

**Excerpt from DWS  
report to CDP Climate  
Change Questionnaire  
2022**

## C-FS3.6

### Does the policy framework for your portfolio activities include climate-related requirements for clients/investees, and/or exclusion policies?

Yes, our policies include climate-related requirements that clients/investees need to meet

## C-FS3.6a

### Provide details of the policies which include climate-related requirements that clients/investees need to meet.

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#### Portfolio

- Investing (Asset manager)

#### Type of policy

- Engagement policy
- Sustainable/Responsible Investment Policy
- Investment policy/strategy
- Proxy voting
- Active ownership policy

#### Portfolio coverage of policy

- 55

#### Policy availability

- Publicly available

#### Documents relevant to your policy

- dws-real-estate-esg-framework-082036 (7).pdf
- DWS Corporate Governance and Proxy Voting Policy 2022.pdf
- DWS\_Policy\_ESG Integration Policy for Active\_september 2021\_policy portal\_clean.pdf
- Final+ESG+Integration+Policy+for+EMEA+Passive+Investment+Management+Blackline.pdf
- Engagement Policy\_Mar2022\_20052022 (2).pdf

#### Criteria required of clients/investees

- Disclosure of Scope 1 emissions
- Disclosure of Scope 2 emissions
- Set a science-based emissions reduction target
- Set an emissions reduction target
- Be on track to achieving a science-based emissions reduction target
- Develop a climate transition plan

### **Value chain stages of client/investee covered by criteria**

- Direct operations and supply chain

### **Timeframe for compliance with policy criteria**

- No timeframe

### **Industry sectors covered by the policy**

- Energy
- Materials
- Capital Goods
- Commercial & Professional Services
- Transportation
- Automobiles & Components
- Consumer Durables & Apparel
- Consumer Services
- Retailing
- Food & Staples Retailing
- Food, Beverage & Tobacco
- Household & Personal Products
- Health Care Equipment & Services
- Pharmaceuticals, Biotechnology & Life Sciences
- Software & Services
- Technology Hardware & Equipment
- Semiconductors & Semiconductor Equipment
- Telecommunication Services
- Media & Entertainment
- Utilities
- Real Estate

### **Exceptions to policy based on**

- Geography
- Line of Business
- Products and services

### **Explain how criteria coverage and/or exceptions have been determined**

We interpret item C-FS3.6a as asking for which part of DWS's overall business line portfolio is covered by overarching responsible investment frameworks, policies for the incorporation of ESG (including research handbooks that operationalize the ESG approaches and include best practices and minimum expectations towards our investment professionals), Engagement Policies / Active Ownership Policies or Policies on Corporate Governance and Proxy Voting. All of these include climate-related requirements that investees need to meet. It is important to note that requirements articulated in these DWS internal or external documents do not by construction lead to a good ESG portfolio rating. For DWS ESG AuM please refer to pages 41 et seq. of DWS Group Annual Report 2021. On a single financial product level DWS specifies certain investment policies and investment guidelines so that the figure above (see 55% above), would also consider all of DWS ESG AuM, Art 8 basic (excluding high climate and transition risk, significant coal involvement, etc.) or even Art 6 minimum exclusions (as they also exclude CTRR-F). We acknowledge that for certain asset classes, products and jurisdictions we have not yet articulated sustainability related requirements as part of the investment process or engagement potential is challenging.

In context of our commitment to the Net Zero Asset Managers initiative (NZAM) in 2020 and our 2030 interim target submission in 2021, we have identified key levers towards achieving our net zero targets: engagement (self-decarbonization), shift in our

product mix or portfolio re-allocation. For the selection of strategic and focus list in our **engagement framework, absolute emissions, SBT, net zero transition plans have been among the selection criteria**. Please refer to page 2 of DWS Investment GmbH's Active Ownership Engagement and Proxy Voting Report 2021 for the scope of our engagement framework or our Engagement Policy.

## C-FS3.7

**Does your organization include climate-related requirements in your selection process and engagement with external asset managers?**

	<b>Climate-related requirements included in selection process and engagement with external asset managers</b>	<b>Primary reason for not including climate-related requirements in selection process and engagement with external asset managers</b>	<b>Explain why climate-related requirements are not included in selection process and engagement with external asset managers and your plans for the future</b>
Row 1	Not applicable, because we do not have externally managed assets	Other, please specify: DWS is an asset manager and not an asset owner. To the extent we invest in third party managed mutual funds we have a screening process available.	Not applicable, because we do not have externally managed assets

## C4.1a

**Provide details of your absolute emissions target(s) and progress made against those targets.**

### Target reference number

- Abs 1

### Year target was set

- 2021

### Target coverage

- Company-wide

### Scope(s)

- Scope 1
- Scope 2
- Scope 3

### Scope 2 accounting method

- Market-based

**Scope 3 category(ies)**

- Category 6: Business travel

**Base year**

- 2019

**Base year Scope 1 emissions covered by target (metric tons CO2e)**

- 1,643

**Base year Scope 2 emissions covered by target (metric tons CO2e)**

- 3,976

**Base year Scope 3 emissions covered by target (metric tons CO2e)**

- 8,191

**Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**

- 13,810

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

- 76

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

- 100

**Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

- 100

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

- 96

**Target year**

- 2025

**Targeted reduction from base year (%)**

- 37.96

**Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]**

- 8,567.724

**Scope 1 emissions in reporting year covered by target (metric tons CO2e)**

- 1,232

**Scope 2 emissions in reporting year covered by target (metric tons CO2e)**

- 1,864

**Scope 3 emissions in reporting year covered by target (metric tons CO2e)**

- 1,021

## **Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**

- 4,117

## **% of target achieved relative to base year [auto-calculated]**

- 184.9006042414

## **Target status in reporting year**

- Underway

## **Is this a science-based target?**

- No, but we anticipate setting one in the next 2 years

## **Target ambition**

- Not Applicable

## **Please explain target coverage and identify any exclusions**

DWS has limited operational control of its corporate real estate, with the management of all locations currently outsourced to DB Group. While this remains the case, associated DWS emission targets for energy consumption and renewable electricity are aligned to those of DB Group.

