



SUSTAINABILITY REPORT

2018



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Statement by the Management

1 Statement by the Management

[GRI 102-14]

2018 was a particularly unique year for DWS. With the successful completion of our Initial Public Offering (IPO) in March, DWS entered a new era in its long and rich history. On the day of our listing we united our business under the single DWS brand and, during the year, established important new measures to ensure sustained future success. We made changes to our organisational structure to enable a more integrated approach of engaging with our clients and we signed strategic partnerships with Nippon Life and, later in the year, with Tikehau Capital and Generali. Furthermore, we made significant progress in strongly enhancing our capabilities in the Environmental, Social and Governance (ESG) space with tangible results.

ESG, and sustainability in its broadest sense, is of the utmost importance to DWS. This springs from the fiduciary obligations central to us as an asset manager. And sustainability is one of our four core values at DWS. We will always strive to act in a responsible manner while seeking opportunities to develop our business. Something we are able to combine through Impact Investing, for example. In particular, we aspire and commit to helping our customers make sustainable choices by including ESG criteria in our investment decisions. Our portfolio managers do this every single day, given sustainability is an integral part of our investment platform. We integrated ESG into the DWS CIO View, our in-house market view that prescribes our investment decisions. By including ESG criteria, we reduce our investment risks, explore business areas with growing demand and leverage our central role in the financial investment process to make important contributions to society. This is supported by the EU's action plan on sustainable finance, which will have far-reaching consequences for the asset management industry and which we unequivocally welcome.

I am very pleased that our ESG efforts are being recognized outside the company as well. In February 2019 we were named "Responsible Investor of the Year" at the Insurance Asset Risk Awards. What is important, however, is not only how we fulfil our role as an investor, but also our conduct as a company and how transparently we deal with it. Our objective is to deliver the same high standards of transparency about our business model as well as especially environmental, social and employment issues to our own investors that we demand from any companies that we invest in. And we are hopeful that this first sustainability report by DWS will be proof of this.

What is also important for us as a publicly listed company: All of these efforts coupled with our ESG expertise are paying off in business terms. Demand is increasing consistently, as the following examples show. Last year we launched a closed-end fund for Apple that invests in clean energy in China. And we were awarded an ESG mandate from a pension fund in the Netherlands that achieved inflows of one billion euro in the fourth quarter of 2018 alone. In addition, last year in the USA we launched our first money market fund to reflect ESG criteria. Similarly, by launching the new DWS Invest SDG Global Equities we brought a fund to the market that supports the 17 United Nations sustainable development goals (SDGs).

We want to continue to develop and establish innovative ESG products in the future, because here at DWS sustainability is not just a passing trend, but rather a question of long-term, responsible conduct. For us it is a central guiding principle and also gives us the opportunity to distinguish ourselves from the competition.

Yours

Dr Asoka Woehrmann, Chief Executive Officer
DWS Group GmbH & Co. KGaA

Frankfurt, March 22, 2019

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2 About this Report

[GRI 102-1; 102-45; 102-49; 102-50; 102-51; 102-52; 102-54; 102-55; 102-56]

This is our first Sustainability Report providing insights on developments from January to December 2018. The next Sustainability Report will be published in March 2020.

DWS Group GmbH & Co. KGaA (hereafter referred to as “DWS KGaA” or the “Parent”; the group of companies of which DWS KGaA is the parent are referred to as the “DWS Group”) is obligated to comply with the requirements on non-financial reporting (Art. 340a (1a) of the German Commercial Code (Handelsgesetzbuch, HGB)). With this separate non-financial group report, DWS KGaA hereby satisfies this requirement pursuant to Art. 340i (5) in conjunction with Art. 315b (3) and Art. 298 (2) of the German Commercial Code. In order to position DWS Group as a standalone asset manager with an expressed focus on sustainability we do not make use of the option of exemption by virtue of the non-financial report of Deutsche Bank according to Art. 315b (2) German Commercial Code. This separate non-financial group report (Non-Financial Report) is published as a supplement to the annual report of DWS KGaA.

We embedded the Non-Financial Report according to HGB in the Sustainability Report. The mandatory non-financial information according to HGB which together build the Non-Financial Report are marked by a black line. An overview of all material topics according to HGB is given in the table on page VI. These non-financial topics were identified as material to understand the development of the business, the business results and the position of DWS KGaA, as well as necessary to understand the impacts of our activities on these aspects. Unless stated otherwise, the information in this report relates to DWS Group. The consolidation approach of this report is in line with the DWS KGaA consolidated group financial statements.

Information referred to on external websites or documents is marked as “additional information” and is not part of the Non-Financial Report. Our auditor KPMG performed a limited assurance engagement on the Non-Financial Report marked by a black line in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised). This Independent Practitioner’s Report can be found on pages 58 and 59.

Non-financial risks are monitored through dedicated risk frameworks and processes. A more detailed description of our risk management can be found in the risk report within the summarised management report on page 22. After application of the net method to determine risks subject to disclosure according to HGB, there are no net risks that are highly probable and that result or will result in severe adverse impacts on the reported aspects. Reportable relations to the amounts of the Consolidated Financial Statements have not been determined.

In this Non-Financial Report, we have generally used the Global Reporting Initiative (GRI) Standards as a framework for conducting a materiality analysis, for reporting the management approaches as well as the specific Standard Titles, which are also included in the GRI content index. In this context, the Sustainability Report at hand has been completed partially in accordance with the GRI Standards. Information in the text referring to specific GRI standards is marked accordingly with a reference to the respective GRI standard and summarized in the GRI index.

This Sustainability Report containing Non-Financial Report 2018 is also available in German, which is the binding and leading document.

2.1 Report Limits

[GRI 102-46]

We regard this report as a supplement to the Annual Report of DWS KGaA. Next to the information in this report, you can access additional information and our key economic data from our consolidated group financial statements and management report see <https://dws.com/Our-Profile/ir/reports-and-events/annual-report>.

2.2 Scope of this Report

[GRI 102-2; 102-5; 102-7; 102-10; 102-45; 102-50]

DWS KGaA has its registered office in Frankfurt am Main, Germany. DWS Group is a global asset manager covering a diverse offering that spans traditional asset classes (i.e. active and passive strategies) as well as alternatives strategies and bespoke solutions with a global footprint and – through our branch network, our subsidiaries, our majority shareholder Deutsche Bank Group's distribution network and distribution partners - a scalable presence in key asset and wealth management markets.

The information in this Sustainability Report covers the activities of the Parent, DWS Group GmbH & Co. KGaA, together with its consolidated subsidiaries, including certain structured entities presented as a single economic unit. This report covers the activities during the fiscal year 2018 (January 1, 2018 to December 31, 2018) for DWS Group, unless otherwise stated.

DWS Group previously used the brand names "Deutsche Asset Management" or "Deutsche AM", but following the registration of its new legal name, started primarily using the brand name "DWS" and has gradually phased in the new brand globally throughout 2018 across all of its legal entities, starting in Germany. Whenever this report refers to DWS Group's brand, the reference to "DWS" will be made. Throughout this report we will use references to Deutsche Bank AG (our majority shareholder) in order to explain applicable policies and processes by stating "Deutsche Bank Group" and "DB Group" interchangeably.

All statements made and information given in this report apply to DWS Group.

2.3 Materiality Assessment for 2018

[GRI 102-44; 102-46; 102-47]

In defining our approach to sustainability and our non-financial reporting, we identified topics deemed material by our stakeholders. This materiality assessment was carried out for DWS Group as a stand-alone company for the first time and guided by the international sustainability reporting standard of the GRI and the legal requirements of the German Commercial Code. We considered the opinions of our stakeholders, conducted competitor analyses and analysed relevant sources such as industry topics discussed by professional associations and non-governmental organisations.

Matters according to HGB	Aspect	Relevant areas of activity	Reporting topic (material according to HGB)
DWS-related material topics: Customers and Products		Client Satisfaction	Client Satisfaction
		Digitisation and Innovation	Digitisation and Innovation
		ESG and Active Ownership	ESG and Active Ownership
		Designing Products for our Clients	Designing Products for our Clients
		Product Design and Demographic Change	
		Data Protection and Client Privacy	Data Protection and Client Privacy
Employee-related matters: People Strategy		Talent Identification, Leadership Planning and Development	Talent Identification, Leadership Planning and Development
		Diversity and Equal Opportunities	Diversity and Equal Opportunities
		Labor- / Management Relations	
Human-rights related matters: Human rights not directly material; human rights will be addressed in the "customers and products" section		Non-Discrimination	
		Child Labour, Forced and Compulsory Labour	
		Human Rights Assessment	
Anti-corruption and bribery issues: Compliance and Control		Culture and Conduct	Culture and Conduct
		Anti-Financial Crime	Anti-Financial Crime
		Anti-Competitive Behaviour	
		Public Policy and Regulation	Public Policy and Regulation
		Marketing & Labelling	
		Compliance	Compliance
		Audit	
Environmental and social matters: Environmental Footprint and Social Commitment not directly material; environmental and social matters will be addressed under "customers and products"		Procurement practices and supplier assessment	
		Energy, emissions and waste	
		Academic and social engagement	

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Presentation of DWS Group

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3 Presentation of DWS Group

3.1 Corporate Profile

[GRI 102-2; 102-3; 102-6; 102-7; 102-8]

We are a leading asset manager with € 662 billion in assets under management as at December 31, 2018. We are headquartered Frankfurt am Main / Germany but our approximately 3,400 full-time equivalents (FTEs) operate globally, providing a range of traditional and alternative investment capabilities to clients worldwide.

We have a fully integrated global investment group, supported by our Chief Investment Office which supplies the overarching framework that guides our investment decisions. Our offerings span all major asset classes including equity, fixed income, cash and multi asset as well as alternative investments. Our alternative investments include real estate, infrastructure, private equity, liquid real assets and sustainable investments. We also offer a range of passive investments. In addition, our solution strategies are targeted to client needs that cannot be addressed by traditional asset classes alone. Such services include insurance and pension solutions, asset-liability management, portfolio management solutions, asset allocation advisory, structuring and overlay.

Our product offerings are distributed across Europe, Middle East and Africa (EMEA), the Americas and Asia-Pacific (APAC) through our single global distribution network comprising of approximately 880 investment professionals and 690 sales professionals across 15 countries. We also leverage third-party distribution channels, including our largest shareholder Deutsche Bank Group. While we aim to grow organically, we also adopt a disciplined approach to inorganic growth opportunities. We are open to engaging in select bolt-on acquisitions or team lift outs that meet selection criteria and do not disrupt our existing platform.

We serve a diverse client base of retail and institutional investors worldwide, with a strong presence in our home market in Germany. These clients include large institutions to governments, corporations and foundations as well as millions of individual investors. As a regulated asset manager, we act as a fiduciary for our clients and we are conscious of our societal impact. Responsible Investing has therefore long been a key part of our heritage, because it serves the best interests of those who entrust us to manage their assets.

For further information on our business model please refer to the summarised management report in our 2018 Annual Report on page 2.

3.1.1 Diversified Business with a Global Footprint

[GRI 102-2; 102-6; 102-7]

AUM BY ASSET CLASS



AUM BY REGION

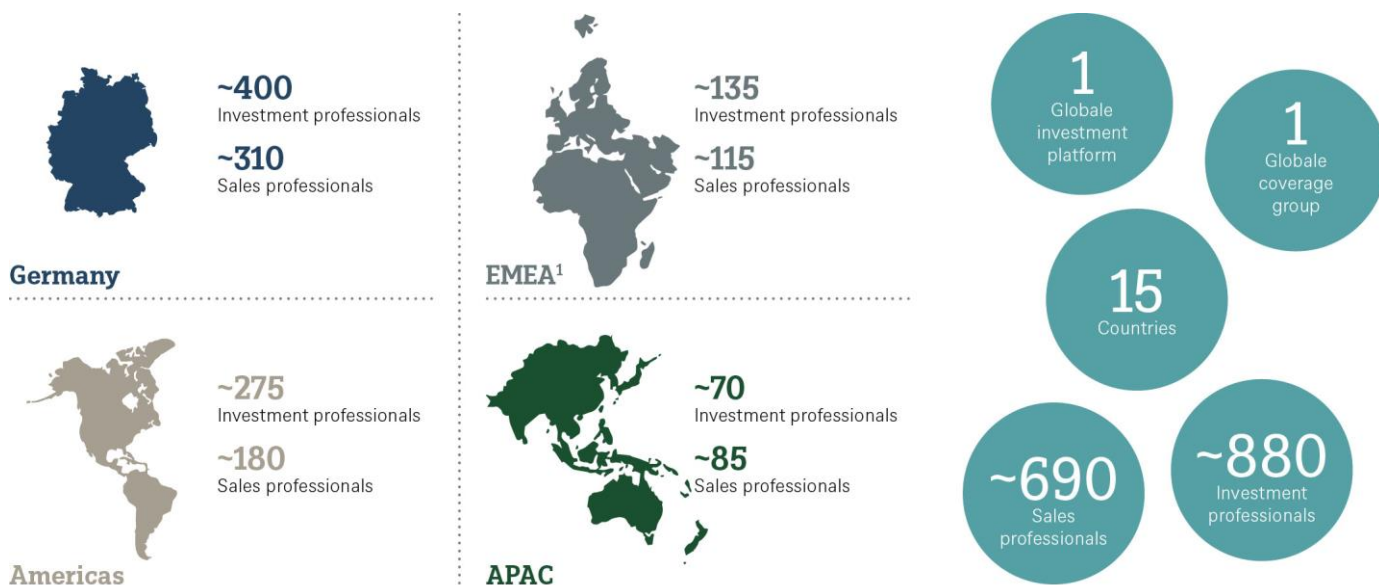


AUM BY CLIENT TYPE



3.1.2 DWS Group: European Origin with a Global Perspective

[GRI 102-4; 102-6; 102-7; 102-8]



Note: Investment professionals are defined as employees (FTE) whose primary role contributes to the performance of DWS; sales professionals are defined as employees (FTE) that are aligned to client facing roles within the distribution structure (as of December 30, 2018); ⁽¹⁾ EMEA ex Germany.

3.1.3 Our Business Strategy

[GRI 102-2; 102-15]

On March 23, 2018, we successfully completed the partial Initial Public Offering (IPO) and listing of DWS KGaA on the Frankfurt Stock Exchange, just a year after Deutsche Bank announced plans to float a minority stake. We also formally introduced 'DWS' as the new global umbrella brand to reflect our truly diversified investment capabilities as well as our global approach. Throughout the year, we made significant progress in positioning ourselves as the investment partner of choice for our clients:

- We are expanding client coverage to further leverage our leading positions in Germany and EMEA, as well as our multi-specialist profile in the Americas and our footprint in APAC.
- We are focusing on delivering consistent investment outperformance to our clients, while expanding our multi-asset and solutions. We have also been making select investments to develop targeted product capabilities including alternative credit, real asset debt, sustainable investments, exchange traded funds (ETFs), and systematic and quantitative investments.
- We are leveraging increased operational autonomy on our operating platform to drive further efficiencies and deliver profit growth. We are also continuing to invest in our digital capabilities to enhance client experience for retail investors and our distribution partners.
- We are deploying growth capital in a disciplined way to fund a range of growth initiatives. In the medium term, we are looking to increase our seeding and co-investments budget to better align our interest with clients, and we are continuing to monitor the market for select bolt-on opportunities.

For additional information on our business strategy, please refer to the section "Our Strategy" in our 2018 Annual Report on page XVII.

3.1.4 Our Brand

[GRI 102-2; 102-16]

The company re-brand to 'DWS' draws on our roots in the German market, going back over 60 years, and uses a name that is distinct in our industry globally. It stands for stability, a strong track record and for values we have continuously lived up to: integrity, entrepreneurship, excellence, and sustainability. These are values that will remain central to our future success.

3.1.5 Our Values

[GRI 102-16]

Integrity first

Openness, transparency and accountability must define every relationship, whether with colleagues, investors, or society as a whole. In tandem, clients' best interests always take precedence. This is how lasting value is created and how wealth is protected and grown.

Entrepreneurial minds

Many investors have an entrepreneurial outlook. The people they trust to look after their investments share that perspective. Innovation, adaptability, agility, efficiency and collective intelligence are hallmarks of success, especially amid the risks and opportunities of an ever-changing world.

Demanding excellence

Expectations should be exceeded rather than merely met. To achieve this, we strive for excellence in everything we do. Our fully integrated investment platform based on outstanding proprietary research, a unique decision-making process and a level of precision in keeping with the best traditions of German engineering are the core components for us to apply this principle.

Inspiring sustainability

Forward thinking demands a long-term view and a sense of consciousness and responsibility for the society we are part of. The long heritage of integrating our Responsible Investment (RI) philosophy across all asset classes demonstrates our conviction to contribute to a sustainable future by incorporating environmental, social and governance (ESG) considerations into investment decisions.

3.2 Our Approach to Sustainability

[GRI 102-16; 102-31]

The United Nations Sustainable Development Goals (SDGs) set aspirations and targets for economic development, social inclusion and environmental sustainability and are applicable to both developed and emerging markets. Failing to achieve the SDGs could impact our wellbeing and create macro financial risks, which would impact the global economy as well as our business.

"Sustainability" is one of our four key values not only from an investment perspective but also for us as a financial market participant. We have a long term, forward-thinking view with a focus on clients and we are also mindful of our global and societal impact.

DWS

- _ Is committed to responsible investing. We not only aim to meet demand for responsible investing, but also actively encourage and stimulate it.
- _ Has long recognised the importance of ESG factors for investors and was among the early signatories of the UN-backed Principles for Responsible Investment (PRI) in 2008.
- _ Has nurtured its distinct culture to focus on collaboration and development of its people. Our employees come from globally diverse backgrounds, contributing to a rich corporate culture.
- _ Strives to mitigate its impact on the environment. Our buildings, our global travel activities and business operations are carbon neutral (please see section "Environmental Footprint and Social Commitment" for more detail).
- _ Believes that investing responsibly can improve capital allocation and help stabilise financial markets. We avoid entering into any kind of business relationship with government or corporate entities or individuals with clear links to the business of controversial conventional weapons (CCW). Furthermore, we do not launch new products based on momentum strategies in soft commodities.
- _ Is dedicated to fostering thought leadership and finding sustainable investment solutions to address key environmental and social challenges such as climate change, resource limitations and sustainable supply chains.

We believe that our actions are in the best interests of our current and future clients as well as their families.

As DWS KGaA has only been listed since March 23, 2018, we have not yet been approached by sustainability and ESG rating agencies and therefore do not have an ESG company rating. For 2019 and beyond, it is our intention to be rated and to work on constantly improving or maintaining our respective rating results.

We have been acknowledged Responsible Investor of the Year – Manager Category in the 2019 Insurance Asset Risk Awards. The most recent assessment of our annual PRI reporting can be obtained on our website.

3.3 Our Stakeholders

[GRI 102-40; 102-42; 102-43; 102-44]

Our value chain consists of different stakeholders, including clients, investors, employees, shareholders and suppliers, as well as regulators, communities, media, and civil society, including non-governmental organisations (NGOs). All of our identified stakeholders have responsible points of contact within DWS Group.

While the interests of our stakeholders may be conflicting, we have to negotiate between these interests. We are open to constructive critique and dialogue, while showing this with sensitivity when conducting due diligence and improving our sustainability approach.

