eligible. In addition, based on a data point, the exclusion of Art. 12(1) a) to c) of the PAB Exclusions is ensured.

Considering the diversity of data vendors and methodologies as well as the target fund portfolio rebalancing, this sub-fund may be indirectly exposed to certain assets that would be excluded if invested directly.

In case the target fund is assessed to be in breach of any of the target fund assessments listed above, the target fund has to be sold within a three month period.

4.2.9. Sustainability Investment Assessment

The Sustainability Investment Assessment identifies the share of sustainable investments under SFDR Article 2(17).

Where a positive contribution is determined, the investment is considered sustainable if no significant harm is identified and the company follows good governance practices. For further details please refer to section "6 - Sustainable Investment SFDR Article 2(17)".

The Sustainability Investment Assessment is based on data from one or several data providers, public sources and/or internal assessments.

4.3. Policy to assess Good Governance practices

The SFDR requires financial products reporting under Article 8 or Article 9 SFDR to ensure that companies in which the investments are made follow good governance practices. The assessment of the good governance practices of the investee companies is based on the Norm Controversy Assessment.

The assessment of the good governance practices of the investee companies (including assessments related to sound management structures, employee relations, remuneration of staff and tax compliance) is part of the Norm Controversy Assessment which evaluates a company's behavior within generally accepted international standards and principles of responsible business conduct. Companies with the worst Norm Controversy Assessment of "F" are excluded as an investment. The Norm Controversy Assessment "F" refers to companies that are in violation with at least one of the framework of the principles of the United Nations Global Compact, the United Nations Guiding Principles, the standards of the International Labour Organization and the OECD Guidelines for Multinational Enterprises.

Full ESG data coverage is required for the assessment of direct investments in companies in relation to good governance practices.

5 / PAII Consideration

Funds disclosing under Article 8 SFDR consider certain principal adverse impact indicators (“PAIIs”) of Annex I of Commission Delegated Regulation (EU) 2022/1288 supplementing the SFDR (“Commission Delegated Regulation”). The PAII consideration is predominantly covered/monitored through the exclusions applied by the respective DWS ESG filter. In general, the investment strategy does not apply a dedicated steering mechanism of the values of principal adverse impact indicators at overall portfolio level. The following table 6 provides an overview of the considered PAIIs for each DWS ESG filter. Depending on the ESG focus of the investment strategy, certain Funds may consider further PAIIs. Investors shall consult the Prospectus of the relevant Fund to know which DWS ESG filter and corresponding PAIIs are applied.

Table 6: PAII consideration

PAII	PAII description	DWS BE	DWS EIS	Reasoning for PAII consideration
PAII 1	GHG emissions		✓	DWS ESG Investment Standard excludes companies based on deriving: a) > 0% from unconventional extraction of crude oil and/or natural gas b) ≥ 1% from exploration, mining, extraction, distribution or refining of hard coal and lignite;
PAII 2	Carbon footprint		✓	c) ≥ 10% from the exploration, extraction, distribution or refining of oil fuels; d) ≥ 50% from the exploration, extraction, manufacturing or distribution of gaseous fuels;
PAII 3	GHG intensity of investee companies		✓	e) ≥ 50% from electricity generation with a GHG intensity of more than 100 g CO2 e/kWh. f) DWS Coal Policy (coal share of revenue ≥25% and/or company is a coal developer)
PAII 4	Exposure to companies active in the fossil fuel sector ⁴	✓	✓	DWS Basic Exclusions excludes companies based on: a) DWS Coal Policy (coal share of revenue ≥25% and/or company is a coal developer) b) Deriving ≥5% revenue with Oil sands. DWS ESG Investment Standard’s fossil fuel sector exclusions are even more strict compared to the Basic Exclusions, e.g., those from PAB-Exclusions (Hard coal and lignite ≥ 1%, Oil fuels ≥ 10%, Gaseous fuels ≥ 50%)
PAII 10	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	✓	✓	UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises are part of DWS Norm Controversy Assessment. DWS Basic Exclusions and ESG Investment Standard exclude companies with the worst Norm Controversy Assessment of “F”.
PAII 14	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) ⁵	✓	✓	Companies are excluded if they are identified as being involved in the manufacturing or selling of controversial weapons or key components of controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons). In addition, the shareholdings within a group structure may be taken into consideration for the exclusions.
PAII 16	Investee countries subject to social violations ⁶	✓	✓	Freedom House is an international non-governmental organization that classifies countries by their degree of political and civil liberties. Based on the Freedom House Status, countries that are classified as “not free” are excluded as an investment.