The absolute target outlined above reflects the emissions target based on our existing public commitments to source 100% renewable electricity by 2025, to reduce total energy consumption by 20% by 2025 and to reduce travel emissions by 25% by 2022, all against a 2019 base year. All of these initiatives are currently being implemented and cover our Scope 1+2 operational emissions with the exception of emissions from fleet vehicles, as well as emissions from business travel. On this basis, compared with a total Scope 1+2 plus Scope 3 business travel emissions from 2019 of 14,335 tCO<sub>2</sub>e, 13,810 tCO<sub>2</sub>e (96%) of emissions within this baseline are within scope of the interventions.

Note that in addition to these current targets, as outlined on page 15 of the DWS Climate Report 2021, during 2021 we conducted a rigorous review of our operational emissions against a 2019 baseline and are in the process of formulating a methodology to substantiate our operational emissions by 2030 that is consistent with SBTi methodology.

The proposed interventions build on existing targets outlined above re: reducing energy consumption, sourcing renewable electricity and reducing travel emissions and are targeted at delivering enhanced emission reductions by 2030 that, at a minimum, will comply with SBTi requirements, both in terms of GHG boundary scope and emission reductions delivered. Planned interventions are expected to range from corporate real estate to fleet to business travel initiatives.

## **Plan for achieving target, and progress made to the end of the reporting year**

DWS has limited operational control of its corporate real estate, with the management of all locations currently outsourced to DB Group. While this remains the case, associated DWS emission targets for energy consumption and renewable electricity are aligned to those of DB Group.

Sourcing of renewable electricity has increased to 91% during 2021, ahead of our interim target of 85% by 2022 and on track for 100% by 2025 through continuing to expand the purchase of energy attribute certificates such as renewable energy certificates (RECs) and also power purchase agreements, where appropriate. This compares with 77% renewably sourced electricity in 2020.

Total energy consumption has reduced by 17% during 2021 compared with 2019, an improvement against a reduction of 15% in 2020 compared with 2019. In part, this has been reflective of reduced office occupancy during the Covid-19 pandemic and enforced remote working, but the reduction is also reflective of a series of operational measures being delivered to ensure more efficient use of office space. These measures range from increasing energy efficiency e.g., through installation of LED lighting across our offices to more effective and efficient use of air conditioning / heating, to actively challenging whether office space can be reduced. We plan to achieve our target through continuing to commit to critical assessment of these factors and delivering a meaningful emissions abatement strategy.

Emissions from business travel have reduced by 88% in 2021 compared with 2019. While we recognise that 2020 and 2021 were severely impacted by Covid-19, our plan to achieve this target is underpinned by our internal guiding principle to avoid all non-essential travel. To ensure that we continue to manage down our travel emissions and deliver upon our 2022 target, a more rigorous internal process has been established to ensure that essential business travel is prioritised and we encourage staff to utilise effectively the technology solutions that facilitate virtual meetings, where appropriate.

Within our expected enhanced SBTi-aligned operational emission targets, we expect for the above interventions to be built upon by including measures targeted at transitioning to an electric fleet, exploring the procurement of biogas, exploring the ability to reduce office space and lowering travel emission targets further still through reducing the volume of business travel and prioritising greener modes of transport.

### **List the emissions reduction initiatives which contributed most to achieving this target**

Not Applicable

## **C-FS4.1d**

### **Provide details of the climate-related targets for your portfolio.**

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#### **Target reference number**

- Por1

#### **Year target was set**

- 2021

#### **Portfolio**

- Investing (Asset manager)

#### **Product type/Asset class/Line of business**

- Fixed income
- Listed equity
- Real estate/property
- Infrastructure
- Commodities
- Other, please specify

As new methodologies and emission data become available, additional financial instruments may be included and we aim to further increase the initial asset scope of 35.4% of our AuM over time.

#### **Sectors covered by the target**

- All sectors

#### **Portfolio coverage of target**

- 38.59

#### **Target type**

- Portfolio emissions

#### **Target type: Absolute or intensity**

- Intensity

**Scopes included in temperature alignment**

- Not Applicable

**Metric (or target numerator if intensity)**

- tCO2e

**Target denominator**

- Million revenues (unit currency as reported in C0.4)

**Base year**

- 2019

**Figure in base year**

- 170

**Percentage of portfolio emissions covered by the target**

- 59.47

**Interim target year**

- 2030

**Figure in interim target year**

- 85

**Target year**

- 2050

**Figure in target year**

- 0

**Figure in reporting year**

- 162

**% of target achieved relative to base year [auto-calculated]**

- 4.7058823529

**Aggregation weighting used**

- Not Applicable

**Proportion of portfolio emissions calculated in the reporting year based on asset level data**

- 100

**Proportion of the temperature score calculated in the reporting year based on company targets**

- Not Applicable

**Target status in reporting year**

- New

**Is this a science-based target?**

- No, but we anticipate setting one in the next 2 years



## Target ambition

- Not Applicable

## Please explain target coverage and identify any exclusions

As NZAM signatory, DWS set its 2030 interim target in line with achieving net zero by 2050 in November 2021. On the defined in-scope assets, DWS seeks to achieve a 50% reduction in Weighted Average inflation-adjusted financial Carbon Intensity (WACI adj.) related to Scope 1 + 2 emissions by 2030, compared to base year 2019. SBTi provides the reference for DWS on our path to net zero. We are working towards underpinning this overall NZAM headline target with science-based target(s). Our portfolio emissions target is not based on a regulatory requirement.

Metric and target: While our interim target is based on WACI adj. as proposed by De Nederlandsche Bank, in context of this report, DWS reports the climate impact of our portfolios using a non-adjusted WACI to be consistent with the requested metrics and definitions. The preliminary year-on-year reduction in the non-adjusted WACI is approx. ~7.4% (4.7%) incl. (excl.) different effects leading to an adjusted baseline. The comparable reduction in the inflation adjusted WACI (incl. baseline effects) is ~6.3%.

Initial scope: Following SBTi guidance, DWS put assets in scope for which credible decarbonisation methods and data exist. This includes required and certain 'optional' activities / asset classes, i.e. financial instruments (equities, corporate bonds, Liquid Real Assets and many direct real estate and infrastructure investments) primarily in mutual funds, but also in selected individually managed institutional accounts.

