Disclosure Statement
Operating Principles for Impact Management

1 Statement by the authorized executive

The DWS Sustainable Investments (SI) is an investment team on the DWS[2] platform dedicated to impact investing. The SI team creates solutions for institutional, private investors, development banks, and governments, that share common social and environmental investment objectives and seek attractive financial returns.

Since inception, SI team has deployed US$1.8 billion in private capital into sustainable investment opportunities. The current fund managed by the SI team has a Sustainable Energy Strategy (“Strategy”), investing in renewable energy, energy efficiency and electromobility assets located in the European Union. The SI team that manages this fund has extensive experience investing in Europe.

SI represents DWS externally as a key contributor and active participant in a variety of industry groups representing the current industry standard for impact and sustainable investing.

The current SI-managed fund maps to the United Nations Sustainable Development Goals (SDGs) - 17 goals, each connecting to a global challenge, created and adopted by 193 countries in 2015. The current SI-managed fund contributes effectively to three of the 17 SDGs, as outlined under section “Principle 1.”

The fund is also registered with the UN through the SDG Partnership platform.

In 2019, DWS SI joined more than 80 asset managers in signing on to the Operating Principles for Impact Management, which provide best practices for managing assets for impact; investors increasingly expect to see a commitment to these principles.

DWS Sustainable Investments is pleased to affirm hereby its adoption of the Impact Principles.

This Disclosure Statement applies to a single fund currently managed by SI team with a Sustainable Energy Strategy covered assets of the fund’s investments as of end of June 2024 represent US$179 million.

Clemens Schaefer
Acting Head of Sustainable Investments, DWS

[1] Valid as of December 31, 2024, subject to change without further notice. The information contained in this Disclosure Statement has not been verified or endorsed by the Global Impact Investing Network (“the GIIN”) or the Secretariat or Advisory Board. All statements and/or opinions expressed in these materials are solely the responsibility of the person or entity providing such materials and do not reflect the opinion of the GIIN. The GIIN shall not be responsible for any loss, claim or liability that the person or entity publishing this Disclosure Statement or its investors, Affiliates (as defined below), advisers, employees or agents, or any other third party, may suffer or incur in relation to this Disclosure Statement or the impact investing principles to which it relates. For purposes hereof, “Affiliate” shall mean any individual, entity or other enterprise or organization controlling, controlled by, or under common control with the Signatory.

[2] DWS is the brand name under which DWS Group GmbH & Co. KGaA and its subsidiaries operate their business activities. Clients will be provided DWS products or services by one or more legal entities that will be identified to clients pursuant to the contracts, agreements, offering materials or other documentation relevant to such products or services.

2 Statement of alignment to each principle

Principle 1

Define strategic impact objective(s), consistent with the investment strategy.

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

Sustainable Energy Strategy

The Sustainable Energy Strategy is an innovative public-private partnership dedicated to mitigating climate change through energy efficiency measures and the use of renewable energy in the member states of the European Union. The Strategy aims to support the climate goals of the European Union (EU 2030 Framework for Climate and Energy and the climate-neutral objectives of the European Green Deal) to promote a sustainable energy market and foster climate protection. The Strategy's objectives are contributing to

- the mitigation of climate change
- resilient, energy-efficient and green infrastructure in the cities and regions while financing energy efficiency, small scale renewable energy and clean urban transport with all projects to achieve a minimum of 30% primary energy on an annual basis and/or CO2 savings (except for the building sector to which a lower percentage might apply) compared to the baseline when the fund has commenced the relevant investment project.