In addition, for Article 8 SFDR Funds, which commit to a minimum share of sustainable investments as well as for Article 9 SFDR Funds, the PAIIs are taken into account based on relevance for the sustainable investments as part of the "Do No Significant Harm" assessment (“DNSH-Assessment”) in accordance with Article 2 (17) SFDR. For further details please refer to section 6.2. "Do No Significant Harm - Assessment" of this Procedure Document.

⁴ PAI 4 is not considered for Basic Exclusion fund of funds

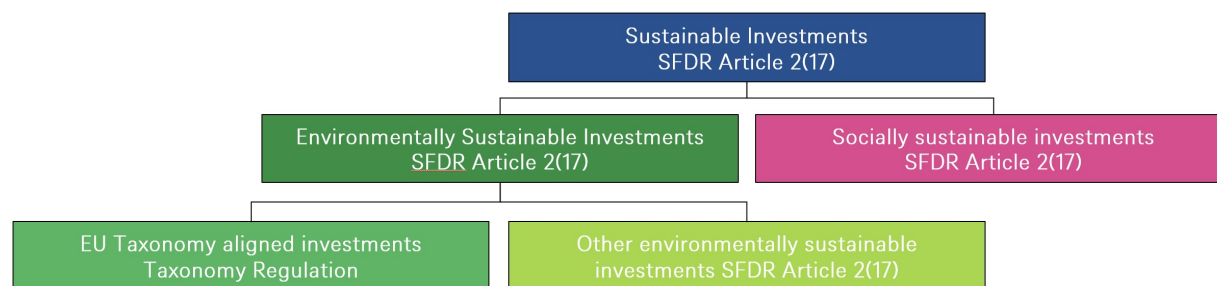
⁵ The ESG Investment Standard goes even beyond the PAI 14 definition

⁶ Only Funds with a permanent allocation in sovereign bonds, as described in the fund’s investment policy, will consider PAI 16

6 / Sustainable Investment SFDR Article 2(17)

Most Funds reporting under Article 8 SFDR commit to a minimum share of sustainable investments according to Article 2(17) SFDR. While socially sustainable objectives are solely mentioned under Article 2(17) SFDR, there are two regulatory definitions for environmental sustainability: investments that are i) sustainable according to the definition provided by Article 3 of the Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (“EU Taxonomy”) or ii) that are not environmentally sustainable under the EU Taxonomy, but under Article 2(17) SFDR. The following table 7 summarizes how the overall share of sustainable investments pursuant to Article 2(17) SFDR can be broken down into the different contributions.

Table 7: Sustainable investments SFDR Article 2(17)



DWS has developed a dedicated DWS Regulatory Sustainability Framework for determining whether an economic activity of a target investment can be considered as sustainable pursuant to Article 2(17) SFDR. It uses data from several data providers, public sources and/or internal assessments based on a defined assessment and classification methodology to determine whether an economic activity is sustainable.

The DWS Regulatory Sustainability Framework is based on the methodology as described in table 8 below. DWS considers an economic activity of an issuer as sustainable pursuant to Article 2(17) SFDR, if it passes all three steps consecutively, i.e. (1) the economic activity makes a positive contribution to one or more E/S objectives (2) the issuer passes the DNSH-Assessment and (3) the company follows good governance practices. If this is not the case, 0% of the issuer’s contributions are considered sustainable under Article 2(17) SFDR.

Table 8: DWS Regulatory Sustainability Framework



The three main steps are outlined in more detail in the following sub-sections.

The share of sustainable investments in the portfolio as defined in Article 2(17) SFDR is calculated in proportion to the economic activities of the issuers that qualify as sustainable (activity-based approach).

For the underlying assets within a target fund a look through is performed to ensure that the investment qualifies as a sustainable investment under Article 2(17) SFDR and to assess the proportion of sustainable investments. The assessment approach for the underlying assets within a target fund is the same activity-based approach as the one applied for direct investments as outlined below.

6.1. Step 1: Positive Contribution to E/S objectives

The first step in identifying if an economic activity can be considered as sustainable pursuant to Article 2(17) SFDR is to identify company's activities that contribute to one or more E/S objectives.

Socially and Environmentally Sustainable Contributions

Sustainable investments contribute (i) to at least one of the Sustainable Development Goals of the United Nations (UN SDGs) that relate to E/S objectives, such as no poverty, zero hunger, good health and well-being, quality education, gender equality, clean water and sanitation, affordable and clean energy, decent work and economic growth, reduced inequalities, sustainable cities and communities, responsible consumption and production, climate action, life below water and/or life on land and/or (ii) to at least one other environmental objective such as climate change adaption, climate change mitigation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and/or protection and restoration of biodiversity and ecosystems (as defined under the EU Taxonomy).