Two categories of assets are currently out of scope: (1) Mandates from institutional clients, who have not yet themselves committed to net zero. (2) Asset classes managed in DWS legal entities in geographic locations that have known regulatory or legal requirements regarding any change to investment processes, including approval from independent fund boards. These are in geographies where emissions accounting and decarbonisation methodologies do exist in principle.

It is our priority to work closely with clients, fund boards and legal entities on our decarbonisation goals to put more assets in scope over time and in line with further regulation and evolving methodologies.

Approx. 40% of our total global AuM is invested in asset classes where no agreed net zero or emissions accounting methodology exists. We aim to continue to work actively with SBTi, NZAM and other standards and organisations to develop measurement methods for these asset classes.

## C4.2c

### Provide details of your net-zero target(s).

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#### Target reference number

- NZ1

#### Target coverage

- Company-wide

**Absolute/intensity emission target(s) linked to this net-zero target**

- Abs1
- Por1

**Target year for achieving net zero**

- 2050

**Is this a science-based target?**

- No, but we anticipate setting one in the next 2 years

**Please explain target coverage and identify any exclusions**

At our Annual General Meeting (AGM) in November 2020, we expressed our ambition to become climate-neutral in our actions, in line with the Paris Agreement, and well ahead of 2050. As a next step we became a founding signatory of the Net Zero Asset Managers initiative (NZAM) in December 2020. In November 2021, DWS set its 2030 interim decarbonisation target (see Por1) as part of the NZAM initiative, in line with achieving net zero by 2050. The Science Based Targets Initiative (SBTi) provides the reference for DWS on its path to net zero.

**Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?**

- Unsure

**Planned milestones and/or near-term investments for neutralization at target year**

- Not Applicable

## C-FS4.5

**Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of climate change?**

Yes

### C-FS4.5a

**Provide details of your existing products and services that enable clients to mitigate and/or adapt to climate change, including any taxonomy used to classify the products(s).**

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### Product type/Asset class/Line of business

- Investing
- Mutual funds

### Taxonomy or methodology used to classify product

- Internally classified

### Description of product

DWS designed and implemented its proprietary Climate and Transition Risk Rating (CTRR) in 2019 with an initial focus on carbon emissions. Today, CTRR highlights potential risks and opportunities associated with carbon emissions and water. We are currently exploring how to incorporate other environmental factors into the investment process such as forestry and biodiversity.

The CTRR and other climate relevant information are made available through the ESG Engine, our proprietary database, which covers most listed asset classes and uses five external ESG data providers. The ESG Engine is predominantly used by Active investment professionals. In 2021, we added CTRR data for sovereigns to the ESG Engine.

The proprietary CTRR is a building block for managing climate-related risks and opportunities in our investments. Certain of our European domiciled actively managed retail mutual funds apply certain DWS ESG Filters ("DWS Basic Exclusions" or "DWS ESG Investment Standard"). Both filters exclude issuers with excessive climate risk profiles as investments. The "DWS ESG Investment Standard" filter goes beyond the "DWS Basic Exclusions" filter by limiting the investment in issuers with high climate risk profile to 5% of the fund's assets.

### Product enables clients to mitigate and/or adapt to climate change

- Mitigation
- Adaptation

### Portfolio value

- **EUR 157,285,323,682**
- USD 178.864.870.091,1700<sup>1</sup>

### % of total portfolio value

- 16.95

### Type of activity financed/insured or provided

Other, please specify

Opportunities and risks of a company when transitioning to a carbon-free or low-carbon world as well as management and severity of water risks on a company's operational business

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### Product type/Asset class/Line of business

- Investing
- Fixed Income

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<sup>1</sup> Converted from EUR to USD using conversion rate as in DWS Annual Report 2021 as of 31/12/2021 = 1,1372.

## Taxonomy or methodology used to classify product

- Internally classified

## Description of product

The Xtrackers USD Corporate Green Bond UCITS ETFs and Xtrackers EUR Corporate Green Bond UCITS ETFs are DWS's first ETFs in the corporate green bond category. By including corporates and selected agencies while excluding sovereign issuers, the fund complements traditional and ESG offerings by providing investors with impact-aligned investment grade corporate exposure. Securities are independently evaluated by MSCI ESG Research along four dimensions to determine whether they should be classified as a green bond. These eligibility criteria reflect themes articulated in the Green Bond Principles.

## Product enables clients to mitigate and/or adapt to climate change

- Mitigation
- Adaptation

## Portfolio value

- **EUR 344,549,757**
- USD 391.821.983,6604<sup>2</sup>

## % of total portfolio value

- 0.04

## Type of activity financed/insured or provided

- Green buildings and equipment
- Low-emission transport
- Renewable energy
- Carbon removal
- Nature-based solutions
- Fortified buildings
- Sustainable agriculture

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## Product type/Asset class/Line of business

- Investing
- Fixed Income

## Taxonomy or methodology used to classify product

- Internally classified

## Description of product

DWS Invest Green Bonds: The fund invests at least 70% of its assets in green bonds that meet the DWS Minimum Green Bond Standards. Up to 30% can be invested in corporate bonds that meet DWS's minimum criteria for sustainability. At least 80% will

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<sup>2</sup> Converted from EUR to USD using conversion rate as in DWS Annual Report 2021 as of 31/12/2021 = 1,1372.

be invested in interest-bearing debt securities that are investment grade at the time of purchase. The sub-fund systematically hedges the foreign currency risk. Derivatives can be used for investment and hedging purposes.

### **Product enables clients to mitigate and/or adapt to climate change**

- Mitigation
- Adaptation

### **Portfolio value**

- **EUR 180,309,113**
- USD 205.047.523,3036<sup>3</sup>

### **% of total portfolio value**

- 0.02

### **Type of activity financed/insured or provided**

- Green buildings and equipment
- Low-emission transport
- Renewable energy
- Nature-based solutions
- Sustainable agriculture

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### **Product type/Asset class/Line of business**

- Investing
- Other, please specify
- Sustainable Investments in Alternatives

### **Taxonomy or methodology used to classify product**

- Internally classified

### **Description of product**

DWS has 25 years track record in impact investing over various themes, including in climate change mitigation and adaptation. Impact investing is where the fund directly creates positive change, where there is a problem, an underserved need (the planet and people who are most affected from climate change).