We consider a constructive engagement to be integral to understanding the expectations and concerns of our stakeholders. It not only helps us to comprehend the positive as well as negative impacts of our business activities more broadly, but also promotes acceptance for what we do, as we strive to strengthen trust and partnerships, and improve our sustainability performance. In 2018, the following DWS hosted events, industry participation, shareholder engagement and internal initiatives took place:

DWS hosted events

- The annual Investment Conference with more than 1,000 of our distribution partners in Frankfurt featured the CIO View on the state of the global economy and the corresponding investment strategy as well as the latest additions to our digital offerings.
- We hosted a Digital Convention in Berlin for clients and sales partners to discuss a broad spectrum of topics on digitisation. These include how artificial intelligence (AI) is transforming the world, and how robo advisory, big data and the “internet of things” are affecting financial services.
- We were a Gold sponsor at the PRI in Person 2018 conference in San Francisco, USA.
- The DWS ESG Talks in Amsterdam brought together some 80 participants, including 74 clients and numerous leading experts in the ESG field.
- In collaboration with the PRI, we hosted the PRI Climate Forum 2018 in Frankfurt to discuss disclosure practices, investment strategies in the low-carbon transition, and addressing climate risks by engagement and proxy voting.

Industry participation

- The Chief Investment Officer (CIO) Office for Responsible Investments has extended its work in the international climate arena from an investment perspective by participating in numerous roundtables and events.
- The European Bank for Reconstruction and Development (EBRD) partnered with the Global Centre Adaption (GCA) in a joint initiative to help strengthen the resilience of the financial sector to the impacts of climate change. This initiative led to the creation of a number of working groups one of which we chaired relating to Metrics for Physical Climate Risk Management and Disclosure. Bringing together corporates, rating agencies, banks, investment managers among others, the aim of this broader initiative is to advance the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as it relates to physical climate change.

Stakeholder engagement

- We have been in dialogue with our stakeholders on the subject of sustainability as we seek to adopt such criteria in our business, both in terms of growth opportunities as well as our corporate culture. As a recently listed asset manager we have been engaging in such topics, and prior to our IPO, we contributed via our parent, DB Group. In 2018, most of our conversations with investors have been centred on what we are doing to differentiate ourselves in the ESG product space. We have often discussed our ESG product launches over the year including a closed-end fund in partnership with a significant corporate client, the first money market fund in the U.S. to apply ESG criteria, the launches of our SDG Global Equities and a Green Bond fund.

Internal dialogue

- The works council is the elected representative of non-executive employees of DWS Group companies in Germany and acts as a mediator between the firm and employees, while executive employees are represented by the ‘DWS Sprecherausschuss’, as governed by German law. We have a close and constructive relationship with employee representatives based on mutual trust. It is common practice to involve these bodies early and to the fullest extent possible. To ensure regular communication between DWS Group and the works councils, and in order to follow the participation rights, meetings take place frequently.
- We conduct people surveys on an annual basis, with a full survey that is addressed to all employees as well as ad-hoc surveys focusing on a partial representative population taking place on a bi-annual basis.

4

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4 Clients and Products

While being a global asset manager we are committed to our key markets and growth regions and therefore focus the following explanations on EMEA and the Americas where we have the bulk of its operations and AuM. The same processes and procedures are also followed in APAC to the extent regional circumstances allow.

4.1 Client Satisfaction

We take our fiduciary duty seriously and always put clients' interests first. We believe that client satisfaction is best reflected in our daily interactions as well as in the long-term relationships with our clients. Therefore, we strive for a high level of quality in our interactions with clients and advisors and aspire to continuously improve the quality of our services.

Our commitment to clients is further strengthened by and reflected in the structure of our management. Our Regional Heads for EMEA, APAC and the Americas take full responsibility for client satisfaction. All three Regional Heads report directly into our Chief Executive Officer (CEO).

Our approach to assessing and ensuring client satisfaction is based on three pillars, namely complaint management, client satisfaction surveys and third party assessments.

4.1.1 Complaint Management

The first component in assessing our clients' satisfaction is the management of complaints, which provides a valuable insight into how we are performing. A robust and consistent client complaint handling and reporting process helps facilitate improvement of client satisfaction by identifying, and remedying poor client outcomes, learning from and thereby assisting with the reduction of mistakes and attributable costs, risk transparency enhancement and management information which results in overall service quality optimisation.

We follow Deutsche Bank's Code of Conduct, which includes a complaint handling policy framework to facilitate a consistent approach to complaint management, as well as oversight according to regulatory requirements. All complaints must be handled fairly, impartially and without undue delay. A client may raise a complaint either directly or through an authorised third party. Every complaint against a member of DWS Group must be identified as such and all relevant information must be tracked and stored in a durable medium in line with Deutsche Bank's Record Management Principles, which have been adopted by us.

Client complaints are reported to our and DB Group's senior management and DB Group Compliance and are subject to periodic review by Compliance, Group Audit and our external auditor. Complaint metrics are fed into the Non-Financial Risk Report (Operational Risk Management, ORM) oversight reporting and into Deutsche Bank Management Board reporting via Deutsche Bank Central Compliance. New complaints are being screened for recurring issues and Management Information provides oversight on the type of complaints (clustered by DB Group-wide non-financial risk type taxonomy), materiality/severity, and time to closure.

Information on our complaint process and contact names are provided to clients via the Markets in Financial Instruments Directive (MiFID) Starter Pack and our external website.

4.1.2 Client Satisfaction Surveys

The Service Center for our proprietary investment platform is based in Germany and enables our German clients and advisors to have personal access to the investment platform via telephone or email.

Since 2008 we have commissioned an external service provider to conduct client satisfaction surveys in order to improve our service quality and client experience. The annual client satisfaction survey amongst our clients focuses on perceived service quality, professionalism, and service process transparency to ensure client feedback is integrated into our quality assurance and optimisation measures.

Clients and advisors can rate their satisfaction on topics such as friendliness of staff, response rate, professional competence, comprehensibility and solution orientation as well as sales-specific questions. The results are communicated internally by our Service Center Quality Management and Training team to relevant internal stakeholders, i.e. senior management, Service Center staff, and the workers' council. Based on the respective feedback, steps for improvement are formulated and incorporated into employee training, internal knowledge tools, client correspondence, and client- and advisor-related processes. We maintained excellent ratings in advisor satisfaction regarding 'recommended solutions', 'professional competence' and 'friendliness'. Further, our advisors rated us as 'likely to recommend our telephone services to colleagues', which we view as evidence for client loyalty.

For our U.S. insurance and institutional business, we conduct an annual client satisfaction survey focussing on investment performance and other areas of improvement, such as relationship management, innovation and overall satisfaction. We intend to embed our clients' feedback into our senior management sessions and US Fund Board meetings.

Regular client satisfaction surveys are also conducted on a monthly basis by a third party vendor (DST) who services our direct retail client base in the U.S. The survey covers knowledge, sincerity, problem solving and overall client satisfaction.

4.1.3 Third Party Assessment

In order to achieve a 360-degree view of our services for distribution partners, we also rely on third party quality assessments. We regularly evaluate the results of the Deutsche Fondspreis 2018, Category Service, an important and respected client satisfaction survey for retail distribution channels (banks, IFA etc.) in Germany, which is conducted annually by the industry publication FONDS professionell. Within the survey, financial advisors and professionals are asked to rate the retail distribution channels in six different categories. In 2018 DWS ranked second, with top ratings and votes in all categories. Moreover, DWS ranked first in the 'topseller' ranking by FONDS professionell of free fund distributors.

Our institutional business is evaluated by TELOS, a representative survey for institutional investors, which - amongst other topics - assesses client satisfaction and loyalty, quality of product suite, service, and reporting. Asset managers are not only assessed in comparison to their individual peer group but also within the wider industry. In 2018, DWS ranked second among the individual peer group in the category "overall client satisfaction" and third among the individual peer group in "customer loyalty".

The DALBAR's 2018 Mutual Fund Service Award acknowledged our client service in the U.S. DALBAR is a recognised independent expert for evaluating, auditing and rating business practices, client performance, product quality and service. In addition, we participate in an industry survey to improve mutual fund penetration through intermediaries by understanding advisor needs, to analyse client perception, and to improve marketing communication.

4.2 Digitisation and Innovation

[GRI 102-15]

We are committed to being a leader in the digital space and view ourselves as a technology-led and data-driven company. We use technology to transform our digital capabilities in business, IT, operations, control functions and marketing.

Our approach to digitisation and innovation are twofold. We distinguish between digitisation in internal processes and operations and in our external distribution strategies. This is also reflected in the responsibilities of our Executive Board Members. The Chief Operating Officer (COO) leads our ambitions to digitise and automate our internal processes and our Head of EMEA Coverage leads our group wide digital distribution strategy. Both are members of our Executive Board.

Our approach to digitisation and innovation is outlined in the following by examples of our digitised processes, capabilities and partnerships with technology experts.

4.2.1 Internal Digital Processes

Our digital capabilities are underpinned by an enterprise wide technical strategy. This includes efforts across DWS Group to optimise how data is consumed and handled. In 2018, we consolidated multiple legacy data warehouses and created a 'data lake', which stores all our data, to facilitate a broader range of reporting and big data analytics. A key element of our technical strategy is to utilise emerging technologies such as AI to increase efficiency and agility across DWS Group. Also in 2018, we went live with two applications across Trading and Operations utilising machine learning and natural language processing. Additional use cases are planned for 2019 and beyond, with a focus on building a truly automated operations function.

4.2.2 External Digital Marketing

Our approach in Digital Marketing combines a global strategy with local execution to increase efficiency and consistency. Global Digital Marketing defines strategic goals and governance frameworks, sets high-level directions and provides the required digital platforms, tools and interfaces to international and local specialists, which execute the respective strategy in the particular regions, channels and businesses.

Global Digital Marketing is currently organised in six areas: Strategy & Governance, Concept & Design, Platform Management (website platform and interfaces), Inbound Marketing (campaigning including social and search engine advertising, marketing automation, customer relationship management (CRM) integration), social media (channel and community management, content distribution and promotion) and big data & analytics (collection, integration, visualisation, and activation).

Data-driven client and prospective client solutions are becoming increasingly important for Digital Marketing initiatives. Consolidating our Digital Marketing platform in terms of the amount of websites, underlying technology, user experience, brand, data collection and processing is vital to meet the above mentioned requirements. Where applicable we add the same set of derived goals to all other areas of Digital Marketing such as inbound marketing, social media and social listening. This comprises technology platforms, branding and template sets as well as the overall user experience across devices and countries. We are currently moving websites from legacy technology to the strategic platform and are consolidating and decommissioning technology solutions on the way. This is a multi-year project and will run longer-term therefore. In line with technology migrations we're unifying website branding and the overall user experience on those platforms.

In addition, we are constantly pursuing innovations such as virtual and mixed reality, chatbots as well as robotics and AI in general. We follow an exploration and proof of concept approach to evaluate the relevance of these new and disruptive growing areas in the Digital Marketing space.

For all technology systems and digital tools used within the Digital Marketing area, we are committed to implementing all policies and procedures defined by our technology department. This includes vendor risk management (VRM) and onboarding processes, 4-eyes principles, audit logging requirements and penetration tests.

4.2.3 CIO View

As a fiduciary asset manager, we are committed to providing transparency for our clients and prospects regarding our view on specific investment topics, asset classes and market events. Therefore, we regularly publish our global CIO View, which is our

core communication of the market evaluation and asset allocation approach. It reflects the results of the quarterly CIO Day, at which our investment experts and analysts present and discuss recent market developments. The outcome forms the basis of the investment process for our investment platform. Input from all asset class teams is taken into consideration to develop a 12-month strategic outlook. Since September 2018 ESG global trends that are material for various sectors have been integrated and are now a regular part of the CIO Day agenda and therefore the CIO View.

We provide timely information after each CIO Day and use a variety of digital formats for distribution, such as content on our own websites, email newsletters, social media, video and in Germany via our WhatsApp channel.

Please see also our website for additional information: <https://dws.com/insights/cio-view/>

4.2.4 Digital Client Experience / DWS Digital Investment Platform

Our Digital Investment Platform (DIP) envisages creating a digital, plug-and-play environment for clients and distribution partners. A broad range of initiatives are underway to drive change across the value chain – including new client acquisition, customisation of investment advice, research and portfolio management, middle and back office processes, digital distribution, as well as client engagement.

In 2018, we successfully launched the DWS Investment App for private clients with investment accounts in Germany and Luxembourg, allowing them 24/7 access through Apple iOS or Android devices. The new app enables clients to invest in a large variety of DWS and third party funds and ETFs. In addition, it offers a number of new features, including a gift card service and a digital post box enabling clients to become fully paperless.

In addition, our Digital Investment Platform includes the White-label Investing Software Engine (WISE) – a modular software and investment offering enabling our partners to create individually tailored discretionary portfolio management solutions for clients. This allows our clients and other market participants to access the combined knowledge and research for over 600 fund managers and analysts. The distribution strategies of our partners range from online only distribution to IFA pools with personal advisory.

4.2.5 Virtual Reality

A pilot project in 2018 saw a Frankfurt office building asset from one of our real estate funds become fully accessible in virtual reality. This tool enables clients, investors and partners to explore the property and its surroundings by wearing virtual reality goggles. Connecting multiple goggles even allows several users to enter the virtual world together from different locations around the globe. By this means, our fund manager is able to meet business partners and investors 'face to face', take them on a tour through the building and explain the details of the fund within the virtual environment.

4.2.6 Strategic Partnerships

To further digitise our distribution and client experience we entered into the following strategic partnerships:

Neo Technologies

Our strategic partnership and acquisition of a minority equity stake in Neo MENA Technologies (Neo) in Q4 2018 underlines our growth commitment into digitisation and technology. This investment enables us to obtain further presence in a region with high growth rates in asset management. Neo is a first mover in digital asset management solutions in the Middle East and North Africa (MENA) region, based out of the Dubai International Financial Center (DIFC). It operates a platform-as-a-service model for the financial services industry, allowing financial institutions to introduce digital asset management solutions to their end clients.

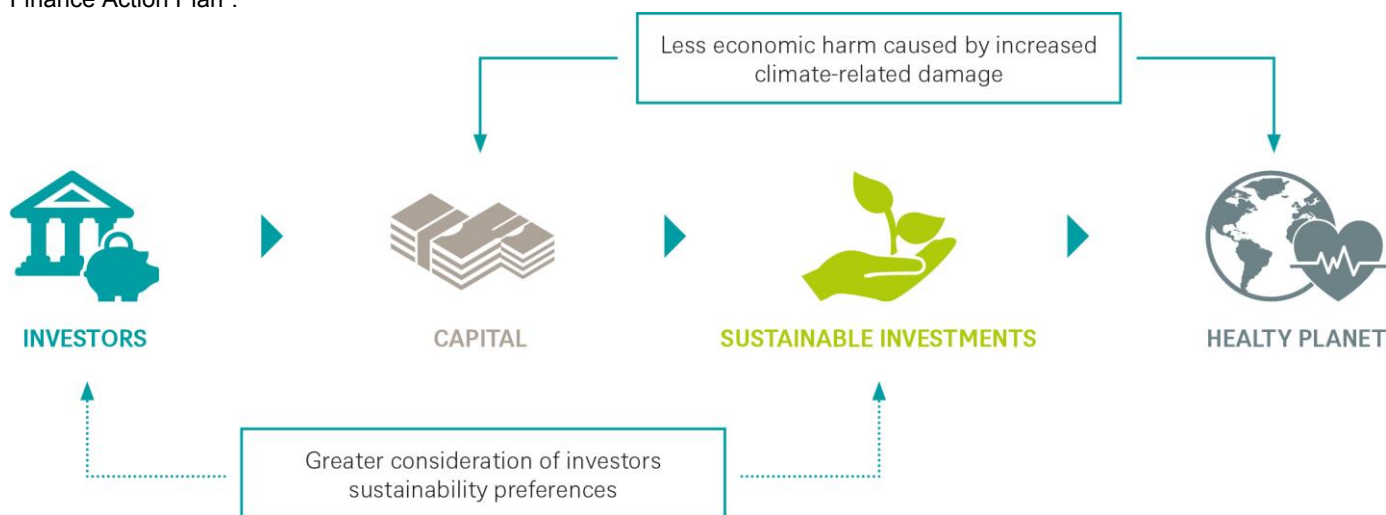
Skyline AI

In October 2018, we entered into a strategic partnership with and have become a minority shareholder in Skyline AI, a real estate asset management technology company. Skyline AI uses proprietary AI to source, analyse, acquire, manage and sell institutional-grade real estate investment opportunities throughout the U.S. Collaborating with an early stage company that uses AI to bolster efficiency and enhance the real estate investment process supports our overall aim of pursuing value for our clients through comprehensive and innovative investment strategies.

4.3 ESG and Active Ownership

We act as a fiduciary for our clients and their interests come first. We are governed by our obligation to help them keep and build their wealth. Our goal is to deliver strategies to our clients that preserve and possibly increase their risk-adjusted returns. In our view, our fiduciary responsibilities include integrating non-financial, environmental, social and corporate governance factors to the best possible extent. This applies not only to our own investment decisions but also by assuming active ownership of our holdings, using proxy voting and engagement to drive change for the benefit of our clients.

The asset management industry plays an increasingly important role in society, including making the financial system more sustainable. This means integrating ESG and long-term-sustainability issues such as climate risk into investment strategy, risk management, asset allocation, governance and stewardship activities. Financial regulators around the world are increasingly focusing on financial institutions' capabilities, preparation and actions to manage climate change and broader sustainability risks. In Europe, sustainable finance will be given added impetus thanks to the European Commission's Sustainable Finance Action Plan (SFAP). One of the aims of the EU SFAP is to divert capital towards sustainable activities to reach the EU's energy and climate goals by 2030. We will provide further details on our role in SFAP in section 6.5.1 "European Commission's Sustainable Finance Action Plan".



Source: DWS CIO View, "Let's make finance sustainable", June 2018, European Commission (March 2018). European Commission Action Plan

4.3.1 Responsible Investment Organisation

[GRI 102-13; 102-18]

A strong leadership organisation is an essential requirement for effective management of ESG topics into business processes. To this end, the Responsible Investment Leadership Team (RILT), established in 2017, coordinates and discusses all relevant issues on a regular basis. The RILT is led by the Global Head of Responsible Investments, who reports to our CEO, and consists of representatives from Coverage, Communications, Marketing, CIO for RI, Sustainable and Impact Investments, Corporate Strategy & Transformation, Human Resources and Product. The team has been charged with developing and implementing our RI strategy across DWS Group.

The CIO for Responsible Investments is part of the CIO Office and serves the investment platform for liquid and illiquid assets. We also deploy dedicated resources to our internal ESG governance, which are underpinned by the Sustainability Office, our ESG Engine and Solutions team, our dedicated Corporate Governance Center and the ESG Thematic Research team. The entire CIO Office for Responsible Investments supports our ESG integration activities (across traditional and alternative investments), our ESG investment solutions, and product offering. Complementing these activities, we also have ESG specialists embedded across DWS Group supporting our ESG activities, which include an ESG Gatekeeper in every major investment team of the Active platform, senior ESG portfolio managers as well as our dedicated Sustainable Investments team within the Alternatives product line. Within Alternatives, we also make real estate investments in certified green-labelled buildings.

