STATEMENT ON PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

DWS Investment S.A.

30.06.2023

This statement is outdated and remains available on the DWS website for transparency purposes only. Please refer to the Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors dated 28 June 2024 for information about the consideration of principal adverse impacts of investment decisions on sustainability factors for the calendar year 2023 as well as updated information on the impacts calculated for the previous calendar year 2022.

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A / Summary

DWS Investment S.A. (LEI code 549300L70BS183Y6ML67) – "DWS" – a member of DWS Group[1], considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of DWS Investment S.A.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2022.

Sustainability factors as defined in the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial sector (Disclosure Regulation) mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. Principal adverse impacts mean negative effects of investments on those sustainability factors.

On 1 January 2023, the regulatory technical standards (RTS) of the Disclosure Regulation entered into force in the form of the Delegated Regulation (EU) 2022/1288 of 6 April 2022. The RTS set forth a table of mandatory indicators the respective financial market participant (the latter as defined in the Disclosure Regulation (FMP)) must use to measure and disclose principal adverse impacts of investment decisions. The RTS differentiate between indicators for investments in (i) investee companies, (ii) sovereigns and supranationals, and (iii) real estate assets. In addition, the FMP must select and disclose information on at least two additional principal adverse impacts indicators which it deems relevant in the context of its business.

The financial products in scope of the Disclosure Regulation of DWS (namely undertakings for collective investments in transferable securities (UCITS[2]), alternative investment funds (AIFs[3]), and portfolio management mandates[4]) covered by this statement are the following:

- Actively managed investment funds (UCITS and AIFs) and portfolio management mandates – the "Actively Managed Portfolio Business" spanning all major asset classes including equity, fixed income, cash, investment funds and alternative investments in form of tradable investments;
- Passively managed investment funds (UCITS) - the "Passively Managed Portfolio Business" spanning all major asset classes;
- Investment funds (AIFs) which have a sustainable investment as their objective – the "Sustainable Investments Business";
- Investment funds (AIFs) with illiquid assets such as real estate, private debt and infrastructure – the "Illiquid Business".

DWS makes investments in companies, sovereigns and supranationals, and in real estate assets, and discloses information on its impact, and – where applicable – its targets and measures regarding

- 14 mandatory principal adverse impacts indicators applicable to investments in investee companies
- 2 mandatory principal adverse impacts indicators applicable to investments in sovereigns and supranationals
- 2 mandatory principal adverse impacts indicators applicable to investments in real estate assets

[1] DWS Group means DWS Group GmbH & Co. KGaA and its subsidiaries consisting of any companies of which DWS Group GmbH & Co. KGaA is the direct or indirect parent company with majority participations (equity or voting capital share of more than 50 %), including branches and representative offices.
[2] UCITS means Undertakings for Collective Investment in Transferable Securities according to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to Undertakings for Collective Investment in Transferable Securities (UCITS) as amended from time to time.
[3] Alternative Investment Funds according to the Directive 2011/61/EU on Alternative Investment Fund Managers as amended from time to time.
[4] Portfolio management (as defined in the Directive 2014/65/EU on Markets in Financial Instruments as amended from time to time) managing portfolios in accordance with mandates given by clients on a discretionary client-by-client basis where such portfolios include one or more financial instruments.

- 2 additional principal adverse impacts indicators applicable to investments in investee companies, namely the 'Number of identified cases of severe human rights issues and incidents' and 'Investments in companies without carbon emission reduction initiatives'

Based on the aforementioned indicators, DWS identifies principal adverse impacts of investment decisions across its financial products. DWS selected the additional PAIs for disclosure in accordance with the group-wide overall sustainability strategy. This strategy is reflected in DWS Group's commitments, e.g. with regard to net zero, as well as in its Responsible Investment Framework, e.g. with regards to human rights. These are operationalised in further policies and activities to identify and mitigate principal adverse impacts.

In consistency with the individual investment policies of the individual financial products, DWS aims to consider principal adverse impacts on sustainability factors in the corresponding investment process. The consideration of principal adverse impacts in the investment process is supported by the availability of data on adverse impacts attributed to existing and planned investments. To determine the principal adverse impacts of its investments in listed corporate issuers as well as in sovereigns and supranationals, DWS uses data from external commercial ESG data providers as well as DWS proprietary research. Limitations regarding the availability and quality of data as provided by each of the external vendors are aimed to be mitigated by DWS's utilisation of multiple vendors. For real estate assets, data sources depend on the individual principal adverse impacts indicator and include energy performance certificates, utility bills and information provided by property managers. In those parts of the Illiquid Business and the Sustainable Investments Business which are investing in companies or projects, DWS obtains data on adverse impacts by actively reaching out to its investees. Despite best efforts being undertaken to maximize the coverage of the data disclosed in this principal adverse impact statement, data gaps remain. DWS is aiming at further improving data availability, e.g. by actively engaging with its investees.

As fiduciary, it is of the utmost importance for DWS to make all investment decisions in the best interest of its clients, considering relevant financial and non-financial risk factors. Principal adverse impacts will thus not automatically outweigh other relevant factors, especially for financial products managed specifically for individual clients.

Depending on clients' interest and their business objectives, DWS mitigates principal adverse impacts of investment decisions through the application of exclusion filters on portfolio level, for example with regard to investments in companies active in the fossil fuel sector and companies involved in violations of international norms. DWS is further acting as an active owner by exercising voting rights on behalf of its clients and by engaging in a dialogue with investee companies on various sustainability-related topics, such as the reduction of greenhouse gas emissions, human rights, and workers' rights[5]

Where DWS has outsourced the portfolio management to an external third party, DWS aims to ensure that principal adverse impacts are considered in the investment process. Products for which portfolio management is delegated are included in the principal adverse impacts data disclosed for 2022. However, DWS's policies to identify and prioritise principal adverse impacts as described in the present statement do currently not cover products where portfolio management is delegated to external third parties outside of DWS Group.

[5] A pooled voting rights agreement is in place between DWS Group's largest management companies in Europe – DWS Investment GmbH, DWS Investment S.A., and for specific portfolio management mandates of DWS International GmbH – and executed by DWS Investment GmbH. These entities also pool their engagement activities, executed by DWS Investment GmbH.

B / Description of principal adverse impacts on sustainability factors

Indicators applicable to investee companies

Adverse sustainability indicator		Metric	Impact 2022[6]	Explanation	Actions taken, and actions planned, and targets set for next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Greenhouse gas (GHG) emissions	1. GHG emissions	Scope 1 GHG emissions	10.078.036,91 [tCO2e[7]]	The impact has only been determined in relation to investments in companies (82,42% of all investments[8]) for which data was available (69,04%). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	**General Framework:** DWS Group is committed to become climate-neutral in its actions well ahead of 2050. To this end, DWS Group published a net zero roadmap including interim carbon reduction targets for 2030. For the in-scope assets (approx. 35% of DWS Groups AuM), DWS Group's interim target is to seek a 50% reduction in weighted average inflation-adjusted financial carbon intensity (inflation-adjusted WACI) related to Scope 1 and 2 emissions by 2030, compared to the base year 2019. DWS Group aims to work with science Based Target initiative (SBTi), Net Zero Asset Managers (NZAM) and other standards and organisations to develop net zero methodologies for currently out-of-scope asset classes, and to engage with its clients and other stakeholders to expand its net zero in-scope assets over time. DWS has given its approval to include its AuM in the scope of this commitment and contribute a fair share towards the achievement of the group-level target.
		Scope 2 GHG emissions	2.460.167,64 [tCO2e]	The impact has only been determined in relation to investments in companies (eligibility: 82,42% of all investments) for which data was available (69,04% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	

[6] The reported impact data for 2022 include the Actively and Passively Managed Portfolio Business as well as real estate equity and debt investments. Only investment in private debt and infrastructure and the Sustainable Investments Business are currently not included. Revised data including those businesses will be provided through an interim update of the principal adverse impact statement as soon as the data is available. The Principal Adverse Impact Indicators (PAII) are calculated on the basis of information available within DWS back-office and front-office systems, that are amongst others based on information sourced from external ESG data vendors. They are further based on products where DWS is acting as management company, where DWS delegates portfolio management to third parties, or where third parties delegate portfolio management to DWS. In case individual securities or issuers related to such securities do not have information related to an individual PAII, either through a lack of data availability or through the non-applicability of the PAII to that individual issuer or security, the PAII calculation methodology will typically exclude such securities or issuers from the calculation. For Target Fund investments, a "look-through" into target fund holdings may be performed subject to data availability, amongst others related to reasonable actual information of target fund holdings as well as the related security or issuer information. The calculation methodology for the individual PAII indicators may change in subsequent reporting periods as a consequence of evolving market standards, a change of treatment of securities of specific instrument types (such as derivatives), an increase in data coverage or through regulatory clarifications. The figures presented in this statement do not include PAIs in relation to specific instrument types, such as derivative instruments.