The Strategy has registered its partnership with the UN on the Sustainable Development Goals (SDGs) partnership platform. Partnerships for sustainable development are voluntary multi-stakeholder initiatives, whose efforts are contributing to the implementation of inter-governmentally agreed development goals and commitments. The Strategy has been contributing effectively to three of the 17 SDGs:

SUSTAINABLE ENERGY

i. Goal 7 – Ensure access to affordable, reliable, sustainable and modern energy for all.
The UN SDGs target to increase substantially the share of renewable energy in the global energy mix and double the global rate of improvement in energy efficiency by 2030. The Strategy finances a range of energy efficiency projects (e.g. building retrofit, street lighting) and renewable energy electricity generation projects (e.g. small-scale wind) which have a minimum of 30% primary energy or CO2 savings[3]. The indicators are already included within the Strategy's regular monitoring and evaluation scheme and are published periodically.

ii. Goal 11 – Make cities and human settlements inclusive, safe, resilient and sustainable.
All projects within the Strategy's portfolio contribute to the communities in a sustainable way, as all invested projects have a public link. The Strategy's investing activities enable public entities and/or public sector to have access to renewable energy, energy efficiency and clean urban transport investments, which directly benefit the local communities, cities and dwellers.

iii. Goal 13 – Take urgent action to combat climate change and its impacts.
The Strategy supports a number of countries within the European Union to establish and operationalise their policies/strategies/plans, which increases their ability to adapt to the adverse impact of climate change, and foster climate resilience and low greenhouse gas emissions development in a sustainable manner. The carbon emission savings data are consistently observed and monitored, as part of the Strategy's reporting activity.

As part of the Strategy's due diligence and for the duration of each individual investment, the Strategy evaluates and monitors periodically the carbon emissions and primary energy savings' performance in alignment with the International Performance Monitoring and Verification Protocol (IPMVP), which requires every project to establish a baseline energy consumption and then conduct a post-project implementation assessment.

[3] The energy / CO2 savings are compared to the baseline when the fund commenced the relevant investment project. It also excludes building sector to which a lower percentage might apply.

Principle 2

Manage strategic impact on a portfolio basis.

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

Sustainable Energy Strategy

To determine the impact of the Strategy's investments through the measuring, monitoring and verification processes (M&V), the Strategy technical criteria will be assessed, which depend on the project's volume and the technology applied. The appropriate M&V methods will then be adopted.

All projects are evaluated using a pre-and post-project analysis approach to calculate savings. This provides energy consumption, primary energy and carbon savings.

Specifically, the impact achievement at the portfolio basis is managed through:

- Initial Screening: The Investment Manager screens the eligibility of projects in the pipeline, if they are in line with the Strategy's general criteria - in sectors like renewable energy, energy efficiency and clean urban transport with a public link and positive social and environmental impact. In case of positive screening, detailed due diligence (including on-site) with legal and technical advisors will be carried out.

- Due Diligence: The Strategy reviews project technical documents submitted by the project developers to ensure that the information provided is complete and complies with the Strategy's energy and carbon calculation and reporting principles. Among the submitted technical files by the project developer, a technology-specific due diligence questionnaire created by the Strategy is attached, where the Investment Manager updates yearly emission conversion factors. The Investment Manager then evaluates the projects' eligibility along with the various criteria including estimating project carbon and/or primary energy savings using validated calculations. Avoided CO_2e amount in tonnes per million of Euros invested should also fall within the range that appear in the market standards given geography and project scale. Besides, the project developer is also requested to submit answers to the Social and Environmental Management System (SEMS) questionnaire, so that we can ensure compliance of the project's social and environmental aspects with the EU Directives on Environmental Impact Assessment.

- Investment Preparation: Investment Committee proposal is drafted, containing investment recommendations and the findings on the due diligence process, projects economics and risk mitigation strategy. Upon approval of the Investment Committee, signing of documentation and disbursement upfront or agreed milestones will follow.

- Reporting: Partner Institutions will provide quarterly data on energy consumption, primary energy/CO2e savings. The Strategy reports project-specific and aggregates portfolio primary energy and carbon savings on a quarterly basis. The realised investments are included in the quarterly report. The Social & Environment (S&E) reporting is also conducted on a periodic basis on the project level. The dedicated team from the Strategy manages the Strategy's annual audits, ensures that project lifetime savings and S&E aspects are aligned with estimations and investment criteria. When necessary, it will be proposed an on-site audit plan for assurance of project savings, especially for investments through local financial institutions.