ESG Thematic Research

[GRI 102-12; FS5]

The ESG Thematic Research team supports our clients and investment teams in understanding and integrating major sustainability risks and opportunities in their everyday business. The team has published a series of research papers and articles on major ESG trends and issues including:

- _ Our third report on ESG academic literature, and continuing our partnership with the University of Hamburg, our 2018 study digs deeper into the links between ESG and corporate financial performance.
- _ A climate experts' report with contributions from the UK scientific, legal, actuarial/accounting, consultant and portfolio management communities.
- _ Transparency on physical climate risk.
- _ Integrating the UN SDGs into investment portfolios.
- _ Responsible investing that lowers carbon footprints.
- _ Greening the financial system and the role of central banks.
- _ Green bonds explained.

Beyond research reports, we help our clients and key stakeholders to develop solutions to environmental and social challenges. We are, for example, collaborating with one of our international clients to develop an index incorporating the risk of physical and transition climate change impacts.

Thought Leadership in Corporate Governance

[GRI 102-12; 102-13]

With our various activities in relevant working groups, policy bodies, networks, and commissions, we aim to be a thought leader in corporate governance. We seek to actively shape domestic and global corporate governance developments, striving to represent the best interests of our clients. In Germany, we are participating in the consultation centred on the changes to the German Corporate Governance Code and as a member of the German Association for Financial Analysis and Asset Management (Deutsche Vereinigung für Finanzanalyse und Asset Management e.V., DVFA) continue to promote the DVFA Scorecard on Corporate Governance as a measure of governance quality for German companies.

We have also participated in discussions within the German Investment Fund Association (Bundesverband Investment und Asset Management, BVI) on the implementation of the Shareholders' Rights Directive II (SRDII) in Germany. On a European level, as a member of the European Fund and Asset Management Association (EFAMA), we have actively participated in the discussions around the development of a new European Union (EU) Regulation on Sustainable Finance. Globally, we have continued our active participation in the International Corporate Governance Network (ICGN) and Coalition for Environmentally Responsible Economies (CERES), whereby we attended various conferences and participated in different panels throughout the year.

In 2018, we underlined our commitment to active ownership by strengthening the size of the Corporate Governance Center and by progressing the harmonisation of the governance activities of the different DWS Group entities one step further.

We were listed as a Tier 1 asset manager signatory to the Stewardship Code for the UK Financial Reporting Council (FRC), in 2018. The UK Stewardship Code provides guidance on how asset managers should engage with portfolio companies to improve long-term risk-adjusted returns for shareholders. Due to its UK operating business, DWS is obliged to file a "comply-or-explain" statement to the code, which is analysed and ranked by the FRC. The classifications for Tier 1 and Tier 2 are made public on its website¹.

We have been acknowledged for our best-in-class voting guidelines on executive board compensation plans, in an industry study of the top 40 investors in DAX companies. DWS's European legal entities for Active and Passive are recognised by the authors of the study as having one of the best scores in terms of transparency as well as the consistency by which it applies its Corporate Governance and Proxy Voting Policy's guidelines on executive remuneration agenda items. The study was compiled by hkp///group, Georg-August-University and the German Investor Relations association (Deutscher Investor Relations Verband e.V.; DIRK).

¹ Our statement of compliance with the UK Stewardship Code can be found on our website: https://download.dws.com/download?elib-assetguid=4b8a7c06965f413ebe68ba6fa3dbf793&wt_eid=2153659162904223588&wt_t=1545146285284

Sustainability Office

The Sustainability Office's key responsibilities are to develop internal ESG governance structures reflecting local and division-specific regulatory requirements, and govern the reputational risk and the New Product Approval (NPA) processes. The function also prepares mandatory reporting and informs all stakeholders of our ESG activities. The team engages with NGOs through our Communications department and other external parties, and coordinates internal ESG-related policies and global memberships and projects within DWS Group.

ESG Engine

Our ESG Engine and Solutions team is responsible for maintaining and improving our ESG database. It is responsible for ESG methodology, algorithms, and data. The ESG Engine consolidates and produces data, enabling ESG analysis that is data-driven. Seven leading ESG data vendors (ISS Ethix, MSCI, ISS-oekom, RepRisk, Sigwatch², Sustainalytics, and TruCost) provide data to the database. The structured ESG information is embedded within our portfolio management tool Aladdin and is available for all liquid asset classes.

In 2018, we consolidated our ESG Engine capacity further by rolling it out globally and integrating it within different corporate functions, such as client reporting. We continue to develop the ESG methodology, especially with regard to carbon and climate risk sensitivity, opportunities from impact investing (e.g. from the UN's SDGs or impact from Green Bonds) in the liquid space, integrating them within the ESG Engine. We have further underlined our commitment by upgrading the team size and by training additional DWS portfolio management locations on the use of the ESG Engine.

While the ESG Engine is the building block for our Active analysts and portfolio managers (or Investment professionals) to integrate financially material ESG information in their investment decisions, it is also the foundation of dedicated ESG strategies using our minimum ESG standards (MESGS, see section 4.3.5) and for passively managed strategies.

4.3.2 Commitments and Policy

[GRI 102-12; FS1]

International standards such as the UN Global Compact, the OECD Guidelines for Multinational Corporations, Cluster Munitions Convention and CERES are guiding principles for our business.

Furthermore, we are subject to several internal policies, such as our publicly available "Responsible Investment Statement (RI)"³, our "Policy on Controversial Conventional Weapons" or our "ESG Integration Policy for Active Investment Management" as well as our ESG Engagement Policy. Externally we have undertaken to comply with the UK Modern Slavery Act by signing the Modern Slavery and Human Trafficking Statement through DB Group.⁴ Our Chief Control Office (CCO) reviews our policies and procedures on an annual basis. In 2018, we also became a co-signatory of the investor letter to index providers to exclude controversial weapons from their mainstream indices and agreed to play an active role in raising this issue in our conversations with index providers.

We aim to continuously enhance the level of ESG integration across our entire investment platform and to increase the number of strategies with our minimum ESG standard.

4.3.3 Managing ESG Risks and Opportunities in our Investment Process

[GRI 102-20; 102-29; 102-31; 201-2; 412-2; FS4]

It is important to us that in addition to aligning our clients' investments with their personal values, striving to improve risk-adjusted returns or to diversify their portfolios, we can also help them to achieve a positive environmental or social impact. Our RI Statement guides our approach to ESG issues. ESG issues are integrated into our investment processes in all asset classes across our Active, Passive, and Alternatives investment decisions and we support the growth of dedicated ESG products and solutions. In our view, integrating environmental, social, and corporate governance factors into the investment process contributes to a better understanding of businesses and the environments issuers operate in. It enables us to identify the risks and opportunities that a traditional financial analysis would miss, or fail to systematically address, with potentially significant

² Per year-end 2018, DWS has cancelled the subscription with SigWatch due to enhanced climate data from another vendor.

³ For additional details about our RI statement please refer to: <https://dws.com/solutions/esg/ri-statement/>

⁴ Additional details on DB Group's signed UK Modern Slavery Act statement can be found here: https://www.db.com/ir/en/download/Deutsche_Bank_UK_Modern_Slavery_Act_Statement_2017.pdf

impact on long-term investment performance. We therefore understand ESG integration as a complement to traditional fundamental analysis, which adds value to the quality of our investment decision and offers opportunities for higher risk-adjusted returns.

We tightened our internal ESG Integration Policy for Active portfolio managers – starting by integrating ESG topics into investment guidelines and reporting. Our investment specialists consider relevant ESG information assessment of their implications on the risk return profile. The outcome is explained in the research note, considered in the valuation, as well as in the investment recommendation. If additional information is needed, an engagement is initiated. Our investment professionals are expected to be aware of any exposure to critical ESG issues and act accordingly. They can screen their portfolio for ESG issues (such as involvement in controversial behaviours, general ESG quality of their holdings as well as carbon ratings and exposure to controversial sectors), and receive an ESG fund score. In 2018, we launched a more specific and standardised ESG reporting, thereby improving transparency to our clients on the ESG quality of their funds. We aim to expand ESG reporting to more funds in 2019.

In order to engage our investment experts with ESG issues, we have organised mandatory internal training since 2011 for most of our investment professionals⁵ across Active on the assessment of ESG risks and opportunities, our Responsible Investment framework and the integration of ESG into our investment process. Our Head of ESG Integration for Active trained analysts in fixed income credit, high yield and equities via in-person trainings on ESG sector specific issues for their area of coverage. An optional addition to the mandatory completion of the European Federation of Financial Analysts Societies (EFFAS) ESG certification program in 2017 has been the decision of several employees to take the exam for certification in April and December of 2018⁶. Overall 143 employees throughout the organisation registered for the exam to become certified ESG analysts in 2018. We will continue with in-person ESG training in 2019.

To support ESG integration across our entire investment platform, we continuously update our ESG Engine, and methodologies for comprehensive analysis of ESG information. The ESG methodology is governed by the ESG Methodology Panel (EMP), where representatives from the different asset classes participate. The methodology is continuously enhanced and the ESG Engine is reviewed regularly by the functional participants within the EMP.

ESG in Asset Allocation

In 2018, analysing global ESG trends became part of our CIO View⁷, which denotes one of the biggest milestones in our ESG strategy. We started with a brief introduction of the European Commission's Sustainable Finance Action Plan (SFAP) and its impacts in the asset management industry. We continued integrating the short- and long-term impact of climate change and of technological change on various sectors in the last quarter of 2018. In doing so, the recommendations from the TCFD provided a valuable framework for our investment professionals in order to assess risks and opportunities. We will continue to benefit from the recommendation and will actively engage with our investee companies for disclosure in that direction. Since the inaugural issue and the corresponding video, a quarterly update on the ESG trend will be published and more ESG topics will be integrated into the CIO View.

Corporate Governance: The Start of every ESG Analysis

[GRI FS12]

Our commitment to strong corporate governance is both a crucial element of our fiduciary duty and an integral component of our investment process. We regard active ownership as a powerful force in promoting better policies and practices and, in turn, driving superior long-term performance. We believe that good corporate governance is an important source of higher relative returns on equity and fixed Income investments in the long-term.

We maintain a high degree of involvement with our investees around the world using an engagement approach that is designed to foster their governance practices and structures and successfully address governance issues. We regard active engagement as an essential part of our commitment to supporting good corporate governance. Our approach includes direct engagement with the management and the board of directors via a meeting or by writing a letter, publicly voiced criticism at an annual general meeting (AGM) and/or filing of shareholder proposals. The use of voting rights represents an especially important means of driving change. We are obliged also to exercise our clients' equity voting rights in their best interest. We follow a stringent and transparent proxy voting process, which centres on our detailed expectations of good corporate governance and ESG integration. This is outlined in our ESG Engagement Policy as well as our Corporate Governance and Proxy Voting Policy.

⁵ Investment professionals are defined as employees (FTE) whose primary role contributes to the performance of DWS; sales professionals are defined as employees (FTE) that are aligned to client facing roles within distribution structure

⁶ For additional details on the EFFAS examination: <https://effas.net/education-and-qualification/certified-effas-environmental-social-and-governance-analyst-ceesga.html>

⁷ Additional details on our CIO View can be found here: <https://dws.com/insights/cio-view/americas/a-changing-climate/>

Each year, we review our Corporate Governance and Proxy Voting Policy⁸ and challenge whether our understanding of good corporate governance still prevails against global market developments. Furthermore, we analyse the voting results of the past proxy voting season and our ongoing discussions with investees during our engagements and take these result into consideration when making the necessary adjustments.

Our core expectations of corporate governance are explained in detail in our publicly available policy and can be summarised in the following four broad categories as outlined below.

⁸ Our Corporate Governance and Proxy Voting Policy with additional details can be found here: <https://dws.com/solutions/esg/corporate-governance/>

The Core Values of the Corporate Governance and Proxy Voting Policy

Non-executive Boards:

- _ Adequate composition and succession planning:
 - _ Majority independence in board and key committees; tenure as a critical factor for independence (max. 10 years)
 - _ Sufficient diversity and experience
- _ Max. 3 board seats for executives and max. 5 board seats for non-executives
- _ Transparency on individual directors and their attendance of board meetings
- _ Separation of CEO/Chairperson for an appropriate balance of power or else a Lead Independent Director

Executive Remuneration:

- _ Transparency and comprehensibility
- _ Relevant qualitative and quantitative key performance indicators
- _ Balance and appropriateness
- _ Pay for performance
- _ Convincing Bonus-Malus & Claw-Back
- _ Relevant sector/peer comparison

Shareholder Rights:

General support for:

- _ 'One share-one vote'
- _ Regular 'Say-on-Pay'-vote
- _ Involvement of shareholders in significant M&A-transactions
- _ Proposals aiming to enhance disclosure practices and foster shareholder rights

Auditor:

- _ Appropriate internal and external rotation (internal lead partner rotation max. 5 years)
- _ Transparency on lead audit partner's name and term of appointment
- _ Sufficient disclosure and limitation of non-audit fees

Source: DWS Corporate Governance and Proxy Voting Policy

Engagements and Proxy Voting

[GRI FS5]

Our investment professionals regularly engage with the senior management of our investee companies, whereby, in addition to the fundamentals, strategy and outlook of the company, ESG topics are discussed. For our European-domiciled funds, we have a quality approach to our governance engagements with companies on our Proxy Voting Focus List. This is based on a thorough analysis of the independence and composition of boards, executive compensation practices, auditors, overall company structure and transparency. The analysis is based on available information on governance quality such as, among others, documents on the investees' websites, governance research, historic voting and engagement outcome. In cases where we identify gaps between our expectations regarding governance and the company's attitude towards it, we may decide to start a direct engagement with the company representatives. If our initial engagement yields unsatisfactory results, we may take additional measures (e.g. letters to the Board, annual general meetings' (AGM) attendance with a speech). We also send an engagement letter, which elaborates on our core governance values. Next is the call for direct meetings with executives or the board chairperson.

In 2018, we talked to 134 companies during 169 governance engagements for our funds domiciled in Europe, which represented more than a 100% increase versus the previous year. We attended 16 AGMs in 2018, voicing our criticism at a majority of them particularly concerning shortcomings in governance associated with strategic mergers and acquisitions (M&A) transactions. A majority of our engagement counterparts at our investees included chairpersons of the board of directors, lead independent directors, senior executive management representatives and legal affairs managers. For greater transparency, we published our Governance Engagement Report and aim to provide the next volume in H1 2019.

In 2018 in Europe, we voted at a total of 1,245 meetings in 45 markets of listing, which represented an increase of 64.5% compared to last year. The holdings are voted based on our Proxy Voting Focus List, which includes our most relevant holdings screened on assets, position and relevant ESG ratings. We aim to gradually increase the number of meetings voted per year, making sure not to compromise on the quality of the analysis. These meetings represented approximately 71% of our equity assets under management in Europe. The results for our proxy voting and engagement is annually reported on our website⁹. For the mutual funds domiciled in the US, we strive to exercise the voting rights for all equity holdings. In 2018, we voted at a total number of 9,292 meetings in 64 markets of listing.

Contribution to Action on Climate Change

[GRI 102-12; 102-13; 201-2; FS5]

Combating climate change is one of the most important ESG issues and DWS has a long track-record in this area. For instance, DWS began publishing reports on the investment implications of climate change in October 2007. Climate Change has been as in the past a key topic for our engagements and proxy voting during 2018. In 2018, we joined more than 400 other asset owners and managers with a collective U.S. \$ 32 trillion in assets under management in supporting The Investor Agenda on climate change. This initiative discloses how investors are taking action in the areas of investment, corporate engagement, policy advocacy and investor disclosure. In addition to previously mentioned activities from section 3.3 and our progress on the ESG CIO View, our actions in 2018 included:

Investment

- _ Partnered with a significant corporate client and launched a clean energy fund to invest in climate solutions in China.
- _ Continued to develop the Africa clean energy strategy with the UN Green Climate Fund.
- _ Launched a Green Bond fund and a SDG fund to scale up public market investment.
- _ Launched the ESG leaders low carbon suite of exchange traded passive funds with MSCI.
- _ Continued to invest to reduce energy use in direct real estate portfolios, invested in green-labelled buildings and started a process to set portfolio energy reduction targets in Europe.

⁹ Our 2017 engagement report can be found here: https://download.dws.com/download?elib-assetguid=6fc2269854c148da9a05f7e12a7db001&wt_eid=2153659162904223588&wt_t=1545146254993

Corporate Engagement

- Participation in Climate Action 100+, a five-year investor initiative to systematically engage major companies, encouraging them to accelerate the clean energy transition. DWS is leading the initiative's engagement with a major European energy company. In this context, we supported the utilities letter launched by the initiative during Q4 2018.
- Continued engagement with major investees on corporate governance including on climate change related issues, as outlined in the Corporate Governance and Proxy Voting section of this report.
- Continued strong support for voting in favour of climate-related AGM resolutions in the US.
- As co-chair of the Institutional Investors Group on Climate Change's (IIGCC) property working group, DWS is helping develop climate-related expectations of listed real estate companies.
- Chaired a physical climate risk disclosure working group organised by the EBRD and the Global Centre on Adaptation, to advance the corporate disclosure recommendations of the TCFD.
- In order to improve the still lacking ESG disclosure of European Small and Mid-caps, we engaged with several companies on this topic, sending them an ESG disclosure letter, which informs about our ESG framework and gives recommendations to improve the companies' ESG rating.

Policy Advocacy

- Became an early signatory to the statement of investor commitment to support a Just Transition on Climate Change.
- Through IIGCC and the EU Energy Efficiency Financial Institutions Group (EEFIG), DWS continued to advise policy makers on how to improve energy efficiency policies.
- Were invited to contribute to the UK Green Finance Taskforce recommendations related to energy efficiency in corporate real estate.

Client and Stakeholder Education

- Were one of two asset managers to present at the Network for Greening the Financial System's (NGFS) inaugural International Climate Risk Conference for Supervisors in Amsterdam.
- Presented at the NGFS roundtable held in Singapore hosted by the Monetary Authority of Singapore.
- Held a seminar for institutional clients with the Head of the Bank of England's Climate Hub.
- Our Head of Responsible Investments presented at a side-event to the Global Climate Action Summit in San Francisco on DWS's approach to integrating climate risk into investment portfolios.
- Hosted a number of client events on climate change with the PRI in Germany, Australia and New Zealand.
- Co-hosted a webinar with the PRI examining physical climate risk.
- Moderated a session on the role of ESG in financial innovation in the Iberoamerican Sustainable Development Goals Conference (Conferencia Iberoamericana sobre Objetivos de Desarrollo Sostenible) in Spain.

4.3.4 ESG Solutions

[GRI FS11]

We believe that our expertise and extensive experience in sustainable investing provide us with valuable insights that assist us to further protect and grow our clients' assets over the long term. The growing importance of ESG is evidenced by regulatory developments, independent research, as well as our own experience, which reveals that integrating ESG factors into the investment process has the potential to improve performance and reduce risk. Our ESG organisation, our ESG integration process undertaken over the last ten years as well as our continuous ESG training for investment professionals and improvement in our ESG database and its functionalities constitute a solid basis. These elements put DWS in a good position to offer bespoke ESG solutions to clients based on their own ESG criteria.