[7] Tonnes of carbon dioxide equivalent

[8] "All investments" means the current value of all investments which are included in the calculation of the figures presented in this statement, subject to the limitations stated in footnote 6.

	Scope 3 GHG emissions	70.058.105,62 [tCO2e]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (68,81% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	In 2023, DWS is rolling out a new Coal Policy applicable to products under unilateral DWS control[9]. With this policy, DWS takes actions that are designed to further reduce its investments in and funding of coal-related activities. For DWS's retail products in the Actively Managed Portfolio Business with a minimum sustainable investment share, the Do No Significant Harm (DNSH) test is an integral part of the DWS Sustainability Investment Assessment[10] and evaluates whether an economic activity causes significant harm to any environmental or social sustainable investment objective. To this end, DWS has established quantitative thresholds and/or qualitative values taking into account some mandatory and additional principal adverse impact indicators applicable to companies, including indicators 1 to 4, and indicator 6 on GHG emissions. If a significant harm is identified, the economic activity fails the DNSH assessment and cannot be considered as sustainable economic activity.
	Total GHG emissions	82.579.888,34 [tCO2e]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (68,81% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	
2. Carbon footprint	Carbon footprint	452,22 [tCO2e / million EUR]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (68,81% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation. In the calculation of this indicator, the formular provided in the RTS was adapted and the same unit was used in both numerator and denominator for the current value of investments.	**Engagemen**t: In support of DWS Group's net zero ambition, DWS[11] sent an engagement letter to companies with high WACI portfolio contribution in the Actively and Passively Managed Portfolio Business. In this letter, DWS set out its expectations, informed the companies of its voting strategy and requested transparency and detailed information around their concrete net zero strategies. In addition, DWS conducted dedicated follow-up engagements, and remains in constructive dialogue with many issuers in 2023. **Proxy voting:** In the Actively and Passively Managed Portfolio Business, DWS[12] expects the boards and the management of investee companies to assess risks and impacts arising from or associated with environmental developments. Additionally, DWS is generally supportive of ESG-related shareholder proposals while considering recognised standards, including the goals of the
3. GHG intensity of	GHG intensity of investee companies	1.075,64 [tCO2e / million EUR]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (68,81% of all investments). Investments in real	

[9] Available here for additional information. The DWS Coal Policy is being rolled out during 2023. It has immediate effect for new products under unilateral DWS control in Active, Liquid Real Assets and Illiquid Businesses. For existing products under unilateral DWS control, the policy is effective after respective changes in product prospectuses (envisaged for 2023). Exceptions: physically replicating passive funds, existing funds issued by the Illiquid Business. For products not under unilateral DWS control, implementation is subject to approval from third parties (clients, cooperation partners, US fund boards).

[10] The DWS Sustainability Investment Assessment is used as an indicator to measure the proportion of sustainable investments.

[11] A pooled voting rights agreement is in place between DWS Group's largest management companies in Europe - DWS Investment GmbH, DWS Investment S.A., and for specific portfolio management mandates of DWS International GmbH – and executed by DWS Investment GmbH. These entities also pool their engagement activities, executed by DWS Investment GmbH.

[12] Please see footnote no.11.

<table>
<tr><td></td><td>investee companies</td><td></td><td></td><td>estate or sovereigns as well as assets for which no data was available were excluded from the calculation. In the calculation of this indicator, the formular provided in the RTS was adapted and the same unit was used in both numerator and denominator for the current value of investments.</td><td rowspan="4">Paris Agreement, and evaluates them on a case-by-case basis. For example, if deemed appropriate, DWS may vote for proposals asking investee companies to adopt (science-based) greenhouse gas reduction targets, and to commit to net zero until 2050 or sooner.

Exclusions:
Exclusions with regard to GHG emissions are applied in line with the individual Investment Policy of the product or mandate. For retail products in the Actively Managed Portfolio Business which apply the DWS Basic Exclusions filter and the DWS ESG Investment Standard filter, this includes restrictions on investments with highly negative climate impacts, such as companies generating more than a certain revenue share from activities related to coal, fracking, and oil. In addition, a large number of products for institutional clients apply customized ESG screens in which carbon emissions are an important component of the ESG parameters. Parts of the Illiquid Business exclude companies from their investable universe which derive more than 10% of their revenue from fossil fuels.
In addition, DWS is rolling out its new Coal Policy[13] during 2023. Products in scope of this policy will no longer make new investments in companies with a coal share of revenues greater than 25% and will divest from existing holdings in such companies.

Index selection:
Various products managed under the Passively Managed Portfolio Business are tracking reference indices which incorporate criteria to reduce exposure to or to exclude securities with negative climate impacts. This may include index-level rules such as alignment with EU Paris Aligned Benchmark standards and certain net zero frameworks, carbon intensity reductions, and exclusion of investee companies generating revenues from controversial activities including thermal coal, unconventional oil and gas extraction, and oil sands extraction. DWS is aiming to maintain or increase the number of such funds in 2023, which may depend on factors such as demand, market dynamics, market standards, and index availability.</td></tr>
<tr><td></td><td>4. Exposure to companies active in the fossil fuel sector</td><td>Share of investments in companies active in the fossil fuel sector</td><td>15,13 [%]</td><td>The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (78,44% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.</td></tr>
<tr><td></td><td>5. Share of non-renewable energy consumption and production</td><td>Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources</td><td>74,30 [%]</td><td>The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (67,41% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation. Based on the guidance given in paragraph 22 of the ‘Clarifications on the European Supervisory Authorities’ (ESA) draft RTS under SFDR of 02 June 2022, this indicator is expressed as a weighted average.</td></tr>
<tr><td></td><td>6. Energy consumption intensity per high impact climate sector</td><td>For high impact climate sector A (NACE Code A “Agriculture, forestry and fishing”) - Energy consumption in GwH per million EUR of</td><td>0,41 [GWh / million EUR]</td><td>The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (60,38% of all investments). Investments in real estate or sovereigns as well as assets for which</td></tr>
</table>

[13] Please see footnote no.11.

	revenue of investee companies		no data was available were excluded from the calculation.
	For high impact climate sector B (NACE Code B “Mining and quarrying”) - Energy consumption in GwH per million EUR of revenue of investee companies	30,05 [GWh / million EUR]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (60,38% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.
	For high impact climate sector C (NACE Code C “Manufacturing”) - Energy consumption in GwH per million EUR of revenue of investee companies	0,82 [GWh / million EUR]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (60,38% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.
	For high impact climate sector D (NACE Code D “Electricity, gas, steam and air conditioning supply”) - Energy consumption in GwH per million EUR of revenue of investee companies	4,68 [GWh / million EUR]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (60,38% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.
	For high impact climate sector E (NACE Code E “Water supply; sewerage; waste	1,95 [GWh / million EUR]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (60,38% of all investments). Investments in real

	management and remediation activities") - Energy consumption in GwH per million EUR of revenue of investee companies		estate or sovereigns as well as assets for which no data was available were excluded from the calculation.
	For high impact climate sector F (NACE Code F "Construction") - Energy consumption in GwH per million EUR of revenue of investee companies	0,22 [GWh / million EUR]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (60,38% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.
	For high impact climate sector G (NACE Code G "Wholesale and retail trade; repair of motor vehicles and motorcycles") - Energy consumption in GwH per million EUR of revenue of investee companies	0,58 [GWh / million EUR]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (60,38% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.
	For high impact climate sector H (NACE Code H "Transporting and storage") - Energy consumption in GwH per million EUR of	2,18 [GWh / million EUR]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (60,38% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.