Principle 3

Establish the Manager's contribution to the achievement of impact.

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

Sustainable Energy Strategy

The ultimate aim of the Strategy is to foster energy efficiency and intelligent use of energy as a resource in local communities, to enable projects which are not only environmentally friendly but also financially sound. The Strategy can invest in a range of energy efficiency, clean urban transport and small-scale renewable energy technologies, provided the carbon or primary energy savings investment criteria are met. Each project must achieve at least 30 % primary energy and / or carbon savings compared to baseline[4]. The Strategy may only invest when savings and other investment criteria are fulfilled. It contributes to reduce public spending and remove pressure from local municipalities' budgets with various project finance structures.

The Investment Manager has developed a proprietary carbon and energy monitoring and verification tool, which on a regular basis, automatically and consistently calculates anticipated and realized energy, primary energy and carbon savings of all investment projects in the Strategy's portfolio, which could be accessed via public website. The Strategy has this dedicated website to serve as a platform of transparent communication around the impact of the Strategy's investments to our clients and other stakeholders, where the annual reports and quarterly reports, together with ad-hoc Strategy's activity-related news are maintained and published up to date.

The Investment Manager conducts the Strategy's business on behalf of the Strategy, identifies and proposes potential new investments in line with the Strategy's eligibility criteria as per investment guidelines that are aimed to reach the objectives of the Strategy as described above.

[4] The energy / CO2 savings are compared to the baseline when the fund commenced the relevant investment project. It also excludes building sector to which a lower percentage might apply.

Principle 4

Assess the expected impact of each investment, based on a systematic approach.

For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

Sustainable Energy Strategy

The Strategy invests in projects in clean and efficient energy area, with an intended impact on achieving resilient, energy efficient and green infrastructure, for the cities and regions in the EU Member States as intended impact beneficiaries. With the guiding questions in mind (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact?, the Investment Manager has formed a dedicated Climate Environment Impact Management (CEIM) team that reviews the technical details of each project in order to evaluate and monitor each individual project's impact from the due diligence until the end of the investment. In the eligibility assessment phase, one important impact indicator is the avoided Greenhouse Gas Emissions amount in tonnes per million of Euros invested. It should also fall into the range within the market standards. As a matter of extent of intended impact, the Strategy's projects aim to achieve at least 30 % primary energy savings on an annual basis (higher for the building sector) and/or a 30 % reduction of CO2 equivalents for transport and renewable energy projects. Due to the wide variety of technologies included in the Strategy's portfolio, the Investment Manager has developed a standardised approach for calculating the project energy, primary energy and carbon savings for the Strategy's most common project technologies.

All project savings are calculated following international protocols, including the International Performance Measurement and Verification Protocol (IPMVP) for energy accounting and ISO 14064 for carbon accounting. All methodologies used by the Strategy were validated by a global engineering company and agreed with the technical teams of the founding investors. Currently, all projects with concrete data are reporting in alignment with these guidelines, and all new projects are aligned with these frameworks. Factor sources include the Chartered Institution of Building Services Engineers (CIBSE) for technology benchmark data and the Intergovernmental Panel on Climate Change for the conversion of energy data into greenhouse gas emissions. Electricity emission factors are sourced from the International Energy Agency (IEA) and are updated annually in line with ISO 14064-2. For some projects within the portfolio, factors cannot be updated due to project specifics, so they continue to report on factors issued within the loan documentation. The Strategy's proprietary tool facilitates the Strategy's carbon and energy monitoring and verification on a regular basis.

This proprietary tool offers impact insight through customized real-time dashboards and reports. This allows the frequent communication of investment performance against impact targets.

