INFORMATION ABOUT POLICIES ON THE INTEGRATION OF SUSTAINABILITY RISKS

DWS INVESTMENT S.A.

07.05.2026

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1 / Introduction

This statement provides a summary of internal policies and procedures applied by DWS Investment SA [LEI-Code 549300L70BS183Y6ML67] – DWS – as a member of DWS Group[1] regarding the integration of sustainability risks into discretionary investment decisions for financial products, namely UCITS[2], AIFs[3] and portfolio management mandates[4]. In addition, it provides a summary of internal policies and procedures applied by DWS regarding the integration of sustainability risks when providing investment advice. This information shall be published to comply with the disclosure requirements laid down in Article 3 of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector, the so-called Disclosure Regulation ("Disclosure Regulation").

[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 / Sustainability risk definition

2.1 Sustainability risk definition

Under the Disclosure Regulation, sustainability risk is a potential negative impact to the value of an investment induced by sustainability factors. Hereby, sustainability factors include environmental, social and governance events or conditions that could either be of an “outside-in” nature (such as physical climate or transition matters) or be in direct relation to the financial impact of “inside-out” effects caused by DWS group, its employees, investee companies or any other related stakeholder.

2.2. Potential impacts of sustainability risks on the return of a financial product

Sustainability risks can lead to a significant deterioration in the financial profile, liquidity, profitability, or reputation of the assets of a financial product. Unless sustainability risks are already expected and considered in the valuations of the relevant financial product’s assets, they may have a significant negative impact on the expected/estimated market price and/or the liquidity of the investment and thus on the return of the financial product. Potential impacts on the return of a financial product may depend on various aspects, how the investment policy and asset universe of the product are related to or impacted by sustainability events or conditions.

3 / Sustainability 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 DWS Executive Board, which has the overall responsibility for managing the business activities of DWS Group. This includes the responsibility for managing sustainability-related risks and opportunities. To enable a focus on sustainability topics, the Executive Board has delegated its responsibility for the implementation of the sustainability strategy to the DWS Group Sustainability Committee, which reports to the DWS Executive Board regularly and as required. The committee is mandated to implement the sustainability strategy as approved by the DWS Executive Board on fiduciary and corporate levels across business and infrastructure areas and legal entities.

The responsibility for approving key risk management principles, risk appetite metrics, and thresholds related to sustainability risks and adverse impacts has been assigned to the DWS Risk and Control Committee. The DWS Reputational Risk Committee is responsible for evaluating and monitoring matters which might trigger potential reputational risk. Further details on DWS Group's sustainability governance set-up can be found in DWS Group's Sustainability Statement integrated in the Annual Report 2025. 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.

4 / Sustainability risk integration into investment decision-making processes

The integration of sustainability risk in the investment decision-making process depends on the types of financial products of DWS consisting of:

- Actively managed investment funds (UCITS and AIFs) and portfolio management mandates - the “Actively Managed Portfolio Business” spanning traditional asset classes including equity, fixed-income securities, cash, investment funds and alternative investments in form of tradable investments,
- Passively managed investment funds (UCITS and AIFs) and portfolio management mandates - the “Passively Managed Portfolio Business” spanning all major asset classes,
- Investment funds (AIFs) with illiquid assets such as real estate, infrastructure, and private debt – the “Illiquid Business”.

4.1. Actively managed portfolio business

In DWS’s actively managed investment funds (UCITS and AIFs) and portfolio management mandates for traditional asset classes, sustainability risks are considered at multiple stages of the respective investment decision-making processes, such as in issuer analysis, portfolio construction, portfolio implementation, and ongoing portfolio monitoring. Sustainability factors potentially inducing sustainability risks may comprise e.g., greenhouse gas emissions, labour standards, anti-bribery and anti-corruption measures.

Sustainability risks do not, in themselves, preclude investments. Instead, they are evaluated alongside a broad spectrum of factors and risks within the overall context of each investment case. However, where sustainability-related investment guidelines apply, they may directly impose specific investment restrictions.

The DWS ESG Engine, a proprietary software tool, is the centerpiece in the process to integrate sustainability risks into investment decision-making processes for traditional asset classes. It is a multi-source ESG data aggregation, structuring and processing device, which allows a consolidated and qualified ESG analysis, based on the ESG inputs from several ESG data providers, public sources and/or DWS internal assessments and research. DWS ESG Engine output includes e.g. assessments on climate risk, norm-based controversies, and overall issuer sustainability profiles. The ESG Engine is seamlessly embedded within the portfolio management platform, BRS® Aladdin, ensuring efficient access to ESG data and its effective utilization in investment strategies.

Further sources of information facilitating integration of sustainability risk comprise third-party research, company disclosures, general news flow, and insights gained through dialogue/engagement[5] with corporate issuers.