### **Current impact funds include the following:**

1. The European Energy Efficiency Fund (EEEF) and the African Agriculture and Trade Investment Fund (AATIF) are long-standing private debt strategies with 10 years of investment history. EEEF seeks to address climate change in the EU 27 through a European energy efficiency strategy. AATIF addresses sustainable agriculture in Africa as the most vulnerable segment and region from climate change.
2. The China Renewable Energy Fund (CREF) is designed to facilitate equity ownership in renewables for a NetZero corporate and its suppliers via a fund structure that accrues carbon credits from wind and solar project investments in China and thus addressing their carbon footprint.

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<sup>3</sup> Converted from EUR to USD using conversion rate as in DWS Annual Report 2021 as of 31/12/2021 = 1,1372.

3. The Clean Energy and Environment Fund (CEEF) seeks to directly address pollution and environmental contamination in China by investing in environmental solution providers. Sample portfolio companies include cleantech firms specializing in greenhouse gas emission reductions and industrial solid waste recycling.
4. In 2021, DWS entered into an agreement with the UN Green Climate Fund to set up the Universal Green Energy Access Programme, which would invest in mini-grid/off-grid renewable energy to supply clean electricity to businesses and households and address access to electricity where electrification is low in selected African countries.

#### **Product enables clients to mitigate and/or adapt to climate change**

- Mitigation
- Adaptation

#### **Portfolio value**

- **EUR 649,849,795**
- USD 739.009.186,8740<sup>4</sup>

#### **% of total portfolio value**

- 0.07

#### **Type of activity financed/insured or provided**

- Renewable energy
- Emerging climate technology, please specify
- cleantech firms specializing in greenhouse gas emission
- Sustainable agriculture

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#### **Product type/Asset class/Line of business**

- Investing
- Listed Equity

#### **Taxonomy or methodology used to classify product**

- Internally classified

#### **Description of product**

DWS Invest ESG Climate Tech: The Fund management invests worldwide in companies whose business activities are predominantly geared to counteracting climate change or mitigating its effects. The management focuses on companies that contribute to sustainable energy generation, the expansion of an efficient energy network, the increase of energy efficiency and thus the reduction of greenhouse gases. In addition, public limited companies in the healthcare sector, water and agriculture as well as disaster protection are included

#### **Product enables clients to mitigate and/or adapt to climate change**

- Mitigation
- Adaptation

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<sup>4</sup> Converted from EUR to USD using conversion rate as in DWS Annual Report 2021 as of 31/12/2021 = 1,1372.

**Portfolio value**

- **EUR 778,775,544**
- USD 885.623.548,6368<sup>5</sup>

**% of total portfolio value**

- 0.08

**Type of activity financed/insured or provided**

- Green buildings and equipment
- Low-emission transport
- Renewable energy
- Carbon removal
- Nature-based solutions
- Sustainable agriculture
- Paperless/digital service

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**Product type/Asset class/Line of business**

- Investing
- Listed Equity

**Taxonomy or methodology used to classify product**

- Externally classified using other taxonomy or methodology, please specify
- EU Climate Benchmark

**Description of product**

DWS Invest Qi Global Climate Action Fund: The fund aims to generate long-term capital appreciation for investors seeking exposure to global equities with less volatility than the MSCI World NDR index. Furthermore, the fund management is focusing on constructing a portfolio that is expected to have a substantially lower carbon intensity in comparison to the broad equity market. Stock selection and portfolio construction are based on quantitative methods to achieve an attractive risk/return-profile. The resulting "conservative" portfolio is designed to provide capital appreciation with reduced risk. DWS Invest Qi Global Climate Action will invest in economic activities that contribute to the objective of reducing carbon emissions in view of achieving the long-term global warming objectives of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change.

**Product enables clients to mitigate and/or adapt to climate change**

- Mitigation

**Portfolio value**

- **EUR 46,663,016**
- USD 53.065.181,7952<sup>5</sup>

**% of total portfolio value**

- 0.01

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<sup>5</sup> Converted from EUR to USD using conversion rate as in DWS Annual Report 2021 as of 31/12/2021 = 1,1372.

### Type of activity financed/insured or provided

- Carbon removal
- 

### Product type/Asset class/Line of business

- Investing
- Other, please specify  
Assets in certified green labelled buildings and infrastructure assets in renewable energy, waste to energy, and energy transition

### Taxonomy or methodology used to classify product

- Internally classified

### Description of product

As of 31 December 2021, we had more than **EUR 23 billion** (USD 26,1556 billion<sup>6</sup>) of assets in certified green labelled buildings and nearly **EUR 1 billion** (USD 1,1372 billion<sup>6</sup>) green infrastructure assets in renewable energy, waste to energy, and energy transition:

- Our Real Estate business is looking into deliberately investing in brown buildings to significantly green them with an aim for Net Zero by 2050 or earlier. DWS sees this as critical contribution for European cities where buildings exist and should not be torn down for their embedded carbon. The Real Estate business has committed to Net Zero one year ahead of DWS with absolute target for Net Zero by 2050 or earlier including Scope 3.
- Our infrastructure business has also started to invest in sustainable infrastructure whereby the funds would partially address sustainability with >50% AUM aligned with taxonomy addressing decarbonization.

### Product enables clients to mitigate and/or adapt to climate change

- Mitigation
- Adaptation

### Portfolio value

- **EUR 24,000,000,000**
- USD 27.292.800.000,0000<sup>6</sup>

### % of total portfolio value

- 2.59

### Type of activity financed/insured or provided

- Green buildings and equipment
  - Renewable energy
  - Emerging climate technology, please specify
  - waste to energy, energy transition
- 

<sup>6</sup> Converted from EUR to USD using conversion rate as in DWS Annual Report 2021 as of 31/12/2021 = 1,1372.