		revenue of investee companies			
		For high impact climate sector L (NACE Code L "Real estate activities") – Energy consumption in GwH per million EUR of revenue of investee companies	1,41 [GWh / million EUR]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (60,38% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0,10 [%]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (76,86% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	**General Framework:** DWS has developed an ESG materiality matrix for the identification and prioritisation of principal adverse impacts in various sectors. Thereby, DWS aims to consider biodiversity in fundamental research analysis for relevant sectors in the Actively Managed Portfolio Business. For DWS's retail products in the Actively Managed Portfolio Business with a minimum sustainable investment share, the Do No Significant Harm (DNSH) test is an integral part of the DWS Sustainability Investment Assessment[14] and evaluates whether an economic activity causes significant harm to any environmental or social sustainable investment objective. To this end, DWS has established quantitative thresholds and/or qualitative values taking into account some mandatory and additional principal adverse impact indicators applicable to companies, including activities negatively affecting biodiversity-sensitive areas. If a significant harm is identified, the economic activity fails the DNSH assessment and cannot be considered as sustainable economic activity. **Engagement:** In the Actively and Passively Managed Portfolio Business, DWS[15] considers biodiversity where relevant in strategic engagements with selected investee companies.

[14] The DWS Sustainability Investment Assessment is used as an indicator to measure the proportion of sustainable investments.
[15] Please see footnote no.11.

					Proxy Voting: In the Actively and Passively Managed Portfolio Business, if deemed appropriate, DWS may vote for proposals to reduce negative environmental impacts and an investee company's overall environmental footprint, including any threats to biodiversity in ecologically sensitive areas. **Exclusions:** In the Sustainable Investment Business, restrictions are applied on investments with commercial logging operations for use in primary tropical moist forest, the destruction of critical habitat, as well as activities prohibited by national legislation or international conventions relating to the protection of biodiversity resources or cultural heritage. **Index Selection:** Certain products managed under the Passively Managed Portfolio Business are tracking reference indices which incorporate criteria to reduce exposure to or to exclude securities with negative impacts on biodiversity. This may include index-level rules such as the exclusion of investee companies which have a significant negative impact on biodiversity-related United Nations Sustainable Development Goals (UN SDGs), and the exclusion of investee companies with an insufficient rating with regard to certain biodiversity indicators. DWS is aiming to maintain or increase the number of such funds in 2023, which may depend on factors such as demand, market dynamics, market standards, and index availability.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	246,96 [tonnes / million EUR]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (8,85% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	**General Framework:** DWS has developed an ESG materiality matrix for the identification and prioritisation of principal adverse impacts in various sectors. Thereby, DWS aims to consider emissions to water in fundamental research analysis for relevant sectors in the Actively Managed Portfolio Business. For DWS's retail products in the Actively Managed Portfolio Business with a minimum sustainable investment share, a DNSH test is performed. To this end, DWS has established quantitative thresholds and/or qualitative values taking into account some mandatory and additional principal adverse impact indicators, including emissions to water. If a significant harm is identified, the economic

					activity fails the DNSH assessment and cannot be considered as sustainable economic activity. **Engagement:** DWS[16] is a signatory to the Coalition for Environmentally Responsible Economies (CERES) water initiative. DWS is committed to engage with investees on water risk within its engagement framework for the Actively and Passively Managed Portfolio Business in EMEA. Starting with a small number of companies under engagement, DWS aims to increase the number of companies in the future. Therefore, water is one of the metrics used within the DWS engagement prioritisation process. Additionally, when DWS deems a company to cause significant negative impact on water issues and this is reflected in the DWS Norm Assessment[17] as a breach of the United Nations Global Compact (UNGC) principle 7, this breach is considered in engagements.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	9,04 [tonnes / million EUR]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (25,14% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	**General Framework:** DWS has developed an ESG materiality matrix for the identification and prioritisation of principal adverse impacts in various sectors. Thereby, waste is considered in fundamental research analysis for relevant sectors in the Actively Managed Portfolio Business. For DWS's retail products in the Actively Managed Portfolio Business with a minimum sustainable investment share, a DNSH test is performed. To this end, DWS has established quantitative thresholds and/or qualitative values taking into account some mandatory and additional principal adverse impact indicators, including the hazardous waste and radioactive waste ratio. If a significant harm is identified, the economic activity fails the DNSH assessment and cannot be considered as sustainable economic activity. **Engagement:** When DWS deems a company to cause significant negative impact on waste issues and this is reflected in the DWS Norm Assessment as a breach of the UNGC principle 7, this breach is considered in engagements in the Actively and Passively Managed Portfolio Business.[18]

[16] Please see footnote no.11.
[17] The DWS Norm Assessment is used as an indicator for an issuer's exposure to norm-related issues.
[18] Please see footnote no.11.

					Exclusions: In the Sustainable Investments Business, restrictions are applied on investments related to certain types of cross-border trade in waste and waste products, most types of waste incineration, and processing of toxic waste, as well as the production or trade in radioactive materials and unbonded asbestos fibres.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Social and employee matters	10. Violations of UN Global Compact (UNGC) principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0,25 [%]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (78,15% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	**General framework:** DWS considers international norms such as the UNGC principles, OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights (UNGPs) and is guided by these standards in its Norm Assessment of companies in the Actively Managed Portfolio Business. For DWS's retail products in the Actively Managed Portfolio Business with a minimum sustainable investment share, a DNSH test is performed. To this end, DWS has established quantitative thresholds and/or qualitative values taking into account some mandatory and additional principal adverse impact indicators applicable to companies, including violations of UNGC principles and OECD Guidelines. If a significant harm is identified, the economic activity fails the DNSH assessment and cannot be considered as sustainable economic activity. **Engagement:** In order to mitigate or eradicate severe violations of the international standards mentioned above, DWS[19] has included its Norm Assessment as a metric for determining its engagement prioritisation lists in the Actively and Passively Managed Portfolio Business. In case set engagement targets are not reached through those engagement activities, the case may be escalated following the procedure outlined in the DWS Engagement Policy. **Proxy Voting:**

[19] Please see footnote no.11.

As laid down in the DWS Corporate Governance and Proxy Voting Policy applied in the Actively and Passively Managed Portfolio Business, DWS[20] would vote against the discharge of directors in case (among others) the investee company is facing severe ESG controversies and/or violates internationally established norms. Thereby, DWS would hold the board members accountable. Furthermore, DWS is generally supportive of ESG-related shareholder proposals while considering recognised standards, including but not limited to the UNGC, and evaluates them on a case-by-case basis. For example, DWS may support proposals asking investee companies to report on their environmental and social (e.g., human rights, product safety, data security) practices, policies, and impacts, if deemed appropriate. DWS may also vote for proposals requesting that investee companies adopt fair labour practices consistent with recognised international human rights standards, including policies to eliminate gender-based violence and other forms of harassment at the workplace, as well as proposals asking an investee company to prepare a report on its efforts to promote a safe workplace for all employees.

Exclusions:
In the Actively Managed Portfolio Business, companies with severe violations of the international standards mentioned above are excluded from retail products applying the DWS Basic Exclusion filter and the DWS ESG Investment Standard filter. In addition, a large number of products for institutional clients apply customized ESG screens that reflect the international standards above. In the Sustainable Investments Business, restrictions are applied on investments related to activities involving forced labour or child labour, in line with Principle 4 and 5 of the UNGC.

Index Selection:
Certain products managed under the Passively Managed Portfolio Business are tracking reference indices which incorporate criteria such as the exclusion of investee companies which fail to comply with the UNGC principles or OECD Guidelines for Multinational Enterprises. DWS is aiming to maintain or increase the number of such funds in 2023, which may depend on factors such as demand, market dynamics, market standards, and index availability.