4.2. Passively managed portfolio business

In DWS’s passively managed investment funds (UCITS and AIFs) and portfolio management mandates, excluding commodity indices, sustainability risks are primarily integrated during the product conception phase, encompassing index selection, the setup of model portfolios for Active ETFs, and the definition of sustainability-related product attributes.

[5] Insights through engagement with corporate issuers are only available to Investment Professionals within DWS Investment GmbH, DWS Investment S.A., DWS International GmbH and DWS CH AG.

For index selection, DWS also works in conjunction with index administrators and index calculation agents to embed rules relating to certain sustainability risks into the construction of new indexes. For financial products individually set up for clients and where those clients have not yet finalised the choice of their benchmarks, DWS typically asks about the client's consideration of sustainability factors when selecting indices and determining investment policies.

4.3 Illiquid business

The Illiquid business, including Real Estate, Infrastructure and Direct Lending, integrate sustainability risks into the entire investment life cycle.

During due diligence, the respective business seeks to identify and assess, and upon investment or during portfolio phase mitigate and/or manage sustainability risks. Policies and processes are defined within the fund documentation and an environmental & social management system (ESMS) as well as an overall Infrastructure Sustainability Framework and dedicated debt and equity Implementation KOD for each respective business or fund, which highlights integration of sustainability risks into the entire investment life cycle and over 100% of the investment portfolio of each financial product.

Across the businesses, initial screening and due diligence reviews are set up to identify and assess relevant sustainability risks. This is conducted using dedicated checklists or matrices, bespoke to the business line, developed in-house or through the engagement of externally provided services, utilizing industry best practices and internationally recognized sustainability standards, as and where appropriate. The initial assessments identify where additional investigation or due diligence into sustainability risks may be required. If such risks are identified, this may lead to a decision being taken not to proceed with an investment, should it be concluded that Sustainability risks cannot be adequately managed or mitigated through appropriate measures.

Sustainability risks are not only considered during the screening, due diligence and investment decision and documentation phases. They are also monitored over the life of the investment, where data exists to do so. Once an investment has been made or an asset acquired, DWS monitors and reports on sustainability risks on a regular basis, where possible and in line with the investment objectives of the financial product.

Across the business lines various monitoring systems, processes and reporting protocols are in use, which align with industry best practice as appropriate. As a result of regular reporting and engagement, the financial product managers aim to add value and mitigate sustainability risk through the implementation of sustainability measures.

The **Real Estate** Business' Environmental and Social Management System (ESMS) sets out a strategic framework for use during acquisition and ongoing monitoring. Due diligence and screening utilize an ESG matrix tool or checklist to assess sustainability risks. Industry standards are utilized within portfolio planning and assessment, as well as during asset level planning and performance monitoring.

When making **infrastructure equity investments**, DWS considers sustainability risks by applying an overall Infrastructure Sustainability Framework and dedicated equity Implementation KOD which set out the general framework for the integration of Sustainability Risks in the investment lifecycle. It considers identifying and mitigating sustainability risks, integrating ESG criteria into sourcing, acquisition processes, and asset management and investment processes.

In the **direct lending business**, key operating procedures laid out for each fund define bespoke ESG frameworks that ensure sustainability risks are assessed during screening and due diligence and in ongoing monitoring processes in alignment with applicable DWS policies.

5 / Sustainability Risk integration in the risk management process

5.1 Integration of sustainability risks in the Risk Management processes for Liquid funds

5.1.1 Approach and Objective

Complementary to sustainability-related investment guidelines the risk management function of DWS has established independent oversight processes related to sustainability risks. The framework for traditional liquid investments aims to provide additional governance which is integrated into overall investment risk management policies and procedures within DWS Group. It aims to raise sustainability risk awareness across involved parties and to provide transparency through highlighting identified sources of elevated levels of sustainability risk. To achieve this, selected sustainability-related sources of risk per fund are identified, and observations are made transparent and where deemed required evaluated by all relevant stakeholders.

5.1.2 Risk Analysis and Reporting

For each fund, based on its investment objective and risk profile, sustainability risk appetite levels related to selected sustainability risk indicators are defined. Such indicators may amongst others include high concentrations of issuers showing a poor sustainability risk profile or the exposure of such issuers in comparison with the relevant reference benchmark.

The risk management function monitors and reports the risk indicators related to the individual funds and identified exceedances or other relevant observations are reviewed regularly with stakeholders from the investment and product divisions. The reports include sustainability risk metrics as well as selected market risk metrics to provide a holistic overview for each fund.

Where deemed necessary, fund managers or asset class responsible persons are informed, and corresponding investment rationale or actions may be requested by the risk management function. Key results of the oversight process are also reported to the Risk and Control Committee of DWS Group as well as the impacted legal entity Boards.

5.1.3 Integration in other investment risk management processes

In addition to the above, selected sustainability risk indicators are also integrated in other investment risk management processes, such as counterparty risk management or concentration risk management. Within such processes, selected sustainability risk indicators are considered as additional indicators in the evaluation of