Environmental, Social, Governance (ESG) Engagement Policy

DWS Investment GmbH

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1. Our Understanding on Environmental, Social and Governance (ESG)

As a responsible, long-term oriented investor, ESG factors have become increasingly important to us as DWS Investment GmbH and, as such, our ESG analysis forms an integral part of our investment process. In our opinion, the integration of environmental, social and good corporate governance factors in a company's strategy is a key factor for an organization to create value over time.

We believe sound ESG integration centers on a clearly defined and stress-resilient business model with the corresponding corporate structure in place. We expect companies to take more responsibility for the way in which goods are produced, services are provided and resources are used. Therefore, we expect investee companies to integrate their environmental and social impacts and the possible reaction of their relevant stakeholders into their thinking, strategy and remuneration systems in order to secure sustainable value creation. The ESG performance assessment directly influences DWS`s voting decisions on elections and discharges of the board of directors.

Our Corporate Governance understanding is based on four core values: adequate board composition, comprehensible and ambitious executive remuneration, transparency on auditors and appropriate treatment of shareholder proposals, together with our overarching awareness for relevant ESG-factors (which are reflected in our Corporate Governance and Proxy Voting Policy: "link".

2. Introduction (Policy Statement)

As a fiduciary partner, DWS is fully committed to providing state-of-the-art ESG solutions and expertise to enable our clients to invest responsibly. Our goal is to allow them to invest in a way that contributes to a sustainable future. We strongly believe that comprehensive integration of ESG into the investment process contributes to an enhanced understanding of businesses and the respective environment that they operate in. It enables us to identify the risks and opportunities that traditional financial analysis does not reveal and which potentially have a significant impact on long-term performance.

A crucial element of our fiduciary duty and an integral component of our investment process is our commitment to strong corporate governance. We regard active ownership as a powerful force in promoting better policies and practices, in turn, driving superior long-term performance. In line with the United Nations-backed Principles of Responsible Investment's definition, we consider active ownership as "the use of the rights and position of ownership to influence the activities or behaviour of investee companies[1]". We engage closely with the investee companies worldwide across our equity, credit and sovereign holdings[2]. We are convinced that engagement on financially material ESG topics should have a positive impact on the long-term performance of the company resulting in an improved risk return profile of our clients' investments.

A description on how we fulfil our Stewardship responsibilities can also be found in our Compliance Statement to the UK Stewardship Code. (https://dws.com/solutions/esg/corporate-governance/)"

We actively use our ownership rights to vote on resolutions at the Extraordinary General Meetings (EGMs) and Annual General Meetings (AGM) according to our internal guidelines. We give full disclosure of our voting decisions and statistics for our retail funds, so that our clients can access information interactively at the individual company and retail fund levels. For more information please see the section dedicated solely to Corporate Governance on our website at https://www.dws.de/UeberDWS/DasUnternehmen/CorporateGovernance

[1] PRI (2018). A Practical Guide to Active Ownership in Listed Equity. London: PRI.

[2] The representative voting rights are exercised by their respective capital management company as defined by law as a separate legal entity in the respective region.

3. Scope

3.1. Objective

The following document addresses DWS`s approach to active ownership practices, including how we engage with investee companies and how we exercise our voting rights. Specifically, it sets out types and methods of engagement, escalation strategies, expectations towards communication with the Investment Platform, as well as transparency requirements with regards to reporting, recording and monitoring. The Policy is also accompanied by detail documents on ESG issues that are specifically important for us as an organization.

The objective of the Environmental, Social and Governance (ESG) Engagement Policy for Active Investment Management is to establish a strategic framework for our investment professionals (IP; defined as research analysts and portfolio managers) to fulfill their stewardship duties. This involves acting in their clients' best interests by engaging in a two-way dialogue with investee companies on material ESG factors and monitoring the effects of the engagement on company practices. This Policy applies to assets we hold across equity, credit and sovereigns.

Our ESG integration and engagement activities are guided among others by the following international standards: UN-supported Principles for Responsible Investment (PRI), UN Global Compact, the OECD Guidelines for Multinational Corporations, Cluster Munitions Convention, the CERES Roadmap for Sustainability, The CERES Blueprint for Sustainable Investing, IIRC Integrated Reporting Framework, the 17 United Nations' Sustainable Development Goals (SDGs). Moreover, our approach is in line with the most current regulations and stewardship codes and principles in the respective markets in which we undertake our business activities. Companies that seriously contravene internationally recognized E, S or G principles will be subject to heightened scrutiny.