[20] Please see footnote no.11.

11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	47,55 [%]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (75,29% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	**General framework:** DWS considers international norms such as the UNGC principles, the OECD Guidelines for Multinational Enterprises, and the UNGPs and is guided by these standards in the DWS Norm Assessment of companies in the Actively Managed Portfolio Business. For DWS's retail products in the Actively Managed Portfolio Business with a minimum sustainable investment share, a DNSH test is performed. To this end, DWS has established quantitative thresholds and/or qualitative values taking into account some mandatory and additional principal adverse impact indicators, including the lack of processes and compliance mechanisms to monitor compliance with UNGC principals and OECD Guidelines. If a significant harm is identified, the economic activity fails the DNSH assessment and cannot be considered as sustainable economic activity. **Engagement:** In order to mitigate or eradicate severe violations of the international standards mentioned above, DWS[21] has included its Norm Assessment as a metric for determining its engagement prioritisation list in the Actively and Passively Managed Portfolio Business. In case set engagement targets are not reached through those engagement activities, the case may be escalated following the procedure outlined in the DWS Engagement Policy. **Proxy Voting:** As laid down in the DWS Corporate Governance and Proxy Voting Policy applied in the Actively and Passively Managed Portfolio Business, DWS[22] votes against the discharge of directors in case the investee company is facing severe ESG controversies and/or violates internationally established norms, thus, DWS would hold the board members accountable. Furthermore, DWS is generally supportive of ESG-related shareholder proposals while considering recognised standards, including but not limited to the UNGC, and evaluates them on a case-by-case basis. For example, DWS may support proposals asking investee companies to report on their environmental and social (e.g., human rights, product safety, data security) practices, policies and impacts, if deemed appropriate. DWS may also vote for proposals requesting

[21] Please see footnote no.11.
[22] Please see footnote no.11.

					that investee companies adopt fair labour practices consistent with recognised international human rights standards, including policies to eliminate gender-based violence and other forms of harassment at the workplace, as well as proposals asking an investee company to prepare a report on its efforts to promote a safe workplace for all employees. **Exclusions:** In the Actively and Passively Managed Portfolio Business, companies with severe violations of the international standards mentioned above are excluded from retail products applying the DWS Basic Exclusion filter and the DWS ESG Investment Standard filter. In addition, a large number of products for institutional clients apply customized ESG screens that reflect the international standards above. In the Sustainable Investments Business, restrictions are applied on investments related to activities involving forced labour or child labour, in line with principle 4 and 5 of the UNGC.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	14,23 [%]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (17,14% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation. Based on the guidance given in paragraph 22 of the 'Clarifications on the European Supervisory Authorities' (ESA) draft RTS under SFDR of 02 June 2022, this indicator is expressed as a weighted average.	**General Framework:** For DWS's retail products in the Actively Managed Portfolio Business with a minimum sustainable investment share, a DNSH test is performed. To this end, DWS has established quantitative thresholds and/or qualitative values for some mandatory and two additional principal adverse impact indicators applicable to companies, including the unadjusted gender pay gap. If a significant harm is identified, the economic activity fails the DNSH assessment and cannot be considered as sustainable economic activity. **Engagement:** In 2023, DWS[23] is assessing the possibility to launch a thematic engagement activity on gender pay gap in its Actively and Passively Managed Portfolio Business. Overall, gender pay gap disclosures are not mandatory all around the world. Companies are encouraged to disclose this information.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a	32,24 [%]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (75,70% of all investments). Investments in real estate or sovereigns as well as assets for which	**General Framework:** Board gender diversity is an ESG factor which is assessed in the investment process as required by the DWS ESG Integration Policy for Active Investment Management.

[23] Please see footnote no.11.

	percentage of all board members		no data was available were excluded from the calculation. Based on the guidance given in paragraph 22 of the 'Clarifications on the European Supervisory Authorities' (ESA) draft RTS under SFDR of 02 June 2022, this indicator is expressed as a weighted average.	**Engagement:** In 2023, DWS[24] is assessing the possibility to launch a thematic engagement activity on board gender diversity in its Actively and Passively Managed Portfolio Business. **Proxy Voting:** As laid down in its Corporate Governance and Proxy Voting Policy applied in its Actively and Passively Managed Portfolio Business, DWS[25] expects its investee companies to incorporate gender diversity into their board composition and refreshment processes and to adhere to national best practice stipulations on gender representation. DWS requires boards to have generally at least one female member and expect boards to aim for and achieve adequate levels of gender diversity according to national legislative requirements or best practice. For developed markets (i.e., Germany), DWS regards 30% as an adequate level.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0,00 [%]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (77,36% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	**General Framework and Exclusions:** Since the production and use of controversial conventional weapons (CCW) have been deemed as regulated or prohibited under the below-mentioned Conventions, DWS considers any investments or business relationships as to be avoided. Controversial weapons in the sense of the DWS Controversial Weapons Policy, are CCW as well as biological weapons and chemical weapons: • Cluster Munitions as defined and banned in 2008 by the Convention on Cluster Munitions (CCM); • Anti-Personnel Mines as defined and banned in the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti Person Mines and their Destruction (cf. APMC); • including as well anti personal time delay explosives and non-detectable fragment explosives as defined by Protocol I, II of the Convention on Certain Conventional Weapons (CCW). **Index Selection:**

[24] Please see footnote no.11.
[25] Please see footnote no.11.

					Certain products managed under the Passively Managed Portfolio Business are tracking reference indices which incorporate criteria such as the exclusion of investee companies which breach certain revenue thresholds in controversial activities including conventional, unconventional, and nuclear weapons.

Indicators applicable to investments in sovereigns and supranationals

Adverse sustainability indicator		Metric	Impact 2022[26]	Explanation	Actions taken, and actions planned, and targets set for next reference period
Environ-mental	15. GHG intensity	GHG intensity of investee countries	284,42 [tonnes / million EUR]	The impact has only been determined in relation to investments in sovereigns and supranationals (12,86% of all investments) for which data was available (12,07% of all investments). Investments in companies or real estate as well as assets for which no data was available were excluded from the calculation. In the calculation of this indicator, the formular provided in the RTS was adapted and the same unit was used in both numerator and denominator for the current value of investments.	**General Framework:** DWS assesses the climate performance of countries in its Sovereign Climate and Transition Risk Assessment,[27] which incorporates the 2015 Paris Agreement to limit global warming to well below 2°C or even to 1.5°C. This assessment tracks countries' developments in terms of climate performance, i.e., sheds light on how well countries are progressing in implementing necessary policies. **Engagement:** In its Actively and Passively Managed Portfolio Business, DWS[28] is planning to engage with a small group of sovereigns on their performance on ESG related issues. Governance will form the focus of considerations and conversations given its broad impact on social and environmental developments. However, DWS also explicitly turns its attention to environmental issues. In this context, DWS's prioritisation process criteria are focused on a sovereigns' performance according to the SDGs (e.g., progress

[26] The Principal Adverse Impact Indicators (PAII) are calculated on the basis of information available within DWS back-office and front-office systems, that are amongst others based on information sourced from external ESG data vendors. They are further based on products where DWS is acting as management company, where DWS delegates portfolio management to third parties, or where third parties delegate portfolio management to DWS. In case individual securities or issuers related to such securities do not have information related to an individual PAII, either through a lack of data availability or through the non-applicability of the PAII to that individual issuer or security, the PAII calculation methodology will typically exclude such securities or issuers from the calculation. For target fund investments, a "look-through" into target fund holdings may be performed subject to data availability, amongst others related to reasonable actual information of target fund holdings as well as the related security or issuer information. The calculation methodology for the individual PAII indicators may change in subsequent reporting periods as a consequence of evolving market standards, a change of treatment of securities of specific instrument types (such as derivatives), an increase in data coverage or through regulatory clarifications. The figures presented in this statement do not include PAIs in relation to specific instrument types, such as derivative instruments.