Our ESG framework is built on the following pillars:

- Exclusion screening for companies that do not meet ESG criteria. Positive screening is an activity that by applying a more sophisticated screening methodology flags environmental improvements that could offset negative legacies.
- Standards-based screening focused on human rights abuses, child/forced labour, health and safety, environmental impact, and business ethics.
- Corporate best-in-class ratings that seek to identify leaders and laggards with the peer group in regards to ESG issues, as set by ESG ratings agencies. These ratings provide a robust and reliable, 360-degree assessment of corporations based on a broad range of ESG indicators - from diversity of management to environmentally friendly products, health care, and safety.
- Environmental risks and opportunities, including carbon. Our carbon footprint report, which incorporates global reporting standards, allows our clients to monitor their carbon balances and implement programs to reduce their carbon footprint.
- ESG Engine assessment of whether a fixed income instrument is a green bond as defined by the Green Bond Principles.
- Screening based on sovereign standards to gauge responsible investments in around 200 sovereign nations.
- A methodology for assessing the ESG quality of portfolios, such as funds, ETFs, or indices based on general ESG quality plus an additional best-in-class approach.

4.3.5 ESG and Sustainable Assets under Management**[GRI FS8; FS11]**

By the end of 2018, we reported € 32.8 billion of ESG and sustainable AuM, € 13.4 billion of real estate investments in certified green-labelled buildings and €862 million infrastructure investments in renewable assets. We managed assets with a total volume of € 662 billion (as of Dec. 31, 2018). In order to account for the structure of our asset base, we defined AuM as a) assets held on behalf of clients for investment purposes and / or b) client assets that are managed by us on a discretionary or advisory basis. Within Alternative investments, this can either be fee-earning *committed* or fee-earning *invested* capital.

We follow industry standards and guidelines in classifying ESG AuM. Through regional organisations such as the European Sustainable Investment Forum (EuroSIF), the US Forum for Sustainable and Responsible Investment (USSIF) and UK Sustainable Investment and Finance Association (UKSIF), investor reporting to the Global Sustainable Investment Association (GSIA) has become a global standard for categorising ESG assets, and we follow its methodology. The EU framework is designed to help to ensure the integrity and trust of the sustainable finance market through new standards and labels for sustainable finance products such as green bonds. Known as the "sustainability taxonomy" in EU terminology, this unified classification system aims to help measure sustainable capital flows by codifying what can be classified as green investments¹⁰. While we are enhancing the level of ESG integration across our entire investment platform, the following table lists those assets that are managed under a dedicated ESG strategy. Based on data compiled by our Finance division, the Sustainability Office (reporting to the CIO for Responsible Investments) regularly compiles aggregated figures to the Executive Board. The Responsible Investment Leadership Team as well as our sales organisation regularly review the pipeline of new product initiatives.

ESG and Sustainable Assets under Management

IN €MN	Dec 31, 2018
ACTIVE MANAGEMENT	
Retail and institutional funds, including screened, best-in-class, and themed funds for institutional clients*	28,922
PASSIVE INVESTMENTS	
Exchange traded funds, products or mandates	3,313
SUSTAINABLE / IMPACT / ALTERNATIVE INVESTMENTS	
Private equity or debt funds focused on sustainable/impact investing, including public-private "blended finance" funds with environmental or social objectives	595
Total	32,830

* Additional assets under administration with product initiators outside of DWS Group amount to € 2.27 billion, where either portfolio management or advisory on the product is provided by a third party

¹⁰ Green assets: This term is linked to an EU policy proposal where green loans or investments such as for renewable energy or energy efficiency could receive a lower capital requirements.

ESG in Real Estate and Infrastructure Investments

IN €MN		DEC 31, 2018
REAL ESTATE		
Certified green-labelled buildings (Energy Star, LEED, BREEAM, etc.)		13,436
INFRASTRUCTURE		
Renewable assets, both in debt and equity investments, including solar, wind and waste-to-energy ¹¹		862
Total		14,298

Active

In 2018, our Active portfolio management teams were responsible for € 28.9 billion of ESG AuM and for € 471 billion of total AuM in Active. To ensure a consistent approach in classifying our retail funds as ESG, we established minimum ESG standards for all our Active ESG retail funds. These MESGS are built on the pillars of ESG and apply market-common exclusions on controversial sectors, as well as violations of the UN Global Compact. They implement best-in-class methodologies, including the assessment of carbon risks.

Our Minimum ESG Standards can be summarised as follows:

- Corporate MESGS I: Avoid corporations, which generate more than 5% of their revenues from controversial sectors (with the exception of controversial weapons, where no revenue threshold applies; and coal with market common 25%).
- Corporate MESGS II: Avoid corporations with reconfirmed UN Global Compact norm violations, and limit exposure to those which severe violations at max. 5% of total AuM.
- Corporate MESGS III: Avoid corporations that lag behind in their general ESG profile and limit exposure to those in lower midfield to 15% and those without ESG rating to 5%.
- Corporate MESGS IV: Avoid corporations with a poor carbon / climate profile.
- Sovereign MESGS I: Avoid states that lag behind in their general ESG profile and especially in freedom of their society and limit exposure to those in lower midfield to 15%.
- Sovereign MESGS II: Avoid state owned corporations that fail the C-MESGS.
- Corporate minimum impact / UN SDG standards¹²: Avoid corporations that lag behind in their SDG profile and limit exposure to those in lower midfield to 15%.
- Green Bond MESGS I: Avoid sovereign green bonds that do not show at least a D technical green bond rating.
- Green Bond MESGS II: Avoid (technically) green bonds issued by issuers failing the MESGS norm, SynRating or CCW standards.

In 2018, DWS signed the European Transparency Code¹³ by EuroSIF for 11 out of 16 of its European domiciled Active retail funds that employ our minimum ESG standard. By being awarded with the Transparency Code (which DWS can use for promoting our sustainable investment solutions for our clients) EuroSIF confirms that for those funds we disclose open, honest, accurate, adequate and timely information for enabling retail investors (and any of our current and future stakeholders) to understand the underlying policies and practices.

Passive

Our Passive portfolio management teams were responsible for € 3.3 billion of ESG AuM and for € 115 billion AuM. The team implements proxy voting for applicable ETFs, supported by the Corporate Governance Center and makes use of the ESG Engine for helping to implement investment processes. In 2018, we have been building on our success in the area of responsible investing with the launch of a new range of ESG Xtrackers ETFs. The new ETFs provide exposure to ESG-filtered equity indices tracking global, US, Japanese and European markets. For creating passively managed solutions in our institutional client space,

¹¹ Valuations of € 716.9 million of equity investments made within Pan-European Infrastructure Fund and Pan-European Infrastructure Fund II are per 30 September 2018. Equity investments are revalued each quarter. Year-end 2018 figures will be made available in the context of fourth quarter 2018 reporting to investors on 30 March 2019 and 30 April 2019 for the two funds. Debt investment amounts are set and do not change unless debt is repaid.

¹² Valid for DWS Invest SDG Global Equities fund or newly launched products and strategies, which explicitly take the SDGs into account.

¹³ Further details on the European Transparency Code can be found here: <http://www.eurosif.org/transparency-code/>

we can rely on existing or customised ESG indices, closely cooperating with index providers, or we can use our proprietary ESG Engine to filter a standard market index.

Our DWS Xtrackers ETFs track indices that are part of the MSCI ESG Leaders Low Carbon ex Tobacco Involvement series. The indices use extensive filtering based on MSCI ESG research, which means included companies meet strict ESG and low carbon requirements. The 2018 launched ETFs complement the existing Xtrackers II ESG EUR Corporate Bond UCITS ETF, which is also based on a comprehensive MSCI screening process. Our ESG retail product suite can be found on our website for Active¹⁴ and Passive¹⁵.

Alternatives

In 2018, the Alternatives portfolio management teams were responsible for € 14.9 billion of ESG AuM (comprising our sustainable investments funds as well as individual real estate and infrastructure assets) out of € 76 billion total AuM in Alternatives.

ESG in Real Estate

[GRI 305-5]

Our real estate investments continue to position ESG as integral to investment strategies. At the core of the approach is our goal to preserve and enhance risk-adjusted returns and to reduce environmental risk, improve asset efficiency, and deliver high-quality spaces to tenants. In 2018, we have continued our efforts to execute a sustainability plan. We do this through the following program:

1. Gather data: use sensors, smart meters and data automation to gather data and benchmark buildings and portfolio performance.
2. Prioritise and implement: using the data gathered, identify and invest in efficiency measures such as LED lighting, smart irrigation, and energy management systems.
3. Set reduction targets: based on the planned efficiency measures, set property, portfolio and regional energy reduction targets.
4. Measure impact: measure the actual reduction against the targets and quantify the financial savings and performance.

This year, we gathered data on 7.2 million square meters of the portfolio in terms of energy and carbon data. In the U.S. we implemented projects in 44 properties representing a net investment of U.S. \$ 7.9 million.

Additionally, we managed € 13.4 billion in properties globally with green label designations. These labels include among others Leadership in Energy and Environmental Design (LEED); Building Research Establishment Environmental Assessment Methodology (BREEAM); ENERGY STAR, a US-government-backed label for energy efficiency.

With respect to energy reduction targets and measurement, we set reduction targets within our U.S. and U.K. office portfolios, which we track annually. We are currently working towards a pan-European reduction target for 2019. In 2010, we committed to the US Better Buildings Challenge, where we set a goal of improving the energy efficiency of four million square feet of properties by 20% before 2020. We met this objective four years ahead of schedule.

In order to provide transparency to our investors, we report into the Global Real Estate Sustainability Benchmark (GRESB), which provides an independent assessment of portfolios and funds using a peer-based approach and scoring based on several ESG metrics. In 2018, we reported on seven of our portfolios (worth € 27 billion of AuM), and all achieved Green Star recognition through the GRESB assessment.

DWS has been a pioneer and thought leader in sustainable real estate for more than a decade. We were a founding member of the Urban Land Institute's Greenprint Center for Building Performance, which engages real estate owners to collectively track and reduce the carbon footprint of global real estate. Energy efficiency and sustainable building technologies play a critical role in addressing long-term issues around climate risk in commercial real estate. Our investments in improving our buildings allow us to meet growing tenant demands for healthy and sustainable real estate. We believe that a robust approach leads to better risk-adjusted returns for our properties by helping to reduce operational expenses, mitigating environmental risk and enabling us to deliver high-quality spaces to tenants.

¹⁴ Select "Sustainability" as theme here: <https://www.dws.de/investieren/>

¹⁵ Search for "ESG" here: https://etf.dws.com/LUX/ENG/Product_Overview

ESG in Infrastructure

[GRI 203-1]

We incorporate ESG into the investment framework of the infrastructure business. ESG considerations are incorporated at all stages of the investment lifecycle, from the initial screening and due diligence stages, decisions regarding a potential acquisition via inclusion in the Investment Committee Paper, and during the asset management and exit stages. During the holding period, we monitor the ESG attributes of the investments through quarterly reporting of sector-specific¹⁶ key performance indicators (KPIs), discussion at management meetings, and integration of those issues into business plans. Our due diligence will also consider governance topics such as fraud, bribery, sanctions and compliance, as required. Findings from the due diligence phase are incorporated into the Investment Committee paper and presented to the Investment Committee for consideration.

The infrastructure business also places emphasis on reporting, producing an annual Sustainable and Responsible Investment (SRI) report for investors in our Pan-European Infrastructure Fund (PEIF) and Pan-European Infrastructure Fund II (PEIF II). This report address issues such as Health & Safety and Security; Community Service; Labour and Diversity Issues; Transparency, Communication and Governance; and Environmental Issues at the fund's underlying investments. The infrastructure business also manages a portfolio of €862 million in renewable assets, both in debt and equity investments, including solar, wind and waste-to-energy.

To understand the ongoing ESG performance of its funds against peers, we take part in the infrastructure assessment in GRESB for its current funds and investments. We are a member of GRESB and sit on the Infrastructure Benchmarking Committee to help drive the development of the survey to establish it as the industry standard for ESG.

We are in the process of developing an Environmental and Social Management System (ESMS) to further strengthen and standardise our due diligence process and monitoring of assets. The ESMS documents ESG policies and procedures at all levels of DWS Infrastructure, and details how these are incorporated in due diligence and asset management procedures. The system also creates obligations on portfolio companies to ensure regular reporting to DWS Infrastructure and compliance with all of the applicable regulations regarding ESG issues.

As a result of this regular reporting and engagement, DWS Infrastructure aims to help drive improvements in ESG metrics and performance at its portfolio companies with a view to improving the businesses' sustainability credentials and to create value.

ESG in Private Equity

It is planned for ESG principles to be incorporated into the process for new private equity investment opportunities during the course of 2019. It is anticipated that a relevant ESG approach will be incorporated into the screening, due diligence and monitoring process for private equity investments and use a defined risk-screening matrix as well as applying the relevant section(s) of the UN-backed PRI.

¹⁶ Those could be health and safety (incl. accident rates) or water efficiency

4.3.6 Sustainable Investment Funds and their Contribution to SDGs

[GRI 302-5; 305-5; FS5; FS7; FS14]

Sustainable Investments (SI) operates investment initiatives within the Alternatives division that combines positive and stable financial returns with measurable economic, social and/or environmental outcomes (“triple bottom line”).

In 2018, SI managed eight sustainable and impact funds with a combined volume of € 595 million. Our extensive management of sustainable and impact funds covers energy (clean energy, energy storage, energy usage), environment (food/agriculture, waste, water), microfinance, employment/education, and housing.

FUND	MISSION / INFORMATION
Africa Agriculture and Trade Investment Fund (AATIF)	Improve food security and end poverty through sustainable investment along the entire agricultural chain in Africa
SDGS	1, 2, 8, 9, 13, 14, 15
European Energy Efficiency Fund (EEEF)	Energy efficiency and renewable energy in the public sector in Europe
SDGS	11, 13
Essential Capital Consortium B.V.	Debt financing to health, energy, and financial service providers in low in-come communities in the developing world
SDGS	1, 3, 4, 5, 7, 8
Global Microfinance Funds III	Senior and subordinated debt financing for microfinance institutions and banks in the developing world, to increase access to high-quality financial services
SDGS	1, 2, 3, 4, 5, 8
China Renewable Energy Fund (CREF)	The fund's objective is to generate investment returns as well as offset investors' carbon emissions in their global supply chain
SDGS	7, 13
Clean Energy and Environment Fund (CEEF)	The fund intends to fund the growth of private companies that focus on developing clean energy and clean technology sectors in China
SDGS	7, 13
Global Commercial Microfinance Consortium II	Senior and subordinated debt financing for microfinance institutions and banks in the developing world, to increase access to high quality financial services
SDGS	1, 2, 3, 4, 5, 8
Microcredit Development Fund (DB MDF)	Senior and subordinated debt financing for microfinance institutions and banks in the developing world, to increase access to high-quality financial services
SDGS	1, 2, 3, 4, 5, 8

We track and report on each SI investment fund based on the social and/or environmental performance of the investees. The indicators are sector-specific and monitored using fund-specific tools. For our renewable energy, energy efficiency, and microfinance investment funds we are supported by greenstem™, our proprietary impact management tool to monitor impact.

At the same time, via quarterly reporting, portfolio managers have visibility of the overall impact of the fund, i.e. environmental and/or social contributions. Based on calculations for the European Energy Efficiency Fund (EEEF) for 2018, the fund made accumulated savings of 388,478 metric tons of CO2 equivalent emissions and 794,124 MWh of primary energy¹⁷ (at Q4 2018)¹⁸. Starting with the first publication in 2017, we publish externally verified impact results for the SI-advised African agriculture fund (Africa Agriculture and Trade Investment Fund, AATIF). Progress along defined indicators (e.g. improvement in living and working conditions, investee company outreach to smallholder farmers) is tracked and summarised in the fund's annual report¹⁹.

Our partnership with a significant corporate client demonstrates the strength of our ESG franchise. Through a traditional fund vehicle, we help the client and select suppliers address their carbon emissions footprint. The fund was specifically designed to identify and invest in renewable energy projects in China as a means to connect select suppliers to renewable energy sources as part of the client's overall supplier clean energy programme. The fund is a closed-end, discretionary private equity vehicle through which limited partners commit a fixed allocation of capital over a finite investment period. The fund's initial investors include ten suppliers to the corporate client who have committed to reduce their carbon footprint in China, and the corporate client itself.

¹⁷ Energy efficiency and clean urban transport projects

¹⁸ For additional information on the measurement methodology, please refer to the EEEF annual report: https://www.eeef.lu/tl_files/downloads/Annual_Reports/EEEF_Annual_Report_2017.pdf

¹⁹ For additional information on the measurement framework of AATIF, please refer to the following section: <https://www.aatif.lu/impact-measurement-framework.html>

4.4 Designing Products for our Clients

Our financial performance depends particularly on the ability to develop, market and successfully manage new attractive investment products and services. The development and introduction of new products and services requires continued innovation on our part and may require significant time and resources as well as ongoing support and investment. If our products are unsuitable or inappropriate for our clients or the target market, we could face potential liability towards them.

Our products and investment solutions are designed to meet current and future client needs. We seek to ensure that the product is designed in such a way that its product features (return expectations, liquidity, diversification or hedging benefits) provide value to our clients. We seek to produce transparent, accessible products that are beneficial to the individual without being detrimental to the world at large.

4.4.1 Product Lifecycle Management

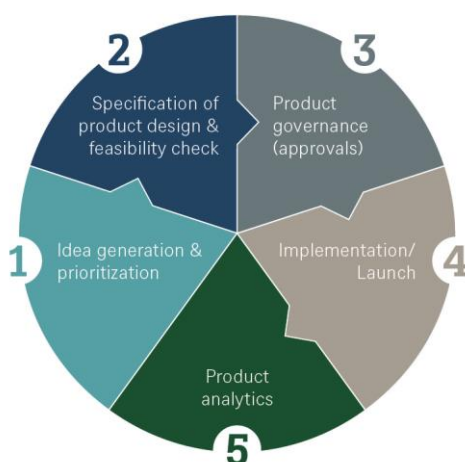
[GRI 417-1]

We use regional Client- and Product Strategy fora, which have been established in 2018 on a regular basis to align strategies and campaigns across Coverage and the Investment Platform. When formulating a product strategy it is essential to proactively address global trends and to position a suitable product range where our clients can benefit from these global trends. These can be technology (digitisation, automation or robotics), environmental aspects (climate change, renewables or circular economy) or changing demographics (e.g. healthcare sector). The idea generation phase is step 1 of the product lifecycle management process.

Step 1 should ensure a proper matching of client needs, market developments and corporate strategy and enable a mutual development of the product plan and measurement how the plan is being executed. This approach is in principle adopted globally. In order to accommodate regional and legal particularities²⁰ and differences in product structures, the process is regionally adapted with variations in responsibilities.

True partnership and beneficial cooperation between Product, Coverage and Product Platform to facilitate a strategic product planning and review process allows the business to further cultivate, maintain and improve consumer satisfaction, which subsequently strengthens the power of DWS in the market.

We illustrate the process in the following graphic, which demonstrates the lifecycle in a cross-functional interaction across our various teams.