**Product type/Asset class/Line of business**

- Investing
- Fixed Income

**Taxonomy or methodology used to classify product**

- Internally classified

**Description of product**

The DWS Invest Low Carbon Bonds Fund aims to outperform of the Solactive ISS Paris Aligned Select Euro Corporate IG Index. The carbon intensity of the portfolio must be at least 50% below that of the broad investable universe (measures by iBoxx EUR Corporate All index) and at least 7% yoy reduction of the portfolio's carbon intensity (versus date of fund launch) is targeted. Issuers who generate more than 1% of their revenues from coal are excluded from the investment universe. The fund provides an attractive investment solution for credit investors that wish to align their portfolio with Paris carbon reduction targets.

**Product enables clients to mitigate and/or adapt to climate change**

- Mitigation
- Adaptation

**Portfolio value**

- **EUR 64,780,173**
- USD 73.668.012,7356<sup>7</sup>

**% of total portfolio value**

- 0.01

**Type of activity financed/insured or provided**

- Carbon removal
- 

**Product type/Asset class/Line of business**

- Investing
- Other, please specify  
Passively managed institutional mandates with decarbonization approach

**Taxonomy or methodology used to classify product**

- Internally classified

**Description of product**

We have a few passively managed mandates for institutional clients deploying a decarbonization approach. One portfolio for example tracks the Solactive ISS ESG Developed Markets Net Zero Pathway PAB index as a benchmark. Other portfolios reduce scope 1 and 2 emissions by 20% relative to the MSCI EM Index or the MSCI World index. Another portfolio replicates

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<sup>7</sup> Converted from EUR to USD using conversion rate as in DWS Annual Report 2021 as of 31/12/2021 = 1,1372.

50% the MSCI World Low Carbon Target index and 50% the Bloomberg Barclays MSCI Global Green Bonds index. It is planned to incorporate a decarbonization approach in further portfolios in the course of 2023.

#### **Product enables clients to mitigate and/or adapt to climate change**

- Mitigation
- Adaptation

#### **Portfolio value**

- **EUR 2,345,000,000**
- USD 2.666.734.000,0000<sup>7</sup>

#### **% of total portfolio value**

- 0.25

#### **Type of activity financed/insured or provided**

- Carbon removal
- 

#### **Product type/Asset class/Line of business**

- Investing
- Listed Equity

#### **Taxonomy or methodology used to classify product**

- Internally classified

#### **Description of product**

The investment objectives of the Funds are to track the of the respective Solactive ISS ESG Net Zero Pathway Index. The indexes are designed to reflect the performance of large and medium capitalisation companies which are selected and weighted with the aim of seeking alignment with EU Paris-aligned Benchmark ("EU PAB") standards. The Indices also implement recommendations published by the IIGCC on their Net Zero Investment Framework. Examples include Xtrackers World Net Zero Pathway Paris Aligned UCITS ETF and Xtrackers EMU Net Zero Pathway Paris Aligned UCITS ETF.

#### **Product enables clients to mitigate and/or adapt to climate change**

- Mitigation
- Adaptation

#### **Portfolio value**

- **EUR 31,907,000**
- USD 36.284.640,4000<sup>8</sup>

#### **% of total portfolio value**

- 0.01

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<sup>8</sup> Converted from EUR to USD using conversion rate as in DWS Annual Report 2021 as of 31/12/2021 = 1,1372.

### **Type of activity financed/insured or provided**

- Green buildings and equipment
- Low-emission transport
- Renewable energy
- Carbon removal
- Nature-based solutions
- Fortified buildings
- Sustainable agriculture

## **C11.2**

**Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

## **C-FS12.1b**

**Give details of your climate-related engagement strategy with your clients.**

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### **Type of clients**

- Clients of Asset Managers (Asset owners)

### **Type of engagement**

- Education/information sharing

### **Details of engagement**

- Other, please specify  
(i.e. impact of engagement)

### **% client-related Scope 3 emissions as reported in C-FS14.1a**

- -

### **Portfolio coverage (total or outstanding)**

- -

### **Rationale for the coverage of your engagement**

- Non-targeted engagement

### **Impact of engagement, including measures of success**

DWS is striving to embed ESG & sustainability in its client interactions alongside other dimensions across the entire value chain.

We established the position of ESG Client Officer in 2021. This role ensures that sustainability issues and opportunities are central to our strategic client relationships. Additionally, over 25 ESG Ambassadors, organized regionally and along distribution / client channels, coordinate regional sustainability solutions for our clients working with investment professionals and product experts.

In our home market of Germany, we held several workshops with institutional & wholesale clients throughout 2021 related to ESG topics (e.g. climate impact, regulatory aspects, NetZero implementation, etc.). We also hosted an “ESG Corporate Day” for our German institutional clients with over 80 clients participating in the hybrid event.

Furthermore, we provide a broad range of market analysis, sustainability and climate research, webinars & ESG related investment tools (videos, podcasts, etc.) available to clients.

Examples of client engagement have ranged from information exchanges and know-how transfer to a series of client workshops on how to implement decarbonization strategies into various portfolios and investment mandates for both European and US based clients.

We have seen growing demand from clients for ESG and climate specific solutions across active, passive, and alternative investments. In 2021, ESG products and strategies accounted for ~40% of our **EUR 47.7 billion** (USD 54,244 billion<sup>9</sup>) of DWS’ annual net inflows (see [Q4 2021 Quarterly Statement](#))

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### Type of clients

- Clients of Asset Managers (Asset owners)

### Type of engagement

- Education/information sharing

### Details of engagement

- Provide asset owner clients with information and analytics on net zero investing and climate risk and opportunity

### % client-related Scope 3 emissions as reported in C-FS14.1a

- 6

### Portfolio coverage (total or outstanding)

- 9

### Rationale for the coverage of your engagement

- Engagement targeted at clients with increased climate-related opportunities

### Impact of engagement, including measures of success

The above values for „% client-related Scope 3 emissions as reported in C-FS14.1a” and “Portfolio coverage (total or outstanding)” represent only a sample for our climate-related client engagements and are not considered comprehensive. A comprehensive tracking of such KPIs in connection to climate-related client engagements is currently being established.