[27] The DWS Climate and Transition Risk Assessment is used as an indicator for an issuer's exposure to climate and transition risks.

[28] Please see footnote no.11.

					towards achieving the SDGs, related policies/reforms and respective funding needs), and a sovereigns' commitment to the Paris Agreement, nationally determined contributions (NDC) and climate actions already in place (e.g. discussions on a sovereign's capability of addressing physical climate change, resources to finance the transition to a low carbon economy)
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	6,00 [absolute number] 5,85 [%]	The impact has only been determined in relation to investments in sovereigns and supranationals (12,86% of all investments) for which data was available (12,39% of all investments). Investments in companies or real estate as well as assets for which no data was available were excluded from the calculation.	**General Framework:** DWS performs a best-in-class ESG assessment for sovereigns. It aims at valuing political systems which are safeguarding and enhancing political and civil rights over regimes which are constraining freedom. **Engagement:** In its Actively and Passively Managed Portfolio Business, DWS[29] is planning to engage with a small group of sovereigns on their performance on ESG related issues. Governance will form the focus of considerations and conversations given its broad impact on social and environmental developments. However, DWS also explicitly turns its attention to social/human rights issues. In this context, DWS's prioritisation process criteria are focused on a sovereigns' performance according to the SDGs (e.g., progress towards achieving the SDGs, related policies/reforms and respective funding needs), and the degree of freedom of a country, human rights violations and latent controversies. **Index Selection:** Certain products managed under the Passively Managed Portfolio Business are tracking reference indices which incorporate criteria to reduce exposure to or to exclude countries with violations of social norms. This may include index-level rules such as minimum thresholds in Country ESG Ratings and minimum Freedom House scores.

[29] Please see footnote no.11.

Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact 2022[30]	Explanation	Actions taken, and actions planned, and targets set for next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0,06 [%]	The impact has only been determined in relation to investments in real estate (1,22% of all investments) for which data was available (1,22% of all investments). Investments in companies or sovereigns and supranationals as well as assets for which no data was available were excluded from the calculation. The exposure to fossil fuels in real estate is determined by the functional use of the asset. The types of real estate assets with potential exposure to fossil fuel extraction, storage, transport, or manufacture are petrol stations, power stations, and various storage assets, such as warehouses and distribution centers. Data on building use and occupier activities is collected for all assets under management. Best efforts are made to check the actual use of the building during its holding period; however, lease conditions can potentially limit the landlord's access to the property and therefore ability to confirm the accuracy of occupier activity data.	Due to extremely low exposure to real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels, no further action or reduction targets, other than continued monitoring of tenant activity and reporting of the exposure, have been deemed required.
Energy efficiency	18. Exposure to energy-	Share of investments in energy-inefficient real estate assets	33.37 [%]	The impact has only been determined in relation to investments in real estate (1,22% of all investments) for which data was available (0,65% of all investments). Investments in	Actions to reduce the share of investments in energy-inefficient real estate assets performed in the reference period include data collection and assurance, energy audits and certification, implementation of green leases,

[30] The Principal Adverse Impact Indicators (PAII) are calculated on the basis of information available within DWS back-office and front-office systems, that are amongst others based on information sourced from external ESG data vendors. They are further based on products where DWS is acting as management company, where DWS delegates portfolio management to third parties, or where third parties delegate portfolio management to DWS. In case individual securities or issuers related to such securities do not have information related to an individual PAII, either through a lack of data availability or through the non-applicability of the PAII to that individual issuer or security, the PAII calculation methodology will typically exclude such securities or issuers from the calculation. For target fund investments, a "look-through" into target fund holdings may be performed subject to data availability, amongst others related to reasonable actual information of target fund holdings as well as the related security or issuer information. The calculation methodology for the individual PAII indicators may change in subsequent reporting periods as a consequence of evolving market standards, a change of treatment of securities of specific instrument types (such as derivatives), an increase in data coverage or through regulatory clarifications. The figures presented in this statement do not include PAIs in relation to specific instrument types, such as derivative instruments.

inefficient real estate assets		companies or sovereigns and supranationals as well as assets for which no data was available were excluded from the calculation. Data on a building's energy rating is obtained for all assets that have them. However, the exclusions[31] to the definition of "energy-inefficient real estate assets"[32] apply to the assets located outside of the EU. Therefore, it is not possible to fully assess and report on this indicator using the provided formula. 45.65% of investments in real estate is thereby excluded from the assessment and reporting. Further 1.26% is excluded as under construction during the reference period. For German commercial assets and Polish assets[33], BVI methodology on conversion from colour scale to letter rating is used.[34] This approach has been used for 2.71% (Germany) and 1.47% (Poland) of investments in real estate.	and various energy performance improvement measures, such as upgrades of a building's heating, ventilation, cooling and lighting systems, and insulation. Actions undertaken in 2022 included energy audits, energy ratings, and performance improvement measures. In 2023, DWS plans to carry out additional energy audits, energy ratings and energy performance improvement measures.

[31] The EU Energy Performance Certificate scheme does not apply to countries outside of the EU, apart from the UK, and the NZEB does not apply to any country outside of the EU.
[32] As defined in Annex 1 of the RTS.
[33] In Germany and Poland, Energy Performance Certificates are not expressed in a letter rating.
[34] The method for the classification of German energy performance certificates for non-residential buildings, which was developed in the industry association BVI Bundesverband Investment und Asset Management e. V., enables an appropriate conversion of the colour scale existing in energy performance certificates into a letter classification. The method follows the procedure in German energy performance certificates for non-residential buildings, i.e. the efficiency class classification in the colour scales for non-residential buildings is made on the basis of the primary energy demand for demand-based certificates and based on the final energy consumption for consumption-based certificates.

Adverse sustainability indicator		Metric	Impact 2022[35]	Explanation	Actions taken, and actions planned, and targets set for next reference period
Other indicators for principal adverse impacts on sustainability factors					
Indicators applicable to investments in investee companies					
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	43,97 [%]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (74,87% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	Please refer to principal adverse impact indicators 1 to 6 of the indicators applicable to investee companies.
Indicators applicable to investments in investee companies					
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Human Rights	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	0,01 [number of cases]	The impact has only been determined in relation to investments in companies (82,42% of all investments) for which data was available (70,82% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	Please refer to principal adverse impact indicators 10 and 11 of the indicators applicable to investee companies.

[35] The Principal Adverse Impact Indicators (PAII) are calculated on the basis of information available within DWS back-office and front-office systems, that are amongst others based on information sourced from external ESG data vendors. They are further based on products where DWS is acting as management company, where DWS delegates portfolio management to third parties, or where third parties delegate portfolio management to DWS. In case individual securities or issuers related to such securities do not have information related to an individual PAII, either through a lack of data availability or through the non-applicability of the PAII to that individual issuer or security, the PAII calculation methodology will typically exclude such securities or issuers from the calculation. For target fund investments, a "look-through" into target fund holdings may be performed subject to data availability, amongst others related to reasonable actual information of target fund holdings as well as the related security or issuer information. The calculation methodology for the individual PAII indicators may change in subsequent reporting periods as a consequence of evolving market standards, a change of treatment of securities of specific instrument types (such as derivatives), an increase in data coverage or through regulatory clarifications. The figures presented in this statement do not include PAIs in relation to specific instrument types, such as derivative instruments.

C / Description of policies to identify and prioritise adverse impacts of investment decisions on sustainability factors

DWS's policies to identify and prioritise principal adverse impacts of investment decisions were approved by the governing body of DWS on 28.06.2023.

1. Prioritisation of principal adverse impacts on sustainability factors

DWS selected the additional principal adverse impact indicators for reporting, as disclosed in the table in Chapter B of this statement, in accordance with the group-wide sustainability strategy. This strategy is reflected in DWS Group's commitments, e.g., with regard to net zero (see Chapter E), and in its Responsible Investment Framework (RI),[36] e.g. with regards to human rights. In the indicator selection process, DWS also considered factors such as the likelihood and potential severity of an impact, and data availability.