²⁰ Such as the presence of US fund boards and the role of the Securities and Exchange Commission (SEC) in the United States

Once the product / strategy idea has been generated and prioritised, the product design will be specified and checked for its feasibility (step 2). In step 3, the Product Platform team is responsible for the product governance process across the product life cycle and has set up a Product Governance Colloquium (PGC) to provide the respective DWS entity management boards and committees with an educated analysis for the approval or rejection of product initiatives. By doing so the process ensures that DWS delivering the right product to the clients so that the product features best fit of the clients' needs. For Alternatives, the Product Development Committee assumes this role in various stages. Once the investment idea has been approved and the decision to start the design of a product made, the product will be launched which is part of process step 4.

The PGC conducts analysis, screening and due diligence of product-related initiatives. This includes the introduction, assessment and optimisation of any product launches, material product changes, product mergers and liquidations. Decisions taken in the PGC aim to consider all implications for DWS along the value chain, and in EMEA/APAC include legal and regulatory requirements. Head of Product Platform for EMEA and APAC reports to the Executive Board and chairs the PGC. This Colloquium includes the Business Control Officer and representation from Investment, Coverage, Legal, Compliance, Risk, and Operations. In the US, the PGC is chaired by the Global Co-Head of Product Strategy, who reports to the Regional Head of the Americas (an Executive Board member). Legal and regulatory requirements are assessed in conjunction with the separate Americas New Product Approval (NPA) Panel.

While this review and risk assessment process puts our clients' and investors' interests first it also includes an assessment of reputational risk. Reputational risk cannot be precluded, and is driven by unforeseeable changes in the perception of practices by various stakeholders such as the public, clients, shareholders and regulators. We strive to promote sustainable standards that will enhance profitability and minimise the risk that any association, action or inaction is perceived by stakeholders to be inappropriate or inconsistent with our values and beliefs. In order to comply with our fiduciary obligations, we have DWS-specific procedures in relation to reputational risk matters, as outlined in our respective Reputational Risk Procedures. These procedures are owned by our Non-Financial Risk Management team.

In step 5, Product Analytics supports senior management (e.g. Investment Platform, Coverage and legal entities / fund boards) by providing analytics / signals (e.g. performance issues, competitor trends, peer comparison, identification of loss making products) to enable better identification and facilitate reaction to client needs and behaviours. The ongoing task is to analyse products and performance and develop methods and processes to conduct efficient analytics for senior management. The team reports the outcomes of flow- and performance analysis to the Executive Board on a quarterly basis. The performance and "health checks" of our products is discussed monthly with portfolio management. The Investment Quality Management team does the analysis.

As a result of our Product Lifecycle Management approach, we have worked on various product initiatives in 2018. We have among other initiatives successfully launched and positioned thematic equity strategies and launched new products, which focus on AI, climate technology, green bonds or the UN's SDGs. Our Passive team successfully positioned seven new ESG ETFs, while our Alternatives team worked on continuing the success of the Pan European Infrastructure Fund series by preparing to launch PEIF III in 2019²¹.

4.4.2 New Product Approval and Systematic Product Review

[GRI 102-11]

A structured Product Governance process as well as the NPA and the Systematic Product Review (SPR) processes provide the basis for ensuring that we can confidently offer clients our products and services. We have created this framework to manage the risks associated with the implementation of new products and services, changes in product and services during their life cycles, and, the process by which they are systematically reviewed, to ensure they remain fit for purpose and consistent with the needs, characteristics and objectives of their intended market(s) throughout their lifespan. Applicable across all business areas and regions divisions, the respective processes cover different stages of the product life cycle review, with the NPA process focussing on pre-implementation and the SPR process on periodic reviews, post implementation.

A mandatory sign-off requirement in the context of new product approval (across the platform) is the due diligence on environmental, social or corporate governance risks. Our Sustainability Office provides this sign-off.

For 2018, the NPA process has approved 36 new initiatives for DWS across Active, Passive and Alternatives, covering seven jurisdictions. In the SPR process DWS reviewed 31 existing products.

²¹ For additional details on this fund launch plan, please refer to the following link: <https://www.infrastructureinvestor.com/dws-plans-2019-launch-e3bn-third-fund-exclusive/>

4.4.3 Product Design and Demographic Change

[GRI 102-15]

We believe that our investment platform is well-positioned to address market trends. As outlined in section 4.4.1 “Product Lifecycle Management”, global industry trends are thoroughly analysed by the different regional Client- and Product Strategy fora. This provides our product functions with a profound knowledge of how to best position our product offerings.

As a result of demographic shifts over the recent years, ‘baby-boomers’ and ‘millennials’ form an increasingly important client group for us. With the baby boomer generation approaching retirement, we are seeing greater demand for sophisticated retirement solutions, which has triggered growth in outcome-oriented products such as multi asset. We aim to provide innovative solutions to address these retirement needs and old age provisioning, and we are also leveraging our expertise in customising pension products to develop the next generation of retirement solutions.

We have also been developing our digital solutions to meet the preferred investment demand of the millennial generation. As outlined in section 4.2 “Digitisation and Innovation”, we have enhanced our digital product offering and range of thematic funds to target new growth opportunities from this younger investor group.

5

People Strategy

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5 People Strategy

[GRI 404-2]

The success of our business depends to a large extent on the capabilities and contributions of our employees. That is why it is crucial that we retain, motivate and develop our teams to keep them competitive and hire new talent as needed. Our people strategy also aims to create an environment where people can thrive in their careers, can contribute their talent and ideas and are enabled to deliver sustainable performance for our clients. This goal was reflected in our strategic priorities for 2018.

Our Human Resources (HR) department has supported the creation of our new cultural values and plays an integral role in embedding these across the organisation. Our values underline the Executive Board's behavioural aspirations for DWS employees. We are working to ensure these are understood and demonstrated by all employees in the company. These values and behaviours will also form the basis of our employer brand to make certain we can attract the best-fit talent and retain high performing employees.

Progress has been made through the definition of cultural pillars for DWS and the creation of the People Leadership Forum (PLF) sponsored by our Executive Board, serving as a focal point for DWS's People Strategy and involving all levels of the workforce. The People Engagement Group (PEG) was also established in each region to support the implementation of people initiatives.

Emphasis has also been placed on ensuring that DWS is fit for the changes in future workplaces. We are implementing Workday, a cloud-based HR people system, to enable a more leading edge and future focused digital manager and employee experience and we continue to ensure we can respond to the needs of the next generation through the PLF.

As part of the separation from DB Group, the majority of employees who were not already employed by DWS entities were transferred to DWS entities and issued with new contracts. As a consequence, all DWS staff are now employed by, seconded or contracted via service agreements to DWS entities.

5.1 Employees

[GRI 102-8; 102-35; 401-2]

Diversity among employees – with their varying perspectives, talents and contributions - enriches our competence with our clients, our work life and the communities in which we live and work. With this in mind, we aim to attract, develop and retain the best people to an environment free of discrimination.

We remained focused on the design and implementation of our compensation structure linked to asset management industry competitive practices and regulatory requirements, in order to support the retention of our key personnel and to underpin strong investor alignment. Our compensation structure has been re-designed and a distinct set of market aligned global compensation policies, based on asset management sector specific remuneration rules, was implemented. Following our partial IPO, eligible employees have been awarded Stock Appreciation Rights (SAR), which will enable such participants to benefit from any potential growth in the value of DWS over a set period of time. The SAR awards are granted under the DWS Stock Appreciation Rights Plan 2018. Further, Performance Share Units (PSU) were granted to select key DWS executives deemed key to the execution of our strategy. The PSU award is subject to achieving specific performance targets aligned to our strategy goals and externally committed targets. Both SAR and PSU were one-off IPO related awards in addition to the employee's fixed pay and any variable compensation.

Full-time equivalent (FTE) employees²² and contingent workers by region as of December 31, 2018

	Sum of Internal FTE	Sum of External FTE ²³
APAC	300	5
EMEA excl. Germany	647	375
Germany	1,603	437
Americas	892	88
Grand Total	3,443	905

The following table shows our employees by employment type and region²⁴

	Sum of Headcount (Full-time employees)	Sum of Headcount (part-time employees)
APAC	297	4
EMEA excl. Germany	597	68
Germany	1,437	234
Americas	887	8
Grand Total	3,218	314

5.1.1 Diversity and Equal Opportunity

[GRI 405-1]

Diversity and inclusion are indispensable for DWS. Diverse organisations are proven to be more successful and also appeals to top talent. As diversity is crucial for the success of any global organisation, it represents a key priority and integral part of our people agenda. Our Executive Board prioritises diversity by embedding metrics into our business performance. We aim to attract, develop and retain the best people from all cultures, countries, ethnicities, genders, sexual orientations, abilities, beliefs, backgrounds and experiences. Therefore, these principles are incorporated in compulsory and optional management and leadership training. These programs are supported by HR to build diverse teams, where employees respect one another, develop their full potential, and collaborate to achieve long-term outcomes.

Several members of our Executive Board also serve on the steering committee of our PLF. The PLF is responsible for embedding our core values: integrity, sustainability, entrepreneurship and excellence into our people strategy. One of the four pillars is focused on the implementation of DWS Culture and Values, where diversity initiatives and efforts are aligned.

DWS have set diversity goals for the Supervisory Board and first and second management levels below the Executive Board. In addition, voluntary aspirational goals have been set for the representation of women at the Managing Director (MD), Director (D) and Vice President (VP) corporate title levels.

²² We calculate our employee figures on a full-time equivalent basis, meaning we include proportionate numbers of part-time employees. Region reflects legal entity location not physical location of staff

²³ All workers having a temporary contract with DB vendor companies and who are not paid via DB payroll system

²⁴ Region reflects legal entity location not physical location of staff. Part time employees identified as those who have an FTE value of less than 1 and greater than 0. The numbers reflect Headcount (HC) not FTE as using FTE would understate the number of part time workers

Targets for the proportion of women in management positions (valid starting 2019)

	Status as of Dec 31, 2018	Target for Dec 31, 2021
Supervisory Board of DWS KGaA	36%	30%
First management level below the Executive Board	23%	26%
Second level below the Executive Board	26%	29%

We also want to promote our goal of increasing the proportion of women in management positions through several initiatives. In Germany, two DB Group female mentoring programs are in place in which DWS participates the cross-divisional and cross-company programs focussing on Assistant Vice President (AVP) respectively VP female talent. Due to strong demand, we have increased the number of participants, which are supported by mentors at MD and D level who support their colleagues in their personal development and prepare them for management positions. In addition, we have a Women's Development Initiative in the Americas, which supports our female talent through mentorship, skill building and networking. A similar program is planned to be launched in the UK in 2019.

The percentage of women on the DWS Supervisory Board stood at 36% at the end of the year, above the statutory requirement of 30% for listed and co-determined German companies under gender quota legislation introduced in 2015. As of year-end 2018, 23% of positions at the first management level below our Executive Board were held by female executives. At the second level below our Executive Board, this percentage stood at 26%.

We actively support lesbian, gay, bisexual, transgender, trans- and intersexual (LGBTI) causes through a number of initiatives and programs in partnership with DB Group. Our results have historically been reflected within DB Group.

Percentage of employees per employee category by gender

FTE	Managing Director	Director	Vice President	Assistant Vice President	Associate and below
Female	19.5%	23.7%	31.0%	38.3%	56.7%
Male	80.5%	76.3%	69.0%	61.7%	43.3%
Total in %	100.0%	100.0%	100.0%	100.0%	100.0%
Total Number of FTE	225.2	628.9	963.7	711.1	914

Percentage of employees per employee category by age group

FTE	Managing Director	Director	Vice President	Assistant Vice President	Associate and below
Under 30	0.0%	0.0%	0.4%	10.7%	32.4%
30-50	55.8%	71.4%	74.9%	71.2%	48.3%
50+ years	44.2%	28.6%	24.7%	18.1%	19.3%
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%

5.1.2 Training, Education and Talent Management

[GRI 401-1; 404-2]

A critical part of our people strategy is to retain, develop and motivate the employee workforce by providing high quality learning and development to the whole DWS organisation that creates sustainable high performance. Therefore, DWS supports the development of its top talent via a dedicated in-house development team.

We have launched the PLF to support the People Strategy. The PLF acts as a focal point for people-related topics and is sponsored by our Executive Board with a Steering Committee (chaired an Executive Board member) that meets on a monthly basis to review progress. It is based on four pillars, one of which is dedicated specifically to development. The PLF is designed to be highly inclusive and volunteer-based and provides people with the opportunity to have a say in how we can create a workplace culture that celebrates diversity, promotes career opportunities, delivers the best products and services to our clients and, importantly, creates an enjoyable place to work.

Our regional PEG complements the PLF. It brings together individuals from the DWS business lines globally to collectively develop and implement people-based projects that support our business objectives and enable high levels of employee engagement throughout the organisation. Since the PEG concept was conceived, the network has grown significantly with more knowledge about the topics and competencies of DWS, more feedback and questions to our senior management and more information about our strategy and its execution. All of this helps to improve the understanding across the organisation as well as knowledge sharing across teams and product areas. Examples of PEG initiatives include the "DWS Executive Talks", "MD Open Door" events and a number of external guest speakers.

One of the core pillars and areas of focus within the PLF is to encourage innovation. In 2018, for example, "Tech Talks" were held in the 'UK on Blockchain' to increase digital awareness amongst our employees. A number of design-thinking sessions were also run for Innovation PLF Pillar members and volunteer groups. The focus for 2019 will be to continue developing digital literacy and building broad awareness of the digital agenda as well as agile working methods. We are creating an innovation hub to enable an innovation culture, which can generate and implement ideas for the future.

Learning and Development

In addition to bespoke DWS learning options such as ESG or "Complex Product Training", there is also a digital learning platform called 'Connect to Learn', which offers training and development programmes online with an extensive library of learning resources for employees. The digital offering includes about 40 personal development and management topics in multiple formats from Ted Talks, articles, videos to virtual classrooms, ranging from five to 90 minutes.

New managers attend a programme called "Management Fundamentals", which helps them understand the core elements of managing people and driving culture. For more experienced levels a Leadership Fundamentals programme is based around the core leadership capabilities at senior level and lays out the capabilities and expectations of a leader including personal diagnostic and coaching sessions.

The development of key talents in DWS is supported by targeted offerings. Key Director talent participate in an annual "Acceleration Programme" which spans a period of 12 months with DWS CEO Sponsorship. In addition, there is a six-month long Acceleration Programme for selected VP talent, which provides professional growth and career development. For employees with the corporate title of AVP and below, for 2019, we are focused on creating transparency of learning available aligned to career paths.

DWS also supports external qualifications²⁵ to ensure key employees are qualified up to market standards in the competitive environment.

Internal Mobility

Internal mobility plays a key role in the retention and development of our employees and is a vital way to keep their experience and expertise within our organisation. We continue to develop internal mobility and we commit to filling open positions with internal candidates as a priority before going out to market for external recruitment. All open positions are advertised internally for at least two weeks - only then roles will be recruited externally. In 2018, 32.8% of open roles were filled internally.

²⁵ External qualifications include: Chartered Financial Analyst (CFA), Chartered Alternative Investment Analyst (CAIA) and Certified International Investment Analyst (CIIA) or as previously mentioned Certified ESG Financial Analyst (CESGA), which is offered by the European Federation of Financial Analyst Societies (EFFAS).

Talent Identification, Leadership Planning and Development

We also support the development of our top talent via a dedicated in-house development team. Our Executive Board holds an annual talent review to assess our talent strategy, identify top talent and future talent requirements, discuss key MD and D talent and define their development and growth opportunities. The outcomes range from recommendations around coaching, 360-degree feedback delivered by a bespoke tool called "DB Develop" or a more in depth diagnostic through a psychometric tool called 'Hogan'. The VP and below population are discussed in a broader context and overall learning and development themes are identified.

The investment in junior recruiting and a junior talent pipeline remains of critical importance in building the DWS workforce. Following the IPO in March 2018, we are competing for graduate talent outside of the mainstream investment banking industry and increasingly with other asset managers. The graduate program gives us the opportunity to hire high potential candidates from diverse backgrounds. 24 graduates were hired for core asset business in 2018, of which 57% were women. The class of graduates for 2019 is currently 41 globally including our Technology graduates who are now an integral part of the DWS graduate strategy. The Graduates attend a global orientation in London as a joint event with DB Group for three days of intensive training and networking. This is followed by three weeks of specific asset management training for the core asset businesses (non-tech) graduates while all tech graduates across DB Group continue to be trained together. The training comprises classroom-based training program comprised of technical training, project work, working on case studies, and giving presentations. Beyond our hiring of graduates, out of our total number of new employee hires during the reporting period, 37.9% were female.

Our recruiting effort also includes apprentices, dual students and post graduates. We also run a range of junior pipeline programmes to support diverse entrants joining the asset management industry with a focus on students from lower socioeconomic backgrounds. Also, we support A-level diverse candidates in applying for internship programmes.

To respond to the requirements of the future generation and provide further opportunities for exchange and learning from each other between our younger workforce and senior leaders, we participate in the recently launched Reverse Mentoring initiative of DB Group. Appreciation of different perspectives will enhance motivation, and people management capabilities and hence influence the future of work at DWS. Furthermore, it will strengthen the ability to engage with clients from emerging generations. Additionally it offers the opportunity for more junior colleagues to build the connections in their network and to have the opportunity to offer fresh perspectives that can influence the future of work at DWS.

Supported by DB Group, we manage a succession plan for our senior appointments, which covers terms of reference, identifying and mitigating risk as well as developing a bench of talent for our most senior positions, namely Executive Board and Senior Leadership Cadre, as well as key function holders. Based on the respective leadership framework bespoke development opportunities for the Senior Leadership Cadre are available. In addition, "Executive Board Readiness" training was undertaken to prepare our Executive Board members for their new role.

All of these provide the individual with insights to enable them to progress within the organisation and act as leaders.

Total number and rate of new employee hires during the reporting period, by age group, gender and region

FTE	Under 30	30-50	50+ years old	Grand Total
APAC	14	29	2	45
EMEA excl. Germany	27.6	37.6	1	66.2
Germany	41	62.8	5	108.8
Americas	23	39	7	69
Grand Total	105.6	168.4	15	289

Total number and rate of new employee hires during the reporting period, by age group and gender

FTE	Under 30	30-50	50+ years old	Grand Total
Female	43	59.4	7	109.4
Male	62.6	109	8	179.6
Grand Total	105.6	168.4	15	289

5.1.3 Labour / Management Relations

The involvement of works councils in Germany is governed by the Works Constitution Act, which stipulates the rights and duties and prescribes the cases (and form) in which employers are obligated to involve a works council. With members elected every four years, these councils represent the interests of our employees, entering discussions and negotiations with the employer.

Our executive employees have their own representative body, which is governed by German law (Sprecherausschussgesetz). The works councils have different rights of involvement (such as negotiating on balance of interest agreements as part of restructuring measures and negotiating on bargaining agreements). In Germany, the individual rights and responsibilities of local, general, Group, and European works councils are governed by law. We have a close and constructive relationship with employee representatives based on mutual trust and involving these bodies early and to the fullest extent is common practice. For individual HR measures, DWS HR is liaising with the DWS works council. As soon as topics are subject to DB Group's works council approvals Labour Relations team of DB HR is involved as they own the relationship to the DB Group's works council. There is no dedicated resource within our HR team.