The SDG Net Alignment Score is defined as the contributions minus the obstructions. If the issuer's net alignment score is positive in relation to a certain economic activity, DWS will count the corresponding revenues of that economic activity as contribution to the relevant SGDs (so-called activity-based approach, see above).

In the case of use of proceeds bonds that qualify as sustainable investment, the value of the entire bond is counted towards the share of sustainable investments.

6.2. Step 2: Do No Significant Harm - Assessment

The DNSH-Assessment is an integral part of the DWS Regulatory Sustainability Framework and evaluates whether a sustainable contribution identified in step 1 as outlined above, causes significant harm to any of the environmental or social sustainable investment objectives. As part of the DNSH-Assessment, the Sustainability Investment Assessment systematically integrates the mandatory PALLs on sustainability factors (dependent on relevance) from Table 1 and relevant indicators from Tables 2 and 3 of Annex I of the Commission Delegated Regulation. Taking into account these principal adverse impacts, DWS has established quantitative thresholds and/or qualitative values to assess significant harm to any of the environmental or social sustainable investment objectives. The following table 9 shows how a specific PALL is considered depending on the characteristics of the PALL.

Table 9: PALL consideration in the DNSH-Assessment

Consideration via ⁷	1, 5, 7	2, 3,12,15	4	6	8, 9	10	11, 13, S14	14	16	E4	16
Absolute limits		✓									
Combined limits				✓							
Implicit limit	✓						✓			✓	
Controversies					✓	✓					
Compliance checks						✓		✓	✓		✓
ESMA PAB criteria			✓			✓	✓	✓		✓	
DWS policy/statement			✓					✓			

The PALL consideration in the DNSH-Assessment is further described below:

- **Absolute limit on PALL value:** A company does not pass the DNSH-Assessment, if the issuer’s PALL value exceeds a pre-defined threshold.
- **Combination limits:** Generally, combine two different criteria to assess significant harm. One of the criteria generally refers to a limit on the respective PAI itself while the additional ESG assessment serves to assess whether the issuer that exceeds the respective PAI limit can be associated with causing significant harm.
- **Implicit consideration:** refers to situation where the DNSH for a specific PALL is deemed to be implicitly considered via the DNSH of at least one other PALL already. For example, as PALL 1 (GHG emissions) rises with company size (carbon footprint), DWS decided to consider PALL 1 implicit by the limit set on PALL 2 (carbon footprint).
- **Controversies:** Issuers associated with controversy cases of a predefined severity are considered to cause significant harm
- **(ESMA) Paris-Aligned Benchmark criteria:** issuers that are assessed as being non-compliant with at least one of the PAB criteria are considered to cause significant harm
- **Compliance checks:** Issuers that fail to pass certain DWS in-house compliance checks are associated with significant harm.
- **DWS policy/statement:** Issuers not meeting certain requirements of the DWS Statement on Controversial Weapons or Coal Policy are considered to cause significant harm.

Based on a defined sector-specific materiality/relevance assessment and based on the nature of activities of investee companies, certain PALLs may not be considered as relevant for investments in certain industry sectors and hence may not be applied.

⁷ Whenever a PALL is considered by multiple indicators, it means that there is an interplay of the indicators and not a dedicated additional consideration of the PALL.

In case that the issuer does not pass the DNSH-Assessment outlined above, none of the sustainable contributions identified in step 1 can be considered sustainable.

6.3. Step 3: Good Governance Assessment

The last step in the assessment whether an economic activity can be considered as sustainable pursuant to Article 2(17) SFDR is the assessment of the good governance practices of the *investee companies* (including assessments related to sound management structures, employee relations, remuneration of staff and tax compliance). The assessment of the good governance practices of the investee companies is based on the Norm Controversy Assessment, as further detailed in the dedicated section "4. ESG assessments".

A *sovereign issuer* does not pass step 3 (Good Governance Assessment), if the issuer is either classified as 'not free' based on the Freedom House Status, considered being a non-cooperative tax jurisdiction and/or is part of the EU sanction list.

In case that the issuer does not pass the Good Governance Assessment outlined above, none of the sustainable contributions identified in step 1 and 2 can be considered sustainable.

7 / EU Taxonomy-aligned Investments

As of the date of the latest Pre-Contractual Disclosures of the Funds, DWS does not commit to any minimum share of sustainable investments in economic activities that qualify as environmentally sustainable under the EU Taxonomy until the reliable data availability in the market will enhance significantly.