DWS Group's sustainability strategy is underpinned by policies, guidelines, and frameworks to identify and address PAIs, which are applied by DWS. Depending on the characteristics of each investment fund, these policies, guidelines, and frameworks set boundaries for investments related to controversial weapons, fossil fuels, and violations of international norms. These include:

- DWS Controversial Weapons Policy[37]: Under this policy, DWS Group aims to generally exclude companies, which are involved in development, manufacturing, procurement, distribution, services, and use of several types of CCW systems or components thereof, from its investment universe.

- DWS Coal Policy[38]: With this policy, DWS takes actions that are designed to further reduce its investments in and funding of coal-related activities, such as excluding new investments in coal developers and in companies with excessive a coal share of revenues greater than 25% exposure to coal. This policy is being rolled out during 2023 and is applicable to products under unilateral DWS control.

- ESG Filter Framework / ESG screens: Subject to the ESG profile of a fund, DWS's Actively Managed Portfolio Business applies ESG filters for its EU-domiciled funds which comprise exclusions with regard to fossil fuels, violations of international norms on social and environmental matters, such as the Universal Declaration of Human Rights and the UN Global Compact. Various products set up for institutional clients apply customized ESG screens comprising the above-mentioned topics.

[36] Available here for additional information.
[37] Available here for additional information.
[38] Available here for additional information. The DWS Coal Policy is being rolled out during 2023. It has immediate effect for new products under unilateral DWS control in Active, Liquid Real Assets and Illiquid Businesses. For existing products under unilateral DWS control, the policy is effective after respective changes in product prospectuses (envisaged for 2023). Exceptions: physically replicating Passive funds, existing funds issued by the Illiquid Business. For products not under unilateral DWS control, implementation is subject to approval from third parties (clients, cooperation partners, US fund boards).

2. Integration of principal adverse impacts on sustainability factors in the investment process

DWS incorporates principal adverse impacts into its investment analysis and investment processes. Given the diverse nature of its business, DWS has an asset class approach with regard to principal adverse impact integration, differentiating between the Actively Managed Portfolio Business, the Passively Managed Portfolio Business, the Illiquid Business, and the Sustainable Investments Business. DWS's ambition is to apply a high standard of diligence with regard to sustainability issues and possible adverse impacts of investment decisions in the selection and monitoring of its investments.

2.1. Actively Managed Portfolio Business

Methodology

The ESG Integration Policy for Active Investment Management[39] sets out the general framework for the integration of principal adverse impacts into the investment process for the Actively Managed Portfolio Business. It establishes minimum standards for DWS's investment professionals (i.e., portfolio managers and analysts) on how to undertake an assessment of investment risks and opportunities as well as of principal adverse impacts by incorporating ESG issues into research, analysis and investment decision-making.

For the Actively Managed Portfolio Business of DWS, sustainability-related information is integrated into DWS key systems. This enables investment professionals to have real-time visibility on the overall recorded sustainability profile of the respective portfolio – including information on principal adverse impacts on sustainability factors. Investment professionals may prioritise certain principal adverse impacts in the research process or in the portfolio construction, subject to the sustainability characteristics of the fund, and to DWS's investment guidelines. In addition, principal adverse impacts may be identified and prioritised using a sector materiality matrix which provides an overview of the probability of occurrence and the potential severity of principal adverse impacts per economic sector.

The Actively Managed Portfolio Business applies the DWS Controversial Weapons Policy[40] and the DWS Coal Policy[41]. Subject to the ESG profile of a product, the Actively Managed Portfolio Business additionally applies the DWS ESG Filter Framework and customized ESG screens for EU-domiciled funds (see section 1).

Data sources and margin of error

DWS utilises its bespoke ESG tool, the DWS ESG Engine[42] to determine the principal adverse impact indicators and make this information available to investment professionals. To that end, it uses data from the leading commercial ESG data vendors such as MSCI ESG, ISS ESG, S&P Trucost, ESG Book and Morningstar Sustainalytics as well as DWS proprietary research. This includes purpose-built data package for regulatory reporting like the "MSCI SFDR Adverse Impact Metrics". Methodology, vendor, and data selection is controlled by the corresponding governance bodies for the ESG Engine.

The margin of error depends on availability and quality of data as provided by each of the external vendors. Corresponding limitations are mitigated by DWS's utilisation of multiple vendors, which also facilitates wider coverage and robust calculation. The vendors, and as such DWS, prioritise data originally reported by the companies. Where reported

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[39] Available here for additional information.
[40] Available here for additional information.
[41] Available here for additional information. The DWS Coal Policy is being rolled out during 2023. It has immediate effect for new products under unilateral DWS control in Active, Liquid Real Assets and Illiquid Businesses. For existing products under unilateral DWS control, the policy is effective after respective changes in product prospectuses (envisaged for 2023). Exceptions: physically replicating Passive funds, existing funds issued by the Illiquid Business. For products not under unilateral DWS control, implementation is subject to approval from third parties (clients, cooperation partners, US fund boards).
[42] Available here for additional information.

data is not available, DWS may select vendor-estimates. Data quality, especially where impacting investments, is continuously monitored within DWS, and detected issues are followed up with the vendors. For certain complex structures like indirect investments via derivatives or fund-of-funds, further limitations apply, as it may not be possible to collect information with the same level of quality and coverage.

DWS expects a further increase of the share of reported data with the official reporting of investee companies picking up in the coming years due to the introduction of corresponding legal obligations.

2.2. Passively Managed Portfolio Business

Methodology

The ESG Integration Policy for Passive Investment Management[43] sets out the general framework for the integration of ESG issues, including principal adverse impacts, into the investment process for the Passively Managed Portfolio Business. It establishes minimum standards with relation to the selection of new indices, as well as detailing the approach regarding removal of securities with involvement in controversial weapons as outlined in the DWS Controversial Weapons Policy[44] (see section 1). For financial products specifically set up for clients, DWS encourages the consideration of sustainability factors when selecting indices and investment policies. Additionally, the exclusion of companies is subject to a materiality calculation.

Data sources and margin of error

Please refer to the section above about data sources used to identify principal adverse impacts, which also applies to the Passively Managed Portfolio Business. Additionally, the ESG Engine provides data for the selection of new indices. Further, ESG data from sources other than the ESG Engine may be utilised in the index selection due diligence process (e.g., ESG data from index providers).

2.3. Illiquid Business

Methodology

DWS has set up detailed procedures and methodologies in relation to the management of ESG factors and principal adverse impacts in private real estate as part of overall Real Estate Business' Environmental and Social Management System (ESMS). The principal adverse impacts as identified in the table in Chapter B of this statement are considered in the sustainability due diligence prior to asset acquisition. During the holding period, principal adverse impacts are integrated in the asset management process through data collection and analysis, risk reviews including energy audits, identification, and implementation of performance improvement measures, and building energy performance certification. Regarding real estate loans, principal adverse impacts are identified and considered by assigning internal ESG grades across the investment lifecycle of mutual funds that invest in loans.

When making infrastructure equity investments, DWS considers principal adverse impacts by applying an Environmental and Social Management System (ESMS) which sets out the general framework for the integration of ESG factors in the investment lifecycle. This includes the identification and consideration of principal adverse impacts in sourcing, acquisition processes, asset management, and divestment processes. For investments in holdings in infrastructure project

[43] Available here for additional information.
[44] Available here for additional information.

companies, the mandatory principal adverse impact indicators applicable to investment in companies are applied. If adverse impacts are identified during the investment due diligence process, it is at the portfolio manager's discretion whether to make this investment decision within the legal and contractual limits. Also in the direct lending business, sustainability criteria are integrated in investment due diligence. This may include checks performed by the portfolio management, as well as further review and analysis of sustainability-related concerns, if necessary.

Further, the Illiquid Businesses apply the DWS Controversial Weapons Policy[45] and the DWS Coal Policy[46] (see section 1).