5.2 Human Rights

5.2.1 Non-Discrimination

[GRI 406-1]

As a global organisation, we are committed to an inclusive culture that respects and embraces the diversity of employees, clients and communities. We provide equal opportunity and advancement opportunities for all individuals. As outlined above, we believe that diversity among employees enriches our competence with our clients, our work life and the communities in which we live and work.

All managers and employees are responsible for:

- _ Treating colleagues with respect,
- _ Appreciating diverse points of view and making decisions based on merit and integrity; and
- _ Preventing discrimination, harassment and retaliation against any colleagues.

As part of this commitment, we provide training to all employees on the Code of Conduct to embed a workplace culture free from discrimination. This is supported by robust complaints and whistle-blowing procedures where issues or incidents may occur.

We measure the commitment, enablement and culture of the workplace every year in a People Survey, conducted by DB Group. In addition, we internally evaluate incident reports on a quarterly basis to ensure any issues that may arise are properly addressed.

5.2.2 Child Labour, Forced and Compulsory Labour

In 2016, DB Group set up a working group to analyse the implications of the UK Modern Slavery Act and review the bank's approach to combating this issue. Based on the work of the group, DB Group published a Slavery and Human Trafficking Statement, aligned to the UK Modern Slavery Act and signed by the representatives of the DB Group Management Board the following year. DB Group's statement includes DWS.

Furthermore, in dialogue with internal and external stakeholders, the following measures were agreed:

- _ Include modern slavery and human trafficking messaging in our whistle-blowing policy, handbooks for new employees, and Master Services Agreements with vendors.
- _ Update our complaints management standards with information on human rights.
- _ Integrate specific ES criteria including modern slavery and human trafficking into a new vendor certification process that will be implemented.
- _ Update of our sustainability principles and Code of Business Conduct and Ethics.

The working group will continue its work in 2019.

5.2.3 Human Rights Assessment

[GRI 412-1]

The UN Guiding Principles on Business and Human Rights are grounded on the recognition that states and companies are obliged to respect human rights. In situations where national laws do not cover internationally recognised human rights or the implementation of such laws is weak the UN Guiding Principles clearly expect companies to operate to a higher international standard.

We are fully committed to our responsibilities in relation to Human Rights, with integrity and sustainability being two of our core values designed to ensure that we conduct ourselves in a manner that is consistent with the highest ethical standards.

This approach is also consistent with advocacy of ESG, which is guided by our RI Statement. As part of this, ESG factors, including Human Rights issues, are integrated into our investment processes in all asset classes.

We adhere to a Code of Conduct that clearly requires us to consider the long-term impact of our activities while generating sustainable outcomes for clients, investors, employees and society at large. We therefore monitor and mitigate possible negative impacts and apply reasonable due diligence processes to balance and to resolve emerging conflicts of interest and ethical issues.

6

Compliance and Control

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6 Compliance and Control

As a global fiduciary business, an effective compliance infrastructure enables DWS to establish a strong governance framework. This includes risk management processes such as risk identification, risk management and evaluation, risk monitoring and mitigation as well as accountability, and a culture of compliance across all three lines of defence.

- The first line of defence (1LoD - the business, its management and Chief of Staff organisation) typically owns and manages risks through Level 1 controls and an annual Risk and Control Assessment. It implements and owns processes and is responsible for mitigation of respective risks identified. 1LoD units are accountable for all risks in their business, taking an end-to-end process view managing these risks, including identifying, assessing, mitigating, monitoring, and reporting on these risks relative to risk appetite. Each 1LoD unit is responsible for designing and implementing Level 1 controls to mitigate risks and to adhere to legal, regulatory and policy requirements. While the 1LoD may take risk decisions, they must always ensure controls are reasonably designed to adhere to rules and DB Policy. 1LoD must take immediate action to address such breaches and may not “risk accept” violations of rules.
- The second line of defence (among other infrastructure functions, the DWS Compliance function and its management) monitors compliance risks and controls in support of management. The DWS Compliance function is responsible for advising, assessing and reporting on Compliance risks. The Compliance departments function as a Risk Type owner, providing a dedicated risk management framework, relevant Level 2 controls and reporting obligations.
- The third line of defence (Internal Audit function) provides assurance on the effectiveness of controls in place to mitigate risk.

This risk management framework shows the importance of an effective Compliance organisation in order to safeguard our regulatory, reputational and operational business interests. Compliance, which is embedded in this Risk Management Framework, is most significant to independently assess and monitor the company’s risk profile against agreed risk appetites and the effectiveness of Level 1 controls in mitigating these risks in the 1LoD unit.

Although we have adopted a risk management process and regularly review our various controls, procedures, systems and policies, we are aware, that non-compliance with relevant laws and regulations respectively an inappropriate control framework could expose DWS to material financial, regulatory and/or reputational risk.

Beside the maintenance of risk-based control frameworks based on clear principles and policies, all employees are regularly trained to ensure awareness and full compliance with all regulatory requirements. The suite of core mandatory training for employees across DB Group continues to apply to our employees. The curriculum includes courses for all subjects raised in this section and are continuously adapted to follow latest market developments and regulation. Overdue ratios for late or non-completion of mandatory training are minimal (generally less than 1%). Participation is monitored and delayed completion can result in ‘red flags’ for employees or their managers, which are taken into account in annual promotion and compensation decisions.

Via our DB Group whistle-blower arrangements all individuals engaged for or on behalf of DWS are called upon to report any concerns or suspicions regarding possible violations of laws, rules or regulations, or possible violations of internal policies, standards, or procedures, including DB Group’s values and beliefs. On request, all issues raised are dealt with anonymously, and no action is taken against the originator if an allegation is made in good faith. Any reports received are reviewed to establish their nature, content, and urgency. If necessary, an internal investigation of the incident will be initiated.

Following our partial IPO, we continue to encourage our staff to speak up and raise concerns via the DB Group whistle-blowing tool, where we have Service Agreements in relation to both the mechanism and the initial handling of concerns raised.

6.1 Culture and Conduct

We apply a Code of Conduct, which sets out our standards of behaviour and conduct to which we expect all of our people to adhere to. The basis is a DB Group global conduct risk framework designed to avoid the inappropriate creation of bad outcomes for our clients, our firm or the integrity of financial markets through breaches of laws, regulations or internal requirements such as our Code of Conduct. This global conduct risk framework defines the principles for oversight over the management of conduct risk so that there is timely identification, reporting, escalation and remediation of issues that arise.

After the partial IPO of DWS KGaA in March 2018, we developed a distinct set of values and corporate culture in order to position ourselves for the future. Therefore, our Executive Board identified four values shaping the culture of DWS as a leading asset

manager. Culture and integrity are an essential cornerstone of a good corporate governance and success for the future. All asset management capabilities must be backed by strong and consistent investment performance. Alongside the business reputation, our brand is one of the most important assets that our company has. Our brand offers identity, distinguishes the company and its products from its competitors, characterises the value of a company and attracts future employees. For additional information on composition, choice and governance of our boards and committees, please refer to the Corporate Governance Statement in our Annual Report.

6.1.1 Dealing with Conflicts of Interest

[GRI 102-17]

Conflicts of interest are inherent to all banking and investment businesses. Failure to recognise and appropriately manage conflicts of interest can result in inappropriate or adverse consequences for clients, DWS, and our employees. Every part of DB Group is required to implement a dedicated framework for conflicts of interest in line with the DB Group Policy for Conflicts of Interest, to identify actual and potential conflicts and manage them fairly and appropriately for all involved parties. In DWS, conflicts of interests are identified and administered through the respective Chiefs of Staff in the first line of defence and Compliance as second line maintains oversight. This includes topics such as employee trading, outside business interests, deal logging or conflicts arising from family and close personal relationships.

An independent DB Group-wide Business Selection and Conflicts Office (BSCO) is responsible for identifying and managing transaction related conflicts. It has the mandate to approve or reject business transaction business and annually reports to the board on conflicts of interest.

6.1.2 Anti-Competitive Behaviour

[GRI 206-1]

The consequences of anti-competitive behaviour could be serious and far-reaching. Our Antitrust Compliance programme defines the minimum standards of behaviour for our employees and includes a comprehensive training and control framework for identifying and monitoring antitrust risks in order to prevent or mitigate breaches of antitrust laws.

There are no legal actions against DWS pending or have been completed during the reporting period regarding any anti-competitive behaviour or violations of anti-trust and monopoly legislation in which the organisation has been identified as a participant.

6.2 Anti-Financial Crime

[GRI 102-17]

We are convinced that the battle against financial crime is vital to ensure the stability and integrity of the international financial system. Failure to identify and manage risks relating to financial crime exposes DWS and its staff to potential corporate criminal and/or regulatory liability, civil lawsuits, and a loss of reputation. During 2018, significant progress was made in establishing the independent Anti-Financial Crime (AFC) function for DWS, reporting to the Chief Control Officer (CCO), but maintaining a close alignment with, and a dependency on, the AFC function of our majority shareholder, Deutsche Bank AG. We executed a suite of service agreements with DB Group ahead of the partial IPO to ensure that we would still have access to required tools, systems and expertise in 2018. In 2019, the services from DB Group will be adjusted in recognition of the further set-up of the AFC team within DWS Group. The operating model for AFC in DWS leverages DB Group, which will continue to provide services to the DWS entities. This includes relevant AFC technology, such as transaction monitoring and name list screening, certain regulatory reporting activities, the provision of mandatory employee training, and the whistle-blowing arrangements as set out above.

Our Executive Board is ultimately responsible for the management and mitigation of financial crime risks within DWS. The Executive Board delegates tasks relating to those obligations to the AFC function. The CCO is the responsible Executive Board member for AFC, and the Head of AFC reports to the CCO. The goal of the AFC function is to prevent DWS from being misused, or from engaging, in the commission of certain criminal offences, referred to as Financial Crime. AFC is a second line of defence control function, managing and mitigating the financial crime risks assigned to it in the Non-Financial Risk Management Taxonomy. These relate to the prevention of money laundering, countering terrorism financing (CTF), the prevention of fraud, bribery and corruption and observing sanctions and embargoes. AFC develops and implements, or oversees the development by other areas, policies, procedures and processes, which form the control framework for those risks. AFC also has oversight in respect of the broader control framework as it relates to countering other criminal activities, including controls for which other functions are accountable.

Technical training and development opportunities have been set up in Regulation, Compliance, and AFC to ensure relevant employees have the necessary technical knowledge and skills; to keep pace with a constantly changing regulatory environment; and to offer training or development opportunities suited to a particular stage in an employee's career. This is beyond the mandatory training that all employees receive. Through the partnership with the Association of Certified Anti-Money Laundering Specialists (ACAMS), AFC employees have access to a broad range of specialist material, analysis, and training.

6.2.1 Anti-Money Laundering, Terrorism Financing and Know Your Client

[GRI 205-1; 205-2]

AFC is responsible for instituting measures to prevent money laundering and combat the financing of terrorism and its proliferation. These include measures to comply with rules and regulations regarding client and counterparty identification, recording and archiving; to detect suspicious transactions and process suspicious activity alerts; and to develop, update and execute internal policies, procedures, and controls. Irrespective of the value or amount involved, if there is reasonable suspicion that funds have been derived from illegal origins or may be used in the context of terrorism financing, a transaction will always be declined.

The Anti-Money Laundering (AML) policy has been designed in such a way as to comply, as a minimum, with German rules and with the local laws and regulations in all countries we operate in. This includes policies, procedures, a designated Money Laundering Officer (where required by local regulation), independent controls, and regular employee training.

During 2018, a revised Know Your Client (KYC) policy was implemented in line with the increasing regulatory requirements of primarily the EU's Fourth Money Laundering Directive. Clients are assessed as part of due diligence and regularly screened against internal and external criteria. As a consequence of due diligence, a client relationship may be declined or subject to monitoring or conditions may be imposed on accounts, transactions, or product usage. In cases of suspicious activity, regulatory and government bodies are informed in line with existing legal and regulatory requirements. Specific metrics to demonstrate governance are reported regularly to relevant DWS group oversight bodies.

KYC is an ongoing process throughout the lifecycle of a client relationship. As such, we not only need to know the client (including their ownership structure, ultimate beneficial owners, and source of funds where applicable), but also the anticipated nature of the client relationship. The New Client Adoption (NCA) process governs the on-boarding of potential clients.

In order to periodically assess client relationships, the relevant business function is required to ensure that regular reviews of all existing clients are initiated and duly performed. Review cycles depend on the risk category of a client relationship. In general, high-risk clients have to be reviewed annually, medium-risk clients every two years and low-risk clients every five years (Regular

Review) or when a change to the client's risk profile is identified (Event Driven Review). The primary objective of risk segmenting the client base is to conduct appropriate initial and ongoing due diligence and ensure a comprehensive client profile is in place so the results of ongoing monitoring can be compared and any discrepancies identified.

During 2018, DWS did not identify or report any material breaches of regulatory requirements in relation to AML or CTF.

6.2.2 Respecting Sanctions and Embargoes

[GRI 419-1]

We have a responsibility to monitor, evaluate, and, if required, observe laws and binding requirements relating to financial and trade sanctions set by the EU, the Bundesbank, Germany's Federal Office for Economic Affairs and Export Control, and other authorities, such as the US Office of Foreign Assets Control (OFAC) and the UK Treasury Department. Our continuing adherence to the DB Group Sanctions Policy helps us to assess and reduce client risk as part of our on-boarding process and periodically thereafter. We also seek to identify and manage the sanctions risk arising from the assets held within the funds that we manage which could become subject to sanctions or embargoes, restricting the ability of the fund or portfolio manager to transact in certain assets. This could in principle lead to a loss for the fund and the ultimate investor unless the correct licenses to permit transactions are obtained and complied with.

During 2018, we did not identify or report any breaches of global sanctions.

6.2.3 Preventing Fraud and Corruption

[GRI 205-1; 205-2]

Prevention and investigation on fraud and corruption are important to mitigate our exposure to financial losses, prevent any negative effect on our reputation, and avoid regulatory and legal actions. Our Anti-Fraud Policy applies to all employees. Permanent and temporary, and explains how to immediately escalate any known or suspected fraudulent incident, via our whistle-blower tool. In our business, mandatory time away (MTA) is an important anti-fraud control mechanism for preventing or detecting unauthorised or inappropriate activity by staff in sensitive positions. MTA enforcement acts as a deterrent to employees from undertaking any unauthorised or inappropriate activity that might require continuous onsite presence and/or system access.

We take a zero-tolerance approach to bribery and corruption in line with our Code of Business Conduct and Ethics, our values and beliefs, and international law. The Anti-Bribery and Corruption (ABC) Policy based on DB Group's Code of Conduct sets out the minimum standards of behaviour expected by all employees and third parties.

Every employee is responsible for the prevention, detection, and reporting of bribery and other forms of corruption in connection with the firm's business. Bribery and corruption have serious consequences for employees and DWS. An employee who gives, receives, or agrees to give or receive a bribe violates the ABC Policy and the Code of Business Conduct and Ethics, commits a criminal and/or regulatory offence, and potentially exposes DWS to corporate criminal and/or regulatory liability, as well as civil lawsuits, locally and globally. The employee may also be subjected to civil or criminal fines and penalties and/or imprisonment.

During 2018, DWS did not identify or report any material breaches of regulatory requirements in relation to fraud or corruption.

6.3 Data Protection and Client Privacy

[GRI 404-2; 418-1]

The adoption of new technologies, including robotics, public cloud, blockchain and big data analytics solutions combined with the proliferation of Financial Technology (FinTech) providers are providing a new wave of innovation for the financial services industry. While these new technologies are also bringing opportunities to asset managers they are also creating new risks. Historically, the asset management market has not been the primary focus for cyber-attacks due to the business nature and the focus of fraudsters on payments. These trends might be changing to more client data and intellectual property (e.g. investment strategies) driven targets, where asset managers could be a potential area for cyber-criminal activities.

In terms of market monitoring and collaboration, we work with regulators and market participants to remain up-to-date in the newest information security developments and intelligence sharing with the support of central service provided by the DB Group Chief Security Officer (CSO). As proactively sharing relevant indicators of compromise and further intelligence reduces the risk for

all involved parties, we also collaborate closely with government authorities, and peer organisations. Our goal is to protect client data and prevent any material data leakage that would affect our clients during the use of our services.

6.3.1 Data Privacy and Protection

Data protection has never been a more socially significant issue, particularly since the EU General Data Protection Regulation (GDPR) took effect on May 25, 2018. As the vast majority of DWS's business involves processing personal data, protecting such data is a matter of special concern to us. This is not only because non-compliance with GDPR entails substantial fines; it is above all due to a shift in societal awareness. The expectations of clients, employees, and regulators have risen and we are making every effort to meet them.

Governance

For data privacy we are leveraging the DB Group expertise and resources. The DB Group General Data Protection (GDP) department is a specialised and independent function controlling the collection, processing and use of personal data. The GDP team sends reports directly to our Executive Board and is supported by local Data Protection Officers in the countries we conduct business in. This set-up ensures direct and indirect reporting lines as well as regular exchanges on data protection topics within our centralised and decentralised organisation. In response to the increased controls required to ensure compliance with GDPR provisions, GDP is being expanded to ensure we have enough personnel to monitor, test, and assess our data privacy and protection set-up.

Our GDPR program is one of the bank's core change initiatives for implementing these regulatory requirements across the Group. Our response has involved rolling out a new control framework, implementing a revised Global Data Protection and Privacy Policy, introducing six additional data protection procedures to meet the main GDPR requirements, and amending or introducing new operational processes.

Education and Training on GPDR

Staff training on the implications of GDPR for our day-to-day business is a key factor in ensuring effective data protection in all our operational processes. In 2018, For DWS employees in the EU there were no red flags for non-performing the specific GDPR training module. Moreover, an internal awareness campaign is ensuring employees are fully informed of what GDPR means to them. Other informative measures have included distributing privacy notices on specific data-related topics to, in the main, clients and amending vendor contracts to take GDPR requirements into account.

Various reporting and escalation processes from the business to GDP have been implemented to ensure that potential data breaches can be assessed and handled in a timely manner. This approach has also been outlined in a global data protection procedure that has been rolled out as part of the GDPR program.

No data breaches of systemic relevance were observed in 2018.

6.3.2 Cybersecurity / Information Security

Preserving the confidentiality, integrity, and availability of our clients' and partners' data and our information assets is essential for upholding the trust placed in us by our clients, shareholders, employees, and other stakeholders. We have designed a cybersecurity framework to enable delivery of the business while maintaining the standard controls above the day-to-day threats.

Aligned with the business strategy, we have a primary objective of securing information and systems in order to sustain our revenue streams, create competitive advantage and preserve our reputation. To achieve this objective, the primary principle is to have security embedded by default in all technology, data and client initiatives including services managed by third parties. We aim to build security controls into every layer of technology, including data, devices, and applications and to monitor our systems around the clock to detect threats and respond to incidents globally.

In addition to prevention methods and controls such as threat intelligence, data leakage prevention, vulnerability management, and continuous staff awareness programs, we also prioritise detection, backed up by a robust response process. We use DB Group's dedicated Cyber Intelligence and Response Centers in Germany, Singapore, and the US which are set up to provide 24/7 coverage across different time zones, thus improving the capability to detect threats and robustly respond to incidents worldwide.

Information Security Governance

Our COO is the DWS Executive Board member overseeing Information Security and has delegated the program execution to the DWS Chief Information Security Officer (CISO). Our CISO is the senior accountable officer for information security, has been empowered to strengthen the cyber security protection and align to the strategic direction set by the CSO from Deutsche Bank in accordance with our risk appetite.