Apart from the targeted Strategy-specific primary energy/ carbon savings goals stated in its investment guidelines, all investments in its portfolio also have to comply with its Social Environmental Management System (SEMS) from the due diligence process until loan maturity. The partner institution is required to fill the SEMS questionnaire in the due diligence process as part of eligibility check and later on during periodic monitoring and reporting. The SEMS questionnaire covers various environmental and social issues, biodiversity and climate change, social as well as other E&S issues and reputational risk.

Principle 5

Assess, address, monitor, and manage potential negative impacts of each investment.

For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

Sustainable Energy Strategy

The Strategy aims to conduct its operations in line with the highest expectations regarding social and environmental responsibility. The Strategy's Social and Environmental Management System (SEMS) defines the respective roles and responsibilities of the Strategy and its Partner Institutions in promoting social and environmental sustainability.

The Strategy's SEMS has specific performance requirements and procedures which are applied. Compliance with these requirements and procedures is assessed during the due diligence process and monitored later on throughout the lifetime of the project. The environmental and social (E&S) screening in the early due diligence and the regular review of external information sources during the investment check areas such as general environmental and social issues, environment, biodiversity and climate change, social as well as other E&S issues and reputational risk. Other monitoring measures include on-site visits of investment project and city project(s). S&E validation is done by independent technical advisors, consultations are held with the public authorities. Compliance with the SEMS criteria is included in all contracts that are signed between the Strategy and the investment project. All financing documents include the clauses on social and environmental standards. Potential deviations could cause obligatory repayments.

The Strategy's SEMS is accessable at the fund's web page: https://www.eeef.lu/social-environmental-standards.html

SUSTAINABLE ENERGY STRATEGY'S HOLISTIC SEMS APPROACH

PI Investments	Direct Investments	Financial Institution Investments

Investment Due Diligence Process

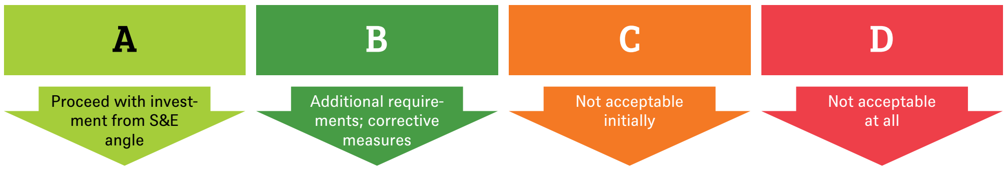
Due Diligence

_ Partner Institution completes the Social & Environmental (S&E) Due Diligence Questionnaire aligned with IFC Performance Standards

_ Environmental (Social) Impact Assessment to be provided potentially for Direct Investments as defined in the EIA Directive (EU's Enviornmental Impact Assessment Directive)

_ Based on due diligence outcome, categorisation according to S&E Scoring Sheet by the Investment Manager - in line with the S&E Risk Categorisation Matrix

Project Categorisation



S&E Monitoring and Reporting

_ Ad hoc reports as well as Annual S&E Compliance Certificate to be provided by PIs

Dynamic Investment Re-/Categorisation

_ S&E Monitoring and Reporting is leading to an active evaluation of the investments

_ Re-categorisation if required, corrective measures to be applied

Notes: EIA (Environmental Impact Assessment), PI (Partner Institution), IM (Investment Manager)

Principle 6

Monitor the progress of each investment in achieving impact against expectations and respond appropriately.

The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. **The Manager shall also seek to use the results framework to capture investment outcomes.**

Sustainable Energy Strategy

As stated in the investment guidelines of the Strategy, one key eligibility criteria for the Strategy's funding is that projects should demonstrate on an annual basis at least 30% primary energy savings and/or at least 30% CO2e savings [5]compared to baseline. To ensure the impact assessment, energy consumption, CO2e emissions and primary energy savings of each project are tracked quarterly and monitored in line with international protocols as outlined under Principle 4. As an integral part of the general eligibility criteria of the Strategy, the investment also has to comply with its Social Environmental Management System (SEMS).