Data sources and margin of error

For direct Real Estate Investments, the data sources differ between the principal adverse impact indicators. Relevant data sources include utility bills, energy performance certificates, and information provided by third-party property managers. For collection of energy consumption data and calculation of resulting greenhouse gas emissions, DWS makes use of Measurabl[47], an external real estate ESG data management tool. While data on energy consumption intensity and resulting greenhouse gas emissions are in principle collected for all assets under management, lease conditions, data protection laws and utility company constraints can potentially limit the landlord's ability to obtain consumption data. This is particularly the case for occupier's data and resulting Scope 3 greenhouse gas emissions. The Real Estate Business uses the data estimation feature provided by Measurabl[48] within the limits of Global Real Estate Sustainability Benchmark (GRESB) Reference Guide Estimation Methodology[49]. To address any remaining data gaps, the Real Estate Business discloses data coverage rather than performing further estimations, procures anonymised aggregated data if available, engages with tenants, and implements green leases clauses, including the sharing energy consumption data.

In the Infrastructure and Direct Lending Business, DWS is engaging with portfolio companies to collect data on principal adverse impacts. Despite best efforts to obtain the data, some data gaps remain, and data quality is subject to certain limitations. For example, greenhouse gas emission data reported by investee may not be comparable due to varying calculation methodologies. DWS aims to improve data coverage and quality, e.g., by assessing data availability pre-acquisition, by establishing processes to collect missing data for future acquisitions, or by promoting inclusion of sustainability linked loan features where possible.

[45] Available here for additional information.

[46] Available here for additional information. The DWS Coal Policy is being rolled out during 2023. It has immediate effect for new products under unilateral DWS control in Active, Liquid Real Assets and Illiquid Businesses. For existing products under unilateral DWS control, the policy is effective after respective changes in product prospectuses (envisaged for 2023). Exceptions: physically replicating Passive funds, existing funds issued by the Illiquid Business. For products not under unilateral DWS control, implementation is subject to approval from third parties (clients, cooperation partners, US fund boards).

[47] For additional information, please see https://www.measurabl.com/.

[48] For additional information, please see How do Meter Reading Estimates Work? – Measurabl Help Center.

[49] For additional information, please see GRESB Documents.

2.4. Sustainable Investments Business

Methodology

Investment funds which have a sustainable investment as their objective follow comprehensive policies and guidelines as defined per fund[50] through which principal adverse impacts are prioritised and considered in investment decisions, such as the Environmental and Social Management System (ESMS) guidelines. These ESMS are guided by internationally recognized standards such as the EU Directive on Environmental Impact Assessment, the International Finance Corporation (IFC) Performance Standards, European Investment Bank (EIB) Statement on Environmental and Social Principles and Standards, as well as the Environmental and Social Policy and Safeguards of the Green Climate Fund.

The Sustainable Investments Business is subject to the DWS Controversial Weapons Policy[51] and the DWS Coal Policy[52] (see section 1). Further, the investment guidelines for the sustainable investment funds managed by DWS encompass exclusion lists through which principal adverse impacts are prioritised and mitigated (for details, please see the table in Chapter B of this statement).

Data sources and margin of error

The Sustainable Investments Business draws on data from invested projects to obtain information on principal adverse impacts. Despite best efforts to obtain the data, some data gaps remain, and data quality is subject to certain limitations. Depending on the individual project, data for some indicators could only be estimated or data is not available as the respective indicators cannot be applied due to the specific project finance nature of the investment.

3. Governance

DWS, as a member of DWS Group, is represented in the sustainability governance of DWS Group.
Sustainability governance at DWS Group starts with the Group Executive Board, which has the overall responsibility for managing sustainability-related risks and opportunities, throughout its activities. During 2022, DWS Group adapted its sustainability governance and created a Sustainability Strategy Team to support the CEO in the development of its sustainability strategy and to ensure that it is embedded within its corporate strategy. Effective January 2023, the Executive Board is supported by a new sub-committee, the Group Sustainability Committee, which is mandated to implement the sustainability strategy as approved by the Executive Board across all divisions and legal entities. It acts as a senior decision-making body for sustainability-related topics unless decision-making falls in the core area of competence of the Board or a legal entity. Additionally, DWS Group has set-up a Sustainability Oversight Office which aims to ensure effective sustainability governance throughout the organisation and to support the Group Sustainability Committee.
The various DWS Group's divisions are responsible for setting up, maintaining, and reviewing policies, processes, and frameworks through which the sustainability strategy is implemented in the divisional processes. This includes the above-mentioned policies to identify and prioritise principal adverse impacts in its investment strategy.

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[50] These policies and guidelines are available in the fund documentation.
[51] Available here for additional information.
[52] Available here for additional information. The DWS Coal Policy is being rolled out during 2023. It has immediate effect for new products under unilateral DWS control in Active, Liquid Real Assets and Illiquid Businesses. For existing products under unilateral DWS control, the policy is effective after respective changes in product prospectuses (envisaged for 2023). Exceptions: physically replicating Passive funds, existing funds issued by the Illiquid Business. For products not under unilateral DWS control, implementation is subject to approval from third parties (clients, cooperation partners, US fund boards).

D / Engagement policies

DWS's direct exchange and dialogue with investees is central to its sustainability actions. DWS aims at mitigating principal adverse impacts through active engagement with its investees and through acting as an active owner by exercising its voting rights[53]. Where there is no reduction of principal adverse impacts achieved over more than one reporting period, DWS will review its engagement policies to evaluate whether and how they should be adapted to further mitigate adverse impacts of investment decisions.

The DWS Engagement Policy[54] establishes inter alia the engagement framework for DWS on how to engage with its investees in relation to equity as well as debt investments in the Actively and Passively Managed Portfolio Business. This policy sets out the engagement process, including the associated roles and responsibilities by the means of the DWS Engagement Council. Furthermore, the policy addresses types and methods of engagement, escalation strategies, expectations regarding communication with inter alia DWS as an investor and DWS acting on behalf of its clients on a number of topics, including ESG. The engagement framework of DWS foresees integration of principal adverse impacts on sustainability factors as part of the engagement process, objective / target setting with investees.

The Corporate Governance & Proxy Voting Policy[55] details DWS's engagement framework in relation to its equity investments. It contains the core governance understanding, governance values and expectations including ESG, relating to investees in line with the framework and principles as set out in the Engagement Policy as well as proxy voting guidelines. It includes guidelines on how to vote in relation to topics such as ESG-related shareholder proposals.

DWS's engagement and proxy voting activities cover the following topics and support the mitigation of the corresponding principle adverse impacts (for details, please see the table in Chapter B of this statement):

- Climate change: DWS engages with investees on topics such as carbon intensity, net zero strategies, and phase-out from coal. DWS is generally supportive of ESG-related shareholder proposals and evaluates them on a case-by-case basis. For example, subject to the result of this evaluation, DWS may vote for proposals asking investee companies to adopt (science-based) greenhouse gas reduction targets, and to commit to net zero until 2050 or sooner.

- Biodiversity: In its engagement framework, DWS has included biodiversity where relevant in the preparation of strategic engagements with selected investee companies.

- Water: DWS is a signatory to the CERES water initiative and is committed to engage with investees on water risk. Water is one of the metrics used within the DWS engagement prioritisation process for choosing the companies for the DWS Strategic Engagement list and the DWS Focus Engagement list.

- International norms, incl. human rights: To mitigate or eradicate severe violations of the international standards, DWS has included its Norm Assessment as a metric for determining its engagement prioritisation lists. DWS

[53] A pooled voting rights agreement is in place between DWS Group's largest management companies in Europe - DWS Investment GmbH, DWS Investment S.A., and for specific portfolio management mandates of DWS International GmbH – and executed by DWS Investment GmbH. These entities also pool their engagement activities, executed by DWS Investment GmbH.

[54] Available here for additional information. A pooled voting rights agreement is in place between DWS Group's largest management companies in Europe - DWS Investment GmbH, DWS Investment S.A., and for specific portfolio management mandates of DWS International GmbH – and executed by DWS 7Investment GmbH. These entities also pool their engagement activities, executed by DWS Investment GmbH.