As our most senior authority for security matters, our CISO develops and drives the implementation and operationalisation of the security strategy and ensures that our assets are appropriately protected. The cyber security program executed by DWS follows a proactive risk-based approach continuously improving the control standards to accommodate the changes in the 'threat landscape', the evolution of the business model and the adoption of innovative technology and process solutions. To support this, DWS aligns its information security management system to the latest information security policies defined by DB Group. Our Information Security Framework is managed under the DB Group umbrella framework that has been validated by the certification ISO 27001, which was recertified in 2018. To address the risk of violation of the confidentiality, integrity, and availability of DWS information by third party vendors, DWS has a multi-layer vendor management program. This is governed by Vendor Risk Management principles on DB Group level and in 2018 DWS appointed a dedicated Head of Vendor Management.

6.3.3 Employee Awareness and Training in Information Security

[GRI 404-2]

All our employees are trained in information security risk and controls as part of their onboarding and regularly during their employment. The mandatory training includes several threat scenarios for which employees are challenged to select the best course of action to ensure that information is protected. Training sessions are continuously renewed, tailored and adapted to follow latest market developments and specific job profiles to ensure that employees are prepared in case of a cyber-threat.

In addition to the mandatory training, we use the DB Group awareness campaigns following the strategy to fortify the human firewall. During 2018, we continued to roll out the multi-channel awareness campaign to all our staff globally, covering a broad range of information and security topics including the 2018 Information Security Month initiative. We also launched the "Time to be aware - the target is you" campaign to help our staff understand common yet significant security threats and their responsibility and contribution to helping DWS protect itself against such threats.

As a result of the strategy, in 2018 we have not experienced any relevant data leakages.

6.4 Compliance

[GRI 419-1]

Our Compliance Department is a permanently established and maintained as second line of defence (2LoD) function, which seeks to protect our licenses to operate by promoting and enforcing adherence with regulatory obligations as well as driving a culture of compliance and ethical conduct in DWS. It seeks to provide an independent and objective assurance to our Executive Board, on the adequacy of the design and effectiveness of the Compliance Risk control framework for the areas for which it has been allocated responsibility. Compliance also seeks to provide independent, proactive and forward-looking challenge and advice to senior managers as well as all employees.

The Compliance department assesses adherence of the DWS Group's operating units with compliance policies, procedures and rules. The Compliance department also plays an integral role in supporting the DWS Group's strategic objectives, including the application of the values & beliefs, and ethical standards, set by the Executive Board. In 2018, the department supported a range of strategic initiatives within DWS including the acquisition of a minority stake in NEO Technologies (see section 4), a variety of internal product-related initiatives as well as preparing the transfer of fund accounting to a third party.

Within DWS, Compliance is responsible for:

1. Advising the business on and overseeing adherence of the Business to applicable securities laws, rules and regulations, and also providing advice to the business on their establishment of appropriate and effective business owned controls ("Level 1 Controls") falling within these regulations;
2. Monitoring the Level One Controls and conducting independent risk based monitoring (including the monitoring of the operations of the complaints-handling process);

3. Assessing the appropriateness and effectiveness of the control environment (including considering complaints as a source of relevant information); and
4. Reporting on certain enumerated points (including complaints-handling) to the management and supervisory boards on at least an annual basis and also on an ad hoc basis as and when required or deemed necessary.

Within the second lines of defence, our Compliance function monitors compliance risks and controls functioning as a Risk Type Owner performing Level 2 controls for the risk types, which are allocated to the Compliance department. With regard to these Level 2 controls, we have three dedicated Compliance teams operating different control methodologies: while DWS Surveillance performs daily trade surveillance controlling for 'Market Abuse' scenarios including potential 'Insider Dealing' and 'Front-Running' cases, Business Line Compliance operates standardised Level 2 controls across various risk types and frequencies depending on risk based prioritisation. This is either based on business-owned Level 1 controls testing their quality, their effectiveness or independent samples testing verifying the results of the process. Lastly, the DWS Compliance Testing team offers front-to-end reviews of business-owned Level 1 processes across all business departments and teams identifying gaps against external requirements or internal policies.

6.5 Public Policy and Regulation

Regulatory reforms in the EU and internationally expose us and our clients to increasing regulatory burdens. Failure to comply with laws and regulations applicable to us could result in harm to our reputation, regulatory penalties or fines and a material adverse effect on our results of operations. To be compliant with all relevant rules and regulations is of para-mount importance for DWS. Our aim is to identify new regulations and changes to existing ones at an early stage and to inform the relevant parties within DWS about it. This ensures that necessary changes can be implemented in time, to amend, upgrade or introduce new policies, procedures, systems and controls as required.

We obtain contractually agreed services from the DB Group Regulatory Affairs department. As the risk of changing rules and regulations is inherent to our daily business, we have developed a holistic framework to identify and implement new or changed regulations using a systematic approach that prioritises significant regulatory risks to DB Group and allocates clear accountability for the identification, impact assessment and implementation of regulatory changes in order to ad-dress this adequately.

The framework governs how we manage regulatory change risk and helps to build our profile in regulatory interaction in general, so that we engage constructively with regulatory stakeholders. It also ensures informed strategic decision-making and provides oversight and control over how key initiatives are implemented, as well as insight for senior management on upcoming issues of public policy.

The strategy for the implementation of regulatory change projects depends on the impact of the specific regulatory changes and the regulation in question. For major regulatory change topics such as MiFID, centrally led DWS change management implementation teams are established to determine precise impact per business lines.

While DWS receives a general feed regarding new rules and regulations as well as changes within rules and regulations from DB Group, due to the partial IPO and organisational changes in the past, the Regulatory Management process is currently being amended in order to align regional differences also including a regular status report about the respective implementation activities. Our regional officers have appointed Regulatory Compliance contacts whose responsibility it is to review forthcoming regulatory developments in their respective jurisdictions and a) educate the relevant Business contacts on such or b) engage with central change management implementation teams accordingly.

DWS Compliance hold monthly Regulatory Compliance Global Forum calls, in which Regulatory Compliance contacts from respective regions can educate colleagues on key items which impact their jurisdictions and which may have extra-territorial impact. The amended process is aimed to ensure informed strategic decision-making and to provide oversight and control over how regulations are implemented.

6.5.1 European Commission's Sustainable Finance Action Plan

DB Group and DWS are monitoring the developments of SFAP very closely. The SFAP's goal is to support investment in low-carbon and resource efficient technologies and to foster a longer-term outlook. Among other topics, institutional investors and asset managers, who claim to pursue sustainability objectives, will have to disclose how their investments are aligned with those objectives. We believe investors, asset managers and financial market participants in general need to be involved in shaping and preparing to implement these new expectations. We participated in a series of industry roundtables and events and communicated the impacts of the SFAP internally.

In November 2018, a member of the ESG Thematic Research team presented current status of SFAP and possible implications for us to the EMEA Leadership Meeting, which was chaired by an Executive Board member. Further, our employees participated in EFAMA and BVI consultations on the SFAP. In December 2018, a senior DWS employee was invited to a European Commission workshop hosted by the Technical Expert Group on Sustainable Finance on designing the methodologies of EU low carbon benchmarks. Moreover, a DWS employee participated in a roundtable by the Investment Association regarding the work of the European Commission Technical Expert Group.

We have also observed a need to educate our clients, investors and our Coverage organisation on the SFAP's implications. This is why we started creating a white paper for our clients and investors in 2018, which we hope to publish beginning 2019. During the consultation phase, we continue to monitor how the SFAP evolves.

6.6 Marketing and Labelling

[GRI 417-1]

Our reputation is founded on trust from our employees, clients, shareholders, regulators and from the public in general. Isolated events can undermine that trust and negatively impact our reputation and hence our brand and it is therefore of the utmost importance that it is protected.

Our governance structure including clear and transparent operation guidelines, defined policies and our corporate values provide a structured framework for all employees to protect our brand and reputation. They enable a tight connectivity across the organisation to ensure that the framework is being followed and fully implemented. Our values and methodical business process are also reflected in the marketing and labelling of our products.

All marketing efforts must be tailored to the investors requirements, must be fair, balanced and designed to ensure that risks are reasonably disclosed. Such materials are subject to complex regulatory requirements, which vary depending on the DWS entity, product, intended audience, venue where the offer or sale occurs, and other criteria. Our employees use professional judgment to present product and marketing content with honesty and transparency.

As part of the marketing review process all marketing, product materials and further documents are reviewed and approved by compliance or respective business gatekeepers to ensure that guidelines are being followed. The records of all approved material are either retained by compliance and/or the business or within the compliance review systems. Only material that has been reviewed and approved can be published or distributed externally to clients.

We follow a clear set of rules including the DB Group-wide Code of Conduct and address law-abiding conduct, corruption prevention, conflicts of interest, information and data protection to protect our clients' interests as well as our brand and reputation. We also follow the standards of Deutsche Bank's Gifts, Entertainment and Business Event Policy, our global Marketing Material Policy and for some regions additional marketing policies that have been defined based on local requirements.

6.7 Audit

[GRI FS9]

Our Compliance function informs our senior management about the status of implementing compliance processes on a regular basis. In addition, there is an ad-hoc based information in case of severe compliance issues or violations of rules and regulations. Our internal Audit department – reporting directly to the Executive Board - assures the timely and compliant implementation of internal and external rules and regulations on a regular basis.

7

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7 Environmental Footprint and Social Commitment

We see it as part of our responsibility as a corporate citizen to manage, and where possible, minimise the environmental impact of our business operations. The management approaches defined by DB Group to manage emissions from real estate operations, travel and procurement are also applicable to DWS and key aspects of our environmental responsibility.

On the occasion of Earth Week, we organised a series of events around ESG globally. We launched the “Sustainability at Work” initiative as part of the Earth Week celebrations. This led up to Earth Day on April 22, 2018, a global event drawing attention to the need for environmental protection support. In order to live our sustainability values as a company among our employees, we have joined Deutsche Bank initiatives (“paperless Friday” during Earth Week in April 2018) or initiated our own initiatives during Earth Week (“500 caps for polio”; freeing the office from plastic bottles or plastic straws), to contribute to corporate social responsibility (CSR).

7.1 Environment

7.1.1 Energy, Emissions and Waste

[GRI 305-1]

Emissions and waste from real estate operations and travel are managed by DB Group. Given building occupancy is split across multiple Deutsche Bank businesses, calculation of DWS specific emissions and waste data is not feasible. Please refer to section “Energy Efficiency and Conservation” in the Deutsche Bank Non-Financial Report for additional information on Deutsche Bank emissions and waste.

Carbon neutrality

In Germany, Deutsche Bank AG is one of four DAX 30 companies with a carbon neutrality commitment. DB Group offsets unavoidable carbon emissions covering GHG Scopes 1 and 2, and business travel since 2012 by purchasing and retiring high-quality emission reduction certificates. It achieved its target to make its operations carbon neutral by the end of 2012 and its Management Board has agreed to maintain this position. Additionally, the Management Board is also targeting 100% renewable energy sourcing, a step increase from the status quo with 81% of all required energy globally currently sourced from renewable resource. These commitments and targets are valid for DB Group and include DWS.

7.2 Social

7.2.1 Procurement Practices

[GRI 308-1; 414-1]

Our supplier portfolio comprises approximately 2,500 vendors and we follow DB Group policies and procedures to manage our vendor population. All our vendors are subject to a risk-based segmentation and vendors classified as posing an important, significant or critical risk undergo a comprehensive VRM assessment. All risk types are evaluated in this process including the DB Group Sustainability function's assessment of environmental and social factors. In addition to VRM, all vendors with material annual spend, are also subject to a procurement Request For Proposal (RFP) process that includes an assessment of their commitment to sustainable development and environmental responsibility. This process also screens vendors to ensure their policies and practices regarding human rights are consistent with DB Group with vendors expected to respect their employees' human rights, offer equal employment opportunity to all and to not tolerate discrimination or harassment.

7.2.2 Academic and social engagement

We follow dedicated CSR policies and procedures such as the Donations, Membership and Sponsorship (DMS) Policy, which constitutes the mandatory operating framework for all DB Group companies, their employees, and external partners acting on their behalf. We believe that academic research is the base for deeper insights and hence knowledge can lead to innovation. We therefore support academic institutions and initiatives if these benefit the public and are in line with our goals and capabilities. Local sponsorships show our commitment to our home regions and provide the opportunity to build connections, collaborate and improve our local communities. We support local or regional organisations, foundations, associations, charities, sport teams and other local worthy causes that help enrich our neighbourhoods and contribute to the quality of life of the people who live there.

8

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8 Supplementary Information

8.1 Limited Assurance Report of the Independent Auditor regarding the separate non-financial group report²⁶

[GRI – 102-54]

To the Supervisory Board of DWS Group GmbH & Co. KGaA, Frankfurt am Main,

We have performed an independent limited assurance engagement on the separate non-financial group report according to §§315b, 315c in connection with 289c to 289e of the German Commercial Code (HGB) (further “non-financial group report”) of DWS Group GmbH & Co. KGaA, Frankfurt am Main (further “DWS”) for the period from January 1 to December 31, 2018.

Management's Responsibility

The legal representatives of the company are responsible for the preparation of the non-financial group report in accordance with §§ 315b, 315c in connection with 289c to 289e HGB.

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the non-financial group report and the use of assumptions and estimates for individual disclosures which are reasonable under the given circumstances.

Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the non-financial group report in a way that is free of – intended or unintended – material misstatements.

Independence and quality assurance on the part of the auditing firm

We are independent from the company in accordance with the requirements of independence and quality assurance set out in legal provisions and professional pronouncements and have fulfilled our additional professional obligations in accordance with these requirements.

Our audit firm applies the legal provisions and professional pronouncements for quality assurance, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

Practitioner's Responsibility

Our responsibility is to express a conclusion based on our work performed on the separate non-financial group report within a limited assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised: “Assurance Engagements other than Audits or Reviews of Historical Financial Information” published by IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that the non-financial group report for the period from January 1, 2018 to December 31, 2018, has not been prepared, in all material respects in accordance with §§315b and 315c in conjunction with 289c to 289e HGB. We do not, however, issue a separate conclusion for each disclosure. In a limited assurance engagement, the evidence gathering procedures are more limited than in a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. The choice of audit procedures is subject to the auditor's own judgement.

Within the scope of our engagement, we performed amongst others the following procedures:

- Inquiries of personnel at group level who are responsible for the materiality analysis in order to gain an understanding of the processes for determining material sustainability topics and respective reporting boundaries of DWS.
- A risk analysis, including a media research, to identify relevant information on DWS sustainability performance in the reporting period.

²⁶ Our engagement applied to the German version of the separate non-financial group report 2018. This text is a translation of the Independent Assurance Report issued in German, whereas the German text is authoritative.

- _ Evaluation of the design and implementation of systems and processes for the collection, processing and monitoring of disclosures on environmental, employee and social matters, respects for human rights, and combating corruption and bribery, including data consolidation.
- _ Inquiries of personnel on group level who are responsible for determining disclosures on concepts, due diligence processes, results and risks, the conduction of internal controls and consolidation of the disclosures.
- _ Evaluation of selected internal and external documents.
- _ An analytical review of the reported data and trend explanations submitted by all sites for consolidation at group level.
- _ Evaluating the overall presentation of the disclosures, included in the scope of this engagements.

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the separate non-financial group report of DWS Group GmbH & Co. KGaA for the period of January 1 to December 31, 2018 is not prepared, in all materials respects, in accordance with §§ 315b and 315c in conjunction with 289c to 289e HGB.

Restriction of Use/Clause on General Engagement Terms

This assurance report is issued for purposes of the Supervisory Board of DWS Group GmbH & Co. KGaA, Frankfurt am Main, only. We assume no responsibility with regard to any third parties.

Our assignment for the Supervisory Board of DWS Group GmbH & Co. KGaA, Frankfurt am Main, and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfergesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfergesellschaften) in the version dated January 1, 2017 (https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this assurance report, each recipient confirms notice of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the General Engagement Terms with respect to us.

Frankfurt am Main, March 15, 2019

KPMG AG
Wirtschaftsprüfergesellschaft

[Original German version signed by:]

Laue
Wirtschaftsprüfer
[German Public Auditor]

Glöckner
Wirtschaftsprüfer
[German Public Auditor]

8.2 GRI Index

[GRI 102-54; GRI 102-55]

Our Sustainability Report provides a comprehensive disclosure of our material topics for our non-financial performance. Information on financial data is available in our Annual Report 2018. Disclosures included in the report were selected based on a materiality analysis conducted in 2018. Please refer to our Materiality Assessment for 2018.

In order to give a better overview, the Sustainability Report 2018 has been prepared partially in accordance with the GRI Standards including the specific Sector Disclosures in the financial service sector. Information can either be found in the referenced pages in the report, via underlined links or directly in this table.

Disclosure		Sustainability Report and / or links	Remarks / Omissions
ORGANISATION PROFILE			
102-1			
102-2	Activities, brands, products and services	Corporate Profile 10 Our Business Strategy 11	
102-3	Location of headquarters	Frankfurt/Main, Germany	
102-4	Location of operations	Corporate Profile 10 Annual Report (AR) – Section “Branches of Subsidiaries”	
102-5	Ownership and legal form	DWS Group is organised as a partnership limited by shares (Kommanditgesellschaft auf Aktien – KGaA) with a German limited liability company (Gesellschaft mit beschränkter Haftung). This structure is in line with other well accepted precedents of publicly listed German KGaAs and is designed to safeguard free float shareholders’ interests and secure appropriate level of influence AR – Section “Corporate and Legal Structure of DWS KGaA”	
102-6	Markets served	Corporate Profile 10 AR – Section “About DWS Group”	
102-7	Scale of the organisation	Corporate Profile 10 AR – Section “About DWS Group”	
102-8	Information on employees and other workers	As of December 31, 2018, we employed a total of 3,443 staff members and 905 contingent FTE. We calculate our employee figures on a full-time equivalent basis, meaning we include proportionate numbers of part-time employees. In terms of headcount, DWS Group employed 3,218 full-time employees and 314 part-time employees. Numbers reflect Headcount (HC) not FTE as using FTE would understate the number of part time workers. Employees 37	Partially reported: Legal restrictions and data availability prevent a disclosure of external employees by gender.
102-9	Supply chain	Corporate Profile 10	

Disclosure		Sustainability Report and / or links	Remarks / Omissions
102-10	Significant changes to the organisation and its supply chain	Due to the successful completion of the partial initial public offering and listing on the Frankfurt Stock Exchange on March 23, 2018 our organisation changed. We started trading shares at the placement price of €32.50 per share and in total, 44,500,000 existing DWS Group shares were placed with new investors, equalling a total placement volume of about € 1.4 billion, including 4,500,000 shares to cover over-allotments.	
102-11	Precautionary principle or approach	New Product Approval and Systematic Product Review 34	
102-12	External initiatives	Thought Leadership in Corporate Governance 20 ESG Thematic Research 20 Commitments and Policy 22	
102-13	Membership of associations	Responsible Investment Organisation 20 A list of the main memberships of industry or other associations, and national or international advocacy organizations can be found on our website .	
102-14	Statement from senior decision-maker	Statement by the Management 4	
102-15	Key impacts, risks, and opportunities	Digitisation and Innovation 18 Product Design and Demographic Change 35 AR – Section “Risks and Opportunities”	
102-16	Values, principles, standards, and norms of behaviour	Corporate Profile 10 Our Approach to Sustainability 13 Commitments and Policy 22	
102-17	Mechanisms for advice and concerns about ethics	Human Rights 43 Compliance and Control 46 Dealing with Conflicts of Interest 47 Anti-Financial Crime 48	
102-18	Governance structure	The Executive Board is responsible for managing the company. Its members are jointly accountable for the management of the company. The Executive Board has, as its prime responsibility, DWS's strategic management, resource allocation, financial accounting and reporting, risk management, and corporate control. It has seven members as well as Dr Asoka Woehrmann as CEO. The Supervisory Board of DWS Group GmbH & Co KGaA appoints, supervises and advises the Executive Board and is directly involved in decisions of fundamental importance to DWS. It works closely with the Executive Board in a cooperative relationship of trust and for the benefit of the company. The Supervisory Board decides on the appointment and dismissal of members of the Executive Board.	