### Exemplary engagement impact for this sample:

We held: 4 Workshops in 2021 (one technical workshop and three regional workshops), 8 additional alignment and advisory meetings where details of the methodology were discussed and defined. Alignment of a global methodology and data source were discussed.

Through this engagement, the sample has already committed to even accelerate the level of climate-related action in some regions. Whilst only Scope 1+2 based on CO2 Intensity was initially followed our engagement led to:

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<sup>9</sup> Converted from EUR to USD using conversion rate as in DWS Annual Report 2021 as of 31/12/2021 = 1,1372.

- a) consider forecasts in the management of the assets
- b) expand into scope 3 soon
- c) become more ambitious on intermediate targets

This is also due to the fact that we were able to demonstrate a framework of climate transition ratings, Paris Alignment and the existing portfolio constraints achieving their goals reliably. In addition, the proactive behaviour of the dedicated portfolio managers to consider carbon intensity during the time of discussions already, did create additional comfort with DWS as a reliable partner in this space.

## C-FS12.1c

**Give details of your climate-related engagement strategy with your investees.**

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### **Type of engagement**

- Information collection (Understanding investee behavior)

### **Details of engagement**

- Include climate-related criteria in investee selection / management mechanism
- Climate-related criteria is integrated into investee evaluation processes

### **% scope 3 emissions as reported in C-FS14.1a/C-FS14.1b**

- 39

### **Investing (Asset managers) portfolio coverage**

- 12

Rationale for the coverage of your engagement

Engagement targeted at investees with increased climate-related risks

### **Impact of engagement, including measures of success**

DWS Group GmbH & Co. KGaA is the reporting legal entity towards CDP. AuM of our engagements, the scope 3 emissions and denominators are on firm-wide global basis. We explicitly point out that DWS Group carries out its engagement approach on legal entity (LE) basis/pooled voting rights approach. This approach is outlined on p.2 of our Active Ownership–Engagement & Proxy Voting Report 2021 and is applicable for funds of LEs DWS Investment GmbH based on delegation agreements. Funds domiciled outside of Europe have their own process based on different local regulatory requirements. For this reporting to CDP, our holdings and scope 3 emissions are on a global level despite the engagement being carried out on behalf of DWS legal entities domiciled in Europe. We do not discriminate our engagements between “Information collection and Engagement & incentivization”. We report the same % of scope 3 emissions and investing portfolio coverage for "information collection" as for "engagement & incentivization". DWS considers investee disclosure as the foundation for engagement and agree that it enables understanding investee behaviour. Every engagement report is structured differently: KPIs and measurement are defined at the beginning of an engagement and reviewed by DWS Engagement Council and monitored over time. In case engagement targets or KPIs are repeatedly missed they can be escalated accordingly. Those KPIs and time horizon are defined prior to engagement in the engagement report. Any explanation provided by issuers on their lack of responsiveness or concerns over a period and the likelihood of success are further determinants. The Engagement Council will perform a review of engagement progress & documentation and will then decide on next steps together with the respective engagement lead. We have an internal KOD for

the engagement council that covers relevant European LEs. This KOD covers best practices and expectations for the engagement lead when initiating engagements and following up on set targets and KPIs. We will choose the relevant escalation measure that we deem to be in the best interest of our clients. E.g. as the last step of engagement, it may resort to a closing dialogue that comprises a final intensive discussion with the issuer prior to potentially escalating our concerns publicly if applicable. The very last step of the escalation process is to consider, where possible and applicable, to reduce or fully divest the issuer from our portfolios.

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### **Type of engagement**

Engagement & incentivization (changing investee behavior)

### **Details of engagement**

Exercise active ownership

Support climate-related shareholder resolutions

Support climate-related issues in proxy voting

Implement a stewardship and engagement strategy, with a clear escalation and voting policy, that is consistent with our ambition for all assets under management to achieve net zero emissions by 2050 or sooner

Initiate and support dialogue with investee boards to set Paris-aligned strategies

Encourage better climate-related disclosure practices among investees

Encourage investees to set a science-based emissions reduction target

### **% scope 3 emissions as reported in C-FS14.1a/C-FS14.1b**

– 39

### **Investing (Asset managers) portfolio coverage**

– 12

### **Rationale for the coverage of your engagement**

– Engagement targeted at investees currently not meeting climate-related policy requirements

### **Impact of engagement, including measures of success**

DWS Group GmbH & Co. KGaA is the reporting legal entity towards CDP. AuM of our engagements, the scope 3 emissions and denominators are on firm-wide global basis. We explicitly point out that DWS Group carries out its engagement approach on legal entity (LE) basis/pooled voting rights approach. This approach is outlined on p.2 of our Active Ownership–Engagement & Proxy Voting Report 2021 and is applicable for funds of LEs DWS Investment GmbH based on delegation agreements. Funds domiciled outside of Europe have their own process based on different local regulatory requirements. For this reporting to CDP, our holdings and scope 3 emissions are on a global level despite the engagement being carried out on behalf of DWS legal entities domiciled in Europe. We do not discriminate our engagements between “Information collection and Engagement & incentivization”. We report the same % of scope 3 emissions and investing portfolio coverage for “information collection” as for “engagement & incentivization”. DWS considers investee disclosure as the foundation for engagement and agree that it enables understanding investee behaviour. Every engagement report is structured differently: KPIs and measurement are defined at the beginning of an engagement and reviewed by DWS Engagement Council and monitored over time. In case engagement targets or KPIs are repeatedly missed they can be escalated accordingly. Those KPIs and time horizon are defined prior to engagement in the engagement report. Any explanation provided by issuers on their lack of responsiveness or concerns over a period and the likelihood of success are further determinants. The Engagement Council will perform a review of engagement progress & documentation and will then decide on next steps together with the respective engagement lead. We have an internal KOD for the engagement council that covers relevant European LEs. This KOD covers best practices and expectations for the engagement lead when initiating engagements and following up on set targets and KPIs. We will choose the relevant escalation measure that we deem to be in the best interest of our clients. E.g. as the last step of engagement, it may resort to a closing

dialogue that comprises a final intensive discussion with the issuer prior to potentially escalating our concerns publicly if applicable. The very last step of the escalation process is to consider, where possible and applicable, to reduce or fully divest the issuer from our portfolios.