Once the impact of a company on the environment and society becomes a key priority, we would appreciate if this company starts to give more transparency and disclosure on their "net contribution" to the United Nations' Sustainable Development Goals (SDGs).

We place particular focus on collecting the findings gathered through our engagement activities and ESG research. These results are continuously integrated into the investment recommendation and decision process.

For the avoidance of doubt, all engagement processes that could potentially be viewed as "Acting in concert", such as collusion with third party stakeholders, are not in line with this policy and need to be clearly avoided, taking relevant local regulations into consideration. Every DWS legal entity has the final say when exercising the voting rights of the funds for which the corresponding legal entity has the discretion to.

3.2. Applicability

As aforementioned, the Engagement Policy sets the framework for active ownership practices specifically for the Active Investment Platform Globally at DWS Investment GmbH.

No single set of guidelines or procedures can address every situation, but every effort is made to identify specific action steps. Moreover, related and complementary policies or procedures are referenced in each section if required.

4. Requirements

Our engagement activity is based on the objective to improve the behaviors of an investee company as they relate to environmental, social and/ or corporate governance factors. Before initiating an engagement activity, it is important to assess the relevance for our investment exposure and the materiality of the ESG issue. We have a clear commitment to an active ownership approach and we do not outsource our engagement activities to an external service provider.

Engagement activity refers to interactions between the investor and current or potential investees on ESG issues. Engagements are undertaken to influence, or identify the need to influence, ESG practices and/or improve ESG disclosure.

We differentiate between two types of engagements: Individual Engagement and Thematic Engagement.

Individual Engagement: Requirements

Our Investment Professionals (IPs) should have a constructive dialogue with the management to address material ESG factors. These factors need to be consequently integrated into the financial analysis, valuation, investment recommendation and investment decision.

In cases where we identify gaps or differences between our expectations regarding environment, social and corporate governance and the company's approach, we may decide t**o engage via** emails, letters to the boards, conference calls, management meetings or at the annual and extraordinary shareholders meetings in accordance with this policy and our Corporate Governance & Proxy Voting Policy. In selective cases, filing shareholder proposals or public statements may be an option. IPs have to initiate an Engagement activity in the following cases:

- Investee companies that have **severely and structurally** breached international standards such as the UN Global Compact, OECD Guidelines for Multinational Corporations, Cluster Munitions Conventions as well as our internal Deutsche AM Responsible Investment Statement, DWS ESG Integration Policy, Controversial Conventional Weapons Guidelines and Corporate Governance & Proxy Voting Policy.
- Investee companies with business involvement in any ESG controversial activity as defined by DWS
- Investee companies with a lack of disclosure, in their regulatory mandated reporting or their voluntary reporting, on material ESG issues and/or the impact of ESG factors on their financials.
- Investee companies that are in the process of integrating ESG factors into their strategy, but, are still not compliant with best practices in the market (SASB, etc).

The engagement process is initiated by the responsible IP with the support of the respective ESG Gatekeeper of the relevant investment team. In case of corporate governance engagement activities, our Corporate Governance Center will be involved. The engagement activity will adopt a **teamwork approach** (from the preparation, across execution, monitoring and impact on investment decision). Once the engagement activity has been undertaken, the IP will inform the investment platform on the engagement activity and the impact on its investment recommendation.

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Thematic Engagement: Requirements

As responsible investors, we are always willing to share our expectations on ESG factors in an on-going and constructive dialogue with executive and non-executive directors of the investee company only. There are various ways in which we engage with our investee companies depending on the company itself, the sector and the issue in question.

In the event that we detect a group of investee companies that: 1) have severely and structurally breached with international standards as well as with our internal DWS ESG related policies, 2) have business involvement in any ESG controversial activity according to DWS, 3) have a lack of disclosure on material ESG issues and/or the impact of ESG factors on their financials and/or 4) are in the process of integrating ESG aspects into their strategy but are still not applying best practices, we may decide to undertake a “Thematic Engagement”, which usually will be focused on a specific theme and will be addressed to a group of investee companies and in written form.

Our Environment, Social and/or corporate Governance engagement process is led by our ESG specialists, and is initially discussed between the analysts and/or the ESG Gatekeeper of the relevant investment teams. Once the engagement activity has been defined and agreed, it will then be followed a detailed escalation process. Our ESG specialists are then responsible for the execution in written form and in the subsequent communication to the investment platform.