To determine the impact of the Strategy's investments through measuring, monitoring and verification processes (M&V), the Strategy's technical criteria need to be assessed based on the project's technology and loan size; for example, small standard (e. g. street lighting) project savings can be calculated using validated calculations from the Investment Manager's carbon environment impact management (CEIM) proprietary tool. For projects with higher investment volumes and/or more complex technologies, detailed energy audits are required in the form of third-party validated reports. The data are based on estimations for projects under construction and with less than one year of operations and actual data for projects which have been in operation for over one year. At the same time, social and environmental responsibility (e.g. labour standards) of the project itself as well as the partner institution is also to be examined and observed on a regular basis by means of periodic SEMS questionnaire. We also require the project company to specify other positive S&E impacts that the invested project brings about to the local community, for example, possible improvement of citizens' security in the case of street lighting upgrade to the modern types.

The Investment Manager will ensure that all projects comply with the terms and conditions agreed prior to the investment. This includes regular (quarterly and annual) review of carbon, environment and impact performance. Primary energy and carbon savings in absolute and percentage terms are included within quarterly and annual reports of the Strategy, both in terms of Internal Investor Reports and reports issued on the Strategy's website. Potential work-out scenarios, restructurings, terminations and any other potential follow-up issues will be performed by the Investment Manager, if material deviation occurs.
The Strategy's impact report is prepared and published on annual basis and is available on the fund's web page: https://www.eeef.lu/impact-reports.html

[5] The energy / CO2 savings are compared to the baseline when the fund commenced the relevant investment project. It also excludes building sector to which a lower percentage might apply.

Principle 7

Conduct exits considering the effect on sustained impact.

When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

Sustainable Energy Strategy

The Strategy is designed as an evergreen instrument, so it is envisaged that the debt instruments are held to maturity. In case the Strategy decides to sell its project participation (e.g. in the CHP plants) before end of life, the plants will continue to operate, the sustainability of the impact is not affected.

Principle 8

Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

Sustainable Energy Strategy

The Strategy collects quarterly and annually the energy consumptions and projects savings details from each investment project. Energy consumption and carbon and primary energy savings analysis will be carried out on both inter-project and cross-project level. This continuous assessment of impact allows us to investigate a number of factors that could bring about the year-on-year variances, such as weather advances in static data. This also means that the Investment Manager would question investee companies and look into the discrepancy in the expected and actual impact data. Respective actions will be taken in accordance with the financing agreements when necessary. The Strategy monitors, reviews and documents the impact contribution from its funded projects throughout the lifetime of investments and publishes the reports on its website.

Principle 9

Publicly disclose alignment with the Principles and provide regular independent verification of the alignment.

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

We affirm our commitment to publicly disclose alignment with the Impact Principles annually on DWS website and provide independent verification of the alignment.

The impact management systems and practices of the Strategy from DWS SI was reviewed by BlueMark, a Tideline company in December 2021. The independent verification report on the alignment of the Strategy with the Impact Principles has been completed on December 16, 2021. The verification report is available as a separate document. This verification will be performed on a regular basis at no later than three-year intervals, or earlier if there is a significant change to the impact management processes. However, exceptions to the latter review cycle could occur due to extraordinary operational/strategic business circumstances and pursuant to that no material changes have occurred.

Information on the current independent verifier is as follows:

BlueMark (a subsidiary of Tideline Advisors, LLC). BlueMark has office locations in London, UK; New York, NY; Portland, OR; and San Francisco, CA and is headquartered at 915 Battery St, San Francisco, CA 94111, USA.

Link to the most recent verfication statement: https://www.eeef.lu/social-environmental-standards.html?file=files/downloads/Social-and-Environmental-Standards/eeef_BlueMark-Verifier-Statement_12-2021.pdf&cid=1289