Disclosure	Sustainability Report and / or links	Remarks / Omissions
	Responsible Investment Organisation 20	
	AR - Section “Corporate Governance”	

Disclosure		Sustainability Report and / or links	Remarks / Omissions
102-20	Executive-level responsibility for economic, environmental, and social topics	Our Approach to Sustainability 13 The CIO for Responsible Investments is reporting to the Executive Board of DWS. The Chief Financial Officer (CFO) of DWS is responsible for non-financial reporting. Managing ESG Risks and Opportunities in our Investment Process 22	
102-21	Consulting stakeholders on economic, environmental, and social topics	Our Approach to Sustainability 13 ESG Thematic Research 20 Thought Leadership in Corporate Governance 20	
102-22	Composition of the highest governance body and its committees	AR – Section “Supervisory Board” The composition of our supervisory board can be found here .	
102-23	Chair of the highest governance body	Chairman of the Supervisory Board of DWS Group GmbH & Co KGaA is Karl von Rohr, who is not an executive of DWS Group or affiliated companies.	
102-24	Nominating and selecting the highest governance body	AR – Section “Corporate Governance”	
102-25	Conflicts of interest	Dealing with Conflicts of Interest 47 AR: Section “Conflicts of Interest and their Handling”	
102-26	Role of the highest governance body in setting purpose, values, and strategy	AR – Section “Corporate Governance”	
102-29	Identifying and managing economic, environmental, and social topics	Managing ESG Risks and Opportunities in our Investment Process 22 The link to our ESG Integration Policy can be found here .	
102-31	Review of economic, environmental, and social topics	Our Approach to Sustainability 13 Managing ESG Risks and Opportunities in our Investment Process 22	
102-32	Highest governance body’s role in sustainability reporting	The Sustainability Report team of module owners and project managers has reviewed and pre-approved the contents of the report. CFO approves the Sustainability Report. The final responsibility lies with the Executive Board of DWS Management GmbH.	
102-35	Remuneration policies	Employees 37 AR – Section “Compensation report”	
102-40	List of stakeholder groups	Our Stakeholders 13	
102-41	Collective bargaining agreement	People Strategy 37 All DWS employees in Germany, who are part of collective bargaining agreements are formally covered by the German “Bankentarif”, which corresponds to 27% as of December 2018. According to local jurisdiction the	

Disclosure		Sustainability Report and / or links	Remarks / Omissions
		percentage of employees covered by collective bargaining agreements ranges from 42.5 to 100% in Austria, France, Luxembourg and the Netherlands. For Spain all employees are covered by one collective agreement, either by the bank collective agreement or by Consulting banking agreement.	
102-42	Identifying and selecting stakeholders	Our Stakeholders 13	
102-43	Approach to stakeholder engagement	Our Stakeholders 13	
102-44	Key topics and concerns raised	Materiality Assessment for 2018 8 Our Stakeholders 13	
REPORTING PRINCIPLES			
102-45	Entities included in the consolidated financial statements	About this Report 6	
102-46	Defining report content and topic boundaries	About this Report 6 Our Stakeholders 13 Materiality Assessment for 2018 8	
102-47	List of material topics	Materiality Assessment for 2018 8	
102-48	Restatement of information	This is the first Sustainability Report issued by DWS. In prior years DWS has reported into Deutsche Bank Non-Financial Report.	
102-49	Changes in reporting	About this Report 6	
102-50	Reporting period	About this Report 6	
102-51	Date of most recent report	In light of DWS's public listing on the Frankfurt stock exchange on 23 March 2018, this is the first Sustainability Report issued by DWS.	
102-52	Reporting cycle	About this Report 6	
102-53	Contact point for questions regarding the report	Imprint	
102-54	Claims of reporting in accordance with	The report at hand has been completed partially in accordance with the GRI-referenced claim.	
102-55	GRI content index	Our GRI content index is part of this Sustainability Report.	
102-56	External assurance	Our auditor KPMG performed a limited assurance engagement on the Non-Financial Report marked by a blue line in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised).	
TOPIC-SPECIFIC STANDARD DISCLOSURES			
ECONOMIC			
ECONOMIC PERFORMANCE			

Disclosure		Sustainability Report and / or links	Remarks / Omissions
103-1	Explanation of the material topic and its boundary	Materiality Assessment for 2018 8 Designing Products for our Clients 33	
103-2	The management approach and its components	Our Approach to Sustainability 13 ESG and Sustainable Assets under Management 28 Designing Products for our Clients 33	

Disclosure		Sustainability Report and / or links	Remarks / Omissions
103-3	Evaluation of the management approach	Managing ESG Risks and Opportunities in our Investment Process 22 ESG and Sustainable Assets under Management 28 Product Lifecycle Management 33	
201-1	Direct economic value generated and distributed	AR – Section “DWS Performance”	
201-2	Financial implications and other risks and opportunities due to climate change	Managing ESG Risks and Opportunities in our Investment Process 22 Please find the link to our ESG CIO View “a changing climate” here	Partially reported: The assessment of climate risk is part of our broader investment approach. We do not disclose individual costs of such measures
201-4	Financial assistance received from the government	DWS neither has any government in its shareholding structure nor has it received significant contributions from the government.	
203-1	Infrastructure investments and services supported	ESG and Sustainable Assets under Management 28	
203-2	Significant indirect economic impacts	Sustainable Investment Funds and their Contribution to SDGs	
ANTI-CORRUPTION			
103-1	Explanation of the material topic and its boundary	Materiality Assessment for 2018 8 Compliance and Control 46	
103-2	The management approach and its components	Preventing Fraud and Corruption 49	
103-3	Evaluation of the management approach	Preventing Fraud and Corruption 49	
205-1	Operations assessed for risks related to corruption	Several instruments and processes to detect, analyse and prevent corruption are in place. Risks related to corruption are parts of AFC’s risk management and are managed on DWS and Deutsche Bank Group level. Preventing Fraud and Corruption 49	
205-2	Communication and training about anti-corruption policies and procedures	Preventing Fraud and Corruption 49	
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Anti-Competitive Behaviour 47	

Disclosure		Sustainability Report and / or links	Remarks / Omissions
ENVIRONMENT			
ENERGY			
103-1	Explanation of the material topic and its boundary	Materiality Assessment for 2018 8	
103-2	The management approach and its components	Environmental Footprint and Social Commitment 55 Environment 55	
103-3	Evaluation of the management approach	Energy, Emissions and Waste 55	
307-1	Non-compliance with environmental laws and regulations	DWS Group has not identified any significant non-compliance with environmental laws and/or regulations	
EMISSIONS			
103-1	Explanation of the material topic and its boundary	Materiality Assessment for 2018 8 Environmental Footprint and Social Commitment 55	
103-2	The management approach and its components	Energy, Emissions and Waste 55	
103-3	Evaluation of the management approach	Energy, Emissions and Waste 55	
305-5	Reduction of GHG emissions	Energy, Emissions and Waste 55 Sustainable Investment Funds and their Contribution to SDGs 32 ESG and Sustainable Assets under Management 28	
308-1	New suppliers that were screened using environmental criteria	Procurement Practices 56	Partially reported: All risk types are evaluated in this VRM process including the DB Group Sustainability function's assessment of environmental and social factors. The number of new vendors that underwent environmental screening is for internal use only and will not be disclosed.
SOCIAL			
EMPLOYMENT			
103-1	Explanation of the material topic and its boundary	Materiality Assessment for 2018 8 People Strategy 37	

Disclosure		Sustainability Report and / or links	Remarks / Omissions
103-2	The management approach and its components	People Strategy 37	
103-3	Evaluation of the management approach	People Strategy 37	
401-1	New employee hires and employee turnover	Employees 37	Partially reported due to confidentiality: An assessment and tracking of employee turnover by age group, gender and region is for internal use only.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	DWS Stock Appreciation Right (SAR) awards granted to all eligible DWS employees: SAR awards were also granted to all eligible DWS employees (i.e. excluding those who were granted PSU awards) to allow them to benefit from growth in value of DWS between grant and exercise. SARs will be cash-settled following exercise. SARs will vest, subject to continued employment and performance condition in 2021 or 2023 depending on the regulatory status of the employee. Following the relevant retention period (as per the applicable regulatory requirements), employees will have four years to exercise their SARs. People Strategy 37 AR – Section “Compensation Report”	
TRAINING AND EDUCATION			
103-1	Explanation of the material topic and its boundary	Materiality Assessment for 2018 8 People Strategy 37	
103-2	The management approach and its components	People Strategy 37	
103-3	Evaluation of the management approach	Training, Education and Talent Management 40	
404-2	Programs for upgrading employee skills and transition assistance programs	People Strategy 37 Training, Education and Talent Management 40	Partially reported: Although we stress our PLF and PEG we do not report transition assistance programs.
404-3	Percentage of employees receiving regular performance and career development reviews	Total Performance is how we manage performance and career development at DWS for all employees. It is an integrated approach, based on regular, meaningful two-way conversations. Rather than a single rating, our Total Performance Indicators reflect employees' expe-	Partially reported: Even though Total Performance applies to all DWS employees we do not report the

Disclosure		Sustainability Report and / or links	Remarks / Omissions
		rience, business delivery, behaviour, capabilities, career development, and the contribution we all make to the bank's performance.	number of effectively completed processes.
DIVERSITY AND EQUAL OPPORTUNITIES			
103-1	Explanation of the material topic and its boundary	Materiality Assessment for 2018 8 People Strategy 37	
103-2	The management approach and its components	People Strategy 37 Diversity and Equal Opportunity 38	
103-3	Evaluation of the management approach	Diversity and Equal Opportunity 38	
405-1	Diversity of governance bodies and board members	Diversity and Equal Opportunity 38	
HUMAN RIGHTS ASSESSMENT			
103-1	Explanation of the material topic and its boundary	Materiality Assessment for 2018 8 Human Rights 43	
103-2	The management approach and its components	Human Rights 43	
103-3	Evaluation of the management approach	Human Rights 43	
406-1	Incidents of discrimination and corrective actions taken	Non-Discrimination 43	
412-2	Employee training on human rights policies or procedures	Managing ESG Risks and Opportunities in our Investment Process 22 Commitments and Policy 22	
412-3	Significant investment agreements or contracts that include human rights clauses or that underwent human rights screening	ESG Solutions 27 Our annual Sustainable and Responsible Investment (SRI) report for investors in our Pan-European Infrastructure Fund (PEIF) and Pan-European Infrastructure Fund II (PEIF II) covers human rights clauses. This report address issues such as Health & Safety and Security; Community Service; Labour and Diversity Issues; Transparency, Communication and Governance; and Environmental Issues at the fund's underlying investments. ESG and Sustainable Assets under Management (see section "ESG in Infrastructure") 28	
SUPPLIER SOCIAL ASSESSMENT			
103-1	Explanation of the material topic and its boundary	Materiality Assessment for 2018 8	
103-2	The management approach and its components	Procurement Practices 56	
103-3	Evaluation of the management approach	Procurement Practices 56	

Disclosure		Sustainability Report and / or links	Remarks / Omissions
414-1	New suppliers that were screened using social criteria	Procurement Practices 56	Partially reported: All risk types are evaluated in this VRM process including the DB Group Sustainability function's assessment of environmental and social factors. The number of new vendors that underwent social screening is for internal use only and will not be disclosed.
MARKETING AND LABELLING			
103-1	Explanation of the material topic and its boundary	Materiality Assessment for 2018 8	
103-2	The management approach and its components	Marketing and Labelling 53	
103-3	Evaluation of the management approach	Marketing and Labelling 53	

Disclosure		Sustainability Report and / or links	Remarks / Omissions
417-1	Requirements for product and service information and labelling	New Product Approval and Systematic Product Review 34 Marketing and Labelling 53	Partially reported: We do not report a percentage regarding assessments out of the product lifecycle according to environmental and / or social impact.
CLIENT PRIVACY			
103-1	Explanation of the material topic and its boundary	Materiality Assessment for 2018 8 Data Protection and Client Privacy 49	
103-2	The management approach and its components	Data Protection and Client Privacy 49	
103-3	Evaluation of the management approach	Data Protection and Client Privacy 49	
418-1	Substantiated complaints concerning breaches of client privacy and losses of client data	Data Protection and Client Privacy 49	
FINANCIAL SERVICES STANDARD DISCLOSURES			
PRODUCT PORTFOLIO			
G4-DMA (FS1)	Policies with specific environmental and social components applied to business lines	ESG and Active Ownership 20 Human Rights 43	
G4-DMA (FS3)	Process for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	ESG and Sustainable Assets under Management (see section "ESG in Infrastructure") 28	
G4-DMA (FS4)	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	Managing ESG Risks and Opportunities in our Investment Process 22	
G4-DMA (FS5)	Interactions with clients, investees, business partners regarding environmental and social risks and opportunities	Our Stakeholders 13 ESG Thematic Research 20	

Disclosure		Sustainability Report and / or links	Remarks / Omissions
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	Sustainable Investment Funds and their Contribution to SDGs 32	Partially reported: A disclosure on the associated monetary value of every product and service designed to deliver a specific social benefit broken down by business line does not yet exist. We investigate possibilities to expand the tracking methodology.
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	ESG and Sustainable Assets under Management 28	Partially reported: A disclosure on the associated monetary value of every product and service designed to deliver a specific environmental benefit broken down by business line does not yet exist. We investigate possibilities to expand the tracking methodology.
AUDIT			
G4-DMA		Audit 53 Limited Assurance Report of the Independent Auditor regarding the separate non-financial group report 58	
ACTIVE OWNERSHIP			
G4 DMA	Policies with specific environmental and social components applied to business lines	Commitments and Policy 22	
FS11	Percentage of assets subject to positive and negative environmental or social screening	ESG and Sustainable Assets under Management 28 Approximately 6% of our sustainable assets under management are subject to a positive environmental and / or social screen. Approximately 48% of our sustainable assets under management are subject to a negative environmental and / or social screen. We follow industry standards and guidelines in classifying ESG AuM. The screens are not required by law.	

Disclosure		Sustainability Report and / or links	Remarks / Omissions
LOCAL COMMUNITIES			
G4-DMA			
FS14	Initiatives to improve access to financial services for disadvantaged people	Sustainable Investment Funds and their Contribution to SDGs 32	

8.3 Abbreviations and Acronyms

AATIF	Africa Agriculture and Trade Investment Fund
ABC	Anti-Bribery and Corruption
ACAMS	Association of Certified Anti-Money Laundering Specialists
AFC	Anti-Financial Crime
AI	Artificial Intelligence
APAC	Asia Pacific
AuM	Assets under Management
BFGEI	Bloomberg Financial Services Gender-Equality Index
BREEAM	Building Research Establishment Environmental Assessment Methodology
BSCO	Business Selection and Conflicts Office
BVI	German Investment Fund Association (Bundesverband Investment und Asset Management)
B2B	Business-to-Business
B2C	Business-to-Client
CAIA	Chartered Alternative Investment Analyst
CCW	Controversial Conventional Weapons
CEO	Chief Executive Officer
CERES	Coalition for Environmentally Responsible Economies
CFA	Chartered Financial Analyst
CFO	Chief Financial Officer
CIIA	Certified International Investment Analyst
CIO	Chief Investment Officer
COO	Chief Operating Officer
CRM	Customer Relationship Management
CROCI	Cash Return On Capital Invested
CSR	Corporate Social Responsibility
CTF	Countering Terrorism Financing
DIFC	Dubai International Financial Center
DIP	Digital Investment Platform
DIRK	Deutscher Investor Relations Verband e.V.
DVFA	German Association for Financial Analysis and Asset Management (Deutsche Vereinigung für Finanzanalyse und Asset Management e.V.)
EAFE	Europe, Australasia and Far East
EBRD	European Bank for Reconstruction and Development
EEEF	European Energy Efficiency Fund
EEFIG	EU Energy Efficiency Financial Institutions Group
EFAMA	European Fund and Asset Management Association
EFFAS	European Federation of Financial Analysts Societies
EMEA	Europe, Middle East, and Africa
EMP	ESG Methodology Panel

ESG	Environmental, Social, and Governance
EU	European Union
EuroSIF	Europe-based national Sustainable Investment Fora
ETF	Exchange Traded Fund
FRC	Financial Reporting Council
FTE	Full-time equivalent
GmbH	German company with limited liability (Gesellschaft mit beschränkter Haftung)
GHG	Green House Gas
GRESB	Global Real Estate Sustainability Benchmark
GRI	Global Reporting Initiative
GSIA	Global Sustainable Investment Alliance
HGB	German Commercial Code (Handelsgesetzbuch)
HR	Human Resources
IFA	Independent Financial Advisor
IIGCC	Institutional Investors Group on Climate Change
IKS	Securities account management technology (Investment-Konto-Service)
IPO	Initial Public Offering
KGaA	German partnership limited by shares (Kommanditgesellschaft auf Aktien)
KYC	Know Your Client
LEED	Leadership in Energy and Environmental Design
LGBTI	Lesbian, gay, bisexual, transgender, trans- and intersexual
MB	Management Board
MDF	Microcredit Development Fund
MENA	Middle East and North Africa
MiFID	Markets in Financial Instruments Directive
MSCI	Morgan Stanley Capital International
NGFS	Network for Greening the Financial System
NROs	Non-Governmental Organisations
NPA	New Product Approval
OECD	Organisation for Economic Co-operation and Development
OFAC	US Office of Foreign Assets Control
PRI	Principles for Responsible Investment
PSU	Performance Share Units
RI	Responsible Investment
RILT	Responsible Investment Leadership Team
SAR	Stock Appreciation Rights
SCQMT	Service Center Quality Management & Training
SDG	Sustainable Development Goal
SEC	Securities and Exchange Commission
SFAP	Sustainable Finance Action Plan

SPR	Systematic Product Review
SRS	Sustainability Reporting Standards
TCFD	Task Force on Climate-related Financial Disclosures
UCITS	Undertakings for Collective Investment in Transferable Securities
UK	United Kingdom
UN	United Nations
US	United States
USD	United States Dollar
USSIF	US Forum for Sustainable and Responsible Investment
VRM	Vendor Risk Management
WISE	White-label Investing Software Engine

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Feedback from our stakeholders improves further development of our sustainability reporting. We look forward to new impulses and your opinion.