This is then, followed by:
1) proactive engagements by companies, who approach the Investment Professional or our ESG specialists or
2) proactive engagement activity by our responsible analyst/portfolio manager, who establish a constructive dialogue with the organization (e.g. via management meetings, conference calls, etc.).

After starting the constructive dialogue with the company, we may decide to further engage via calls for extraordinary meetings with executive management and the supervisory board chairman. When appropriate, we may also decide to file shareholder proposals. As a last measure, we will vote accordingly and in certain instances vote against management proposals, in line with our engagement as well as Corporate Governance & Proxy Voting Policy.

Our responsible analyst/portfolio manager will inform the investment platform on the scope of the engagement activity and potential impact on their investment recommendation. The ESG performance of the company will be regularly evaluated and, if necessary, another engagement interaction will be initiated.

Engagement with sovereigns regarding ESG-related factors is considered most effective when undertaken by international institutions like the World Bank, the United Nations, regional supranational organizations, etc.. We may not be able to impact sovereign issuer behavior in any meaningful manner, but where appropriate, we will actively ask during 1-on-1 meetings about a country`s efforts to support the United Nations’ Sustainable Development Goals and any material ESG factors.

5. Roles and Responsibilities

This policy and the herein described engagement processes applies to all IPs in the Active investment management division of DWS Investment GmbH. We expect all IPs to integrate engagement activity and/or engagement input into their investment process namely security analysis, portfolio construction and portfolio management to the best possible extent. However, jurisdictional differences, institutional client preferences as well as different regulatory requirements may lead to heterogeneous implementation levels of this policy.

All IPs are responsible for implementing this policy and for taking into account supplemental ESG related policies in their respective business units and supervisory procedures.

6. Associated Policies and Documents

DWS Investment GmbH

DWS' approach to Responsible Investing in general and ESG Integration in particular is outlined in our Responsible Investment Statement. This framework introduces our position on central aspects, formulates corresponding principles that guide our investment, the Engagement with companies, and provides a reference on how these principles influence DWS's Voting decisions within our Active business. Last, but not least, it explains briefly how we implement our philosophy and where we stand on controversial issues.

Apart from the ESG Integration policy, we frame this philosophy through the following guidelines and policies:

1. **Corporate Governance and Proxy Voting Policy:**
The representative voting rights are exercised by their respective capital management company. The current versions of the policies are provided on request by the corresponding legal entity or found on their local websites.

2. Corporate Governance and Proxy Voting Policy DWS Investment GmbH
https://vds.issgovernance.com/repo/4585/policy/Corporate_Governance_and_Proxy_Voting_Policy_%20Investment_GmbH_2018_V250118.pdf

3. **Controversial Conventional Weapon Policy on the policy portal:**
https://dbpp.intranet.db.com/dbpp/DBREST/downloadDocument/{4336A22D-DF2B-4A44-BA7F-E7AB53C87732}

4. **ESG Integration Policy for Active Investment Management** in policy portal.

5. Additional policies that may be mentioned are those contained in this website:
https://www.db.com/cr/en/datacenter/policies.htm

6. Compliance Statement to the UK Stewardship Code.
https://dws.com/solutions/esg/corporate-governance/

7. Applicable Principles

Principles guiding our ESG Engagement Policy are:

- The UN Global Compact https://www.unglobalcompact.org/what-is-gc/mission/principles

- The OECD Guidelines for Multinational Corporations (http://www.oecd.org/corporate/mne/1922428.pdf)

- Cluster Munitions Convention (http://www.clusterconvention.org/the-convention/operative-commitments/)

- IIRC integrated Reporting Framework (http://integratedreporting.org/wp-content/uploads/2015/03/13-12-08-THE-INTERNATIONAL-IR-FRAMEWORK-2-1.pdf)

- CERES https://www.ceres.org/

- Additionally since 2008 we have been a signatory and abide by the UN-supported Principles for Responsible Investment (PRI).

(https://www.unpri.org/about/the-six-principles)

8. Glossary

IP: "Investment Professionals" defined as Analysts and Portfolio Managers in Deutsche AM- Active

ESG: Environmental, Social, Governance

PRI: Principles for Responsible Investment

SASB: Sustainability Accounting Standards Board

AGM and EGM: Annual General Meeting and Extraordinary General Meeting, respectively