## C-FS12.2

**Does your organization exercise voting rights as a shareholder on climate-related issues?**

	Exercise voting rights as a shareholder on climate-related issues
Row 1	Yes

## C-FS12.2a

**Provide details of your shareholder voting record on climate-related issues.**

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**Method used to exercise your voting rights as a shareholder**

- Exercise voting rights directly

**How do you ensure your shareholder voting rights are exercised in line with your overall climate strategy?**

- n/a

**Percentage of voting disclosed across portfolio**

- 100

**Climate-related issues supported in shareholder resolutions**

- Climate transition plans
- Climate-related disclosures
- Aligning public policy position (lobbying)
- Emissions reduction targets
- Board oversight of climate-related issues
- Other, please specify
- This is our EMEA approach

**Do you publicly disclose the rationale behind your voting on climate-related issues?**

- Yes, for some
- 
- 

**Method used to exercise your voting rights as a shareholder**

- Exercise voting rights through an external service provider

**How do you ensure your shareholder voting rights are exercised in line with your overall climate strategy?**

- Vote tracking
- Include climate-related requirements in requests for proposals

- Other, please specify

For US: Our policy considers CERES recommendation on E&S matters contained in CERES Roadmap 2030. To ensure they're voted consistent to policy, these matters are regularly reviewed by Proxy Vendor Oversight, Portfolio Management & Corporate Governance.

#### **Percentage of voting disclosed across portfolio**

- 100

#### **Climate-related issues supported in shareholder resolutions**

- Climate transition plans
- Climate-related disclosures
- Aligning public policy position (lobbying)
- Emissions reduction targets
- Board oversight of climate-related issues

#### **Do you publicly disclose the rationale behind your voting on climate-related issues?**

- Not Applicable

## **C12.3**

### **Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?**

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#### **Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate**

- Yes, we engage indirectly through trade associations
- Yes, we engage indirectly by funding other organizations whose activities may influence policy, law, or regulation that may significantly impact the climate

#### **Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?**

- Yes

#### **Attach commitment or position statement(s)**

In 2020, DWS became a founding signatory of the Net Zero Asset Managers Initiative. As part of this initiative DWS committed to work with our asset owner clients to decarbonise investment portfolios and accelerate the contribution to achieving net zero emissions and thus limiting global warming to 1.5°C.

<https://www.netzeroassetmanagers.org/commitment/>

<https://www.netzeroassetmanagers.org/media/2021/12/NZAM-Commitment.pdf>

#8: "Engage with actors key to the investment system including credit rating agencies, auditors, stock exchanges, proxy advisers, investment consultants, and data and service providers to ensure that products and services available to investors are consistent with the aim of achieving global net zero emissions by 2050 or sooner."



**Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy**

In November 2021, DWS set its 2030 interim target in line with achieving net zero by 2050. We have set up a cross-divisional implementation programme to orchestrate the different net zero related activities and to ensure successful implementation. That programme provides regular progress updates to the DWS Group Sustainability Council (GSC).

Furthermore, in 2021, the DWS Group Sustainability Office (GSO) has set up a new approval process for new ESG related initiatives (commitments or memberships) to ensure that such new initiatives are in line with our group-wide sustainability strategy – and specifically our net zero approach.

**C-FS12.5**

**Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.**

	<b>Environmental collaborative framework, initiative and/or commitment</b>	<b>Describe your organization’s role within each framework, initiative and/or commitment</b>
Row 1	Asia Investor Group on Climate Change (AIGCC) CDP Signatory Ceres Valuing Water Initiative Climate Action 100+ Institutional Investors Group on Climate Change (IIGCC) International Corporate Governance Network (ICGN) Net Zero Asset Managers initiative Principle for Responsible Investment (PRI) Science-Based Targets Initiative for Financial Institutions (SBTi-FI) Task Force on Climate-related Financial Disclosures (TCFD) UNEP FI Other, please specify	Asia Investor Group on Climate Change (AIGCC) - Member; CDP Signatory - Signatory, Member, Commitment, Reporter; Ceres Valuing Water Initiative - Member; Climate Action 100+ - Signatory; Institutional Investors Group on Climate Change (IIGCC) - Board Member; International Corporate Governance Network (ICGN) - Committee Member; Net Zero Asset Managers initiative - Signatory and Member of the Advisory Group; Principle for Responsible Investment (PRI) - Signatory; Science-Based Targets Initiative for Financial Institutions (SBTi-FI) - Commitment; Task Force on Climate-related Financial Disclosures (TCFD) - Supporter; UNEP FI - Member; Other, please specifyX Berufsverband der Investment Professionals (DVFA) - Corporate Governance & Stewardship Commission and Sustainable Investment Commission - Member; Bundesverband Investment und Asset Management (BVI) - Sustainability Committee, Corporate Governance and Compliance working groups - Member; European Funds and Asset Management Association (EFAMA) - Responsible Investment and Corporate Governance working groups - Member; Global Institutional Governance Network (GIGN) - Member;