[55] Available here for additional information. A pooled voting rights agreement is in place between DWS Group's largest management companies in Europe - DWS Investment GmbH, DWS Investment S.A., and for specific portfolio management mandates of DWS International GmbH – and executed by DWS Investment GmbH. These entities also pool their engagement activities, executed by DWS Investment GmbH.

would vote against the discharge of directors in case the investee company is facing severe ESG controversies and/or violates internationally established norms.

- Gender diversity: DWS expects its investee companies to incorporate gender diversity into their board composition and refreshment processes and to adhere to national best practice stipulations on gender representation.

In addition to the above-mentioned policies, the Passively Managed Portfolio Business strategically engages on sustainability considerations with index providers. By engaging with index providers and making formal requests regarding the integration of sustainability related criteria into benchmark indices, the Passively Managed Portfolio Business will be able to add an additional route to achieve the sustainability related targets proposed by DWS.

E / Reference to international standards

DWS Group or DWS, as the case may be, is a member of, adheres to, or is guided by the following key sustainability-related responsible business conduct codes and internationally recognized standards for due diligence and reporting (non-exhaustive list). If applicable, the principal adverse impact indicators used to measure alignment with those standards are stated in brackets.

1. Overarching standards and initiatives

DWS Group is a signatory to the following framework:

- United Nations-backed Principles for Responsible Investment (PRI), a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice.

2. Standards and initiatives on controversial weapons

The following international conventions (amongst others) provide the basis for the DWS Controversial Weapons Policy[56] that prohibits investments into companies with relevant exposures:

- Convention on Cluster Munitions (CCM), an international treaty that prohibits the use, transfer, and stockpiling of cluster bombs (PAI 14);

- Anti-Personnel Mine Ban Convention (APMC), a convention on the prohibition of the use, stockpiling, production and transfer of anti-person mines and their destruction (including as well anti personal time delay explosives and non-detectable fragment explosives as defined by Protocol I, II of the Convention on Certain Conventional Weapons) (PAI 14).

DWS measures its alignment with these conventions by screening investment for involvement in weapons banned by international treaties. DWS aims to generally exclude companies, which are involved in development, manufacturing, procurement, distribution, and use of several types of CCW systems or components thereof, from its investment universe. For the majority of DWS's investments, data for this screening is processed through the DWS ESG Engine, which in turn sources the information from multiple data providers including, but not limited to, MSCI ESG, ISS ESG, S&P Trucost, ESG Book and Morningstar Sustainalytics. For information on the data coverage for PAI 14, please refer to the table in section B of this statement.

3. Standards and initiatives on human rights

The following international standards guide DWS's investment process in the Actively and Passively Managed Portfolio Business with regards to human rights related issues:

- UNGC, a global initiative for corporate sustainability (PAI 10,11, additional PAI 14);

[56] Available here for additional information.

- UN Guiding Principles for Business and Human Rights, a set of guidelines for states and companies to prevent, address and remedy human rights abuses committed in business operations (PAI 10,11, additional PAI 14);

- OECD Guidelines for Multinational Corporations, recommendations on responsible business conduct addressed by governments to multinational enterprises (PAI 10,11, additional PAI 14);

- International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work.

DWS measures its alignment by screening investment for involvement in severe violations of the international standards mentioned above. Issuers with severe violations are excluded from portfolios applying the DWS Basic Exclusion filter and the DWS ESG Investment Standard filter. The data for this screening is processed through the DWS ESG Engine. For information on the data coverage for PAI 10,11, and additional PAI 14, please refer to the table in section B of this statement.

4. Standards and initiatives on climate change

DWS Group is signatory/ committed to the following initiatives and applies the related frameworks related to climate change for managing its investments:

- Net Zero Asset Manager Initiative, an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner (PAI 1 to 6, 18, additional PAI 4);

- SBTi, a non-profit partnership that drives ambitious climate action in the private sector by enabling organisations to set science-based emissions reduction targets (PAI 1 to 6, 18, additional PAI 4);

- Climate Action 100+, an investor initiative to engage with major greenhouse gas emitters and other companies across the global economy that have significant opportunities to drive the clean energy transition and help achieve the goals of the Paris Agreement (PAI 1 to 6, 18, additional PAI 4).

All three initiatives are aligned with the objectives of the Paris Agreement.

Furthermore, DWS Group reports on climate-related topics using the following frameworks:

- Climate Disclosure Project (CDP), an international non-profit organisation that helps companies and cities disclose their environmental impact (PAI 1 to 6, 18);

- Taskforce on Climate Related Financial Disclosures (TCFD) recommendations, recommendations for more effective climate-related disclosures issued by a taskforce established by the Financial Stability Board, an international body that monitors and makes recommendations about the global financial system.

DWS Group has a stated ambition to become climate-neutral in its actions, in line with the Paris Agreement, and well ahead of 2050. Based on this ambition, DWS Group became a founding signatory of the NZAM initiative and set its 2030 interim decarbonisation target as part of this initiative. DWS Group committed to the SBTi as the main reference framework, which is considered a credible and robust foundation providing clear guidance on expected assets in scope and target ambition levels.

DWS Group has initially included approximately 35 % of its total global Assets under Management (as of 31 December 2020) as in-scope to be managed towards net zero by 2030. The remaining assets excluded from this net zero scope comprise a) security types where established net zero or carbon accounting methodologies do not yet exist, or b) DWS's and other entities' products where changing their investment policies requires prior approval from clients or independent fund directors. DWS and other entities of the DWS Group aim to work with SBTi, NZAM and other standards and organisations to develop net zero methodologies for the excluded asset classes, and to engage with its clients and other stakeholders to expand its net zero in-scope assets over time.

For the in-scope assets, DWS Group's interim target is to seek a 50% reduction in Weighted Average inflation adjusted financial Carbon Intensity (WACI adj.) related to Scope 1 and 2 emissions by 2030, compared to the base year 2019. This target is consistent with a fair share of the 50% global reduction in CO2 identified as a requirement in the IPCC special report on global warming of 1.5°C, under the IEA Net Zero 2050 scenario. DWS and other entities of DWS Group jointly strive to meet DWS Group's overall target.

DWS Group reports progress on its interim net zero targets on an annual basis via CDP. The data for carbon intensity of issuers used in the WACI calculation and reporting is processed through the DWS ESG Engine. For information on the data coverage for PAI 1 to 6, and additional PAI 4, please refer to the table in section B of this statement.

F / Historical comparison

A historical comparison will be provided from June 2024 onwards.

G / Glossary

AIF	Alternative Investment Fund
APMC	Anti-Personnel Mines Convention
AUM	Assets Under Management
CCM	Convention on Cluster Munitions
CDP	Climate Disclosure Project
CERES	Coalition for Environmentally Responsible Economies
CIO	Chief Investment Officer
CCW	Controversial Conventional Weapons
DNSH	Do No Significant Harm
EIB	European Investment Bank
ESA	European Supervisory Authorities
ESG	Environmental, Social, Governance
ESMS	Environmental and Social Management System
FMP	Financial Market Participants
GHG	Greenhouse gas emissions
GRESB	Global Real Estate Sustainability Benchmark
IEA	International Energy Agency
IFC	International Finance Corporation
ILO	International Labor Organization
IPCC	Intergovernmental Panel on Climate Change
ISS	International Shareholder Services
KPI	Key Performance Indicator
MSCI	Morgan Stanley Capital International
NDC	Nationally Determined Contributions
NZAM	Net Zero Asset Managers
OAP	Old Age Provision
OECD	Organization for Economic Co-operation and Development
PAI	Principal adverse impact
PAII	Principal adverse impact indicator
PRI	Principles for Responsible Investment
RI	Responsible Investment
RTS	Regulatory technical standards
SBTi	Science Based Target initiative
SDG	Sustainable Development Goals
SEMS	Social and Environment Management System
SFDR	Sustainable Finance Disclosure Regulation
TCFD	Taskforce on Climate Related Financial Disclosures
UCITS	Undertaking for Collective Investments in Transferable Securities

UNGC	United Nations Global Compact
UNGP	United Nations Guiding Principles on Business and Human Rights
WACI	Weighted Average Carbon Intensity

Date of statement: 28.06.2023