		<p>UK Stewardship Code - Signatory;</p> <p>UK The Investment Association (IA) - Member;</p> <p>Dutch Association of Investors for Sustainable Development (VBDO) - Member;</p> <p>European Financial Reporting Advisory Group (EFRAG) - In-kind donation;</p> <p>Forum Nachhaltige Geldanlagen (FNG) - Member;</p> <p>Global Impact Investing Network (GIIN) - Member;</p> <p>International Capital Markets Association (ICMA) - Member;</p> <p>Insurance Development Forum (IDF) - Member;</p> <p>Pension for Purpose - Member;</p> <p>Sustainable Finance Committee of the German Federal Government - Member;</p> <p>World Economic Forum (WEF) - Member;</p> <p>Ceres Investor Network on Climate Risk and Sustainability - Member;</p> <p>Climate Policy Initiative's (CPI) Global Innovation Lab for Climate Finance - Founding Member;</p> <p>Coalition for Climate Resilient Investments (CCRI) - Founding Member;</p> <p>EU Energy Efficiency Financial Institutions Group (EEFIG) - Founder and Steering Committee Member;</p> <p>Global Investor Statement on Climate Change - Member;</p> <p>Global Off-Grid Lighting Association (GOGLA) - Member;</p> <p>Green Climate Fund (GCF) - Accredited Entity Status;</p> <p>Investment Adviser Association (IAA) - Member;</p> <p>Better Buildings Partnership (BBP) - Member / Signatory of Climate Commitment;</p> <p>Building Research Establishment (BRE) - Member;</p> <p>Carbon Risk Real Estate Monitor (CRREM) - Member;</p> <p>European Association for Investors in Non-Listed Real Estate Vehicles (INREV) - Member;</p> <p>Global Infrastructure Investors Association (GIIA) - Founding Member;</p> <p>GRESB (Global Real Estate Sustainability Benchmark) - Member;</p> <p>Urban Land Institute (ULI) - Founding Member;</p> <p>US Department of Energy Better Buildings Challenge - Member;</p> <p>Operating Principles for Impact Management (OPIM) - Signatory;</p> <p>Schmalenbach Gesellschaft für Betriebswirtschaft - working group</p> <p>Integrated Reporting - Member;</p> <p>Value Reporting Foundation (VRF) - Business Network Member;</p>
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## C-FS14.1a

Provide details of your organization's portfolio emissions in the reporting year.

Investing (Asset manager)

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### Portfolio emissions (metric unit tons CO<sub>2</sub>e) in the reporting year

33,463,923.69

### Portfolio coverage

58.09

### Percentage calculated using data obtained from clients/investees

0.99

### Emissions calculation methodology

The Global GHG Accounting and Reporting Standard for the Financial Industry

### Please explain the details and assumptions used in your calculation

The total absolute emissions for listed equities and corporate bonds data is taken directly from our proprietary ESG Engine which takes emissions data directly from MSCI. This data has been aggregated across all relevant DWS legal entities and their investment vehicles by our dedicated Risk function. We have some emissions data from our managed real estate business available received from clients / investees, but the contribution is relatively nominal at this time. It is our ambition to increase the scope of our Scope 3 portfolio emissions disclosure in the future to include other asset classes when the necessary emissions data is available. The reported Portfolio Coverage is 61.02 % of AuM of liquid portfolios (as reported last year), which is 93.23% of relevant liquid assets.

The financed emissions are computed according to the Global GHG Accounting and Reporting Standard for the Financial Industry developed by the Partnership for Carbon Accounting Financials (PCAF) and accepted by the GHG Protocol. The formula allocates companies' emissions to DWS according to DWS' share in the company's Enterprise Value including Cash (EVIC).

DWS is reporting Scope 1 and 2 emissions of investee companies in line with the GHG Protocol and PCAF recommendations. Including the Scope 3 emissions of investee companies would result in double counting and the Scope 3 data quality is significantly lower than for Scope 1 and 2. In addition, concerns with the potential data integrity of the Scope 3 emissions data of investee companies supports our position to not include this data in scope for our formal DWS portfolio Scope 3 emissions disclosure. However, DWS does track the Scope 3 emissions data of investee companies and the total Scope 1, 2, and 3 emissions across our managed portfolio of corporate bonds and listed equities is 203,381,281.03 metric tons of CO<sub>2</sub>e plus 361,084.54 metric tons of CO<sub>2</sub>e across the Real Estate business we have emissions data for.

## C-FS14.1b

Provide details of the other carbon footprinting and/or exposure metrics used to track the impact of your portfolio on the climate.

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### Portfolio

Investing (asset manager)

### Portfolio metric

Weighted average carbon intensity (tCO<sub>2</sub>e/Million revenue)

### Metric value in the reporting year

177.1

### Portfolio coverage

61.02

### Percentage calculated using data obtained from clients/investees

0

### Calculation methodology

DWS has elected to report using the weighted average carbon intensity metric based on our belief that this intensity metric seeks to measure the rate of emissions of the assets we invest in, relative to the revenues they generate, rather than depending on the absolute size of our total AuM.

The weighted average carbon intensity emissions data is taken directly from our proprietary ESG Engine which takes emissions data directly from MSCI. This data has been aggregated across all relevant DWS legal entities and their investment vehicles by our dedicated Risk function. The figures disclosed at this time are attributable to our managed portfolio of corporate bonds and listed equities. Although we do have some emissions data from our managed real estate and impact businesses available, the scale of this data and the respective AuM is relatively nominal at this time. It is our ambition to increase the scope of our Scope 3 portfolio emissions disclosure in the future to include other asset classes when the necessary emissions data is available.


The financed emissions are computed according to the TCFD-recognized carbon intensity metric based on the volume of carbon emissions per million dollars of revenue (carbon efficiency of a portfolio), expressed in tons CO<sub>2</sub>e/\$M revenue. The reported emissions are calculated by dividing tons of CO<sub>2</sub>e by revenues in USD. The reported Portfolio Coverage is 61.02 % of AuM of liquid portfolios (as reported last year), which is 93.23% of relevant assets. It is our ambition to expand the WACI disclosure to additional asset classes beyond equities and corporate bonds in the future.

DWS is reporting Scope 1 and 2 emissions of investee companies in line with the TCFD-recognized approach to calculating carbon intensity. Including the Scope 3 emissions of investee companies would result in double counting and the Scope 3 data quality is significantly lower than for Scope 1 and 2. In addition, concerns with the potential data integrity of the Scope 3 emissions data of investee companies supports our position to not include this data in scope for our formal DWS portfolio Scope 3 emissions disclosure. However, DWS does track the Scope 3 emissions data of investee companies and the weighted average carbon intensity investee company Scope 1, 2, and 3 emissions across our managed portfolio of corporate bonds and listed equities is 880.20 tCO<sub>2</sub>e/\$M revenue.

### C-FS14.3

Did your organization take any actions in the reporting year to align your portfolio with a 1.5°C world?

	Actions taken to align our portfolio with a 1.5°C world
Investing (Asset manager)	Yes



## Cautionary statement regarding forward-looking statements

This report contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of DWS Group GmbH & Co. KGaA. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets, the development of asset prices and market volatility, the implementation of our strategic initiatives, the reliability of our risk management policies, procedures and methods, and other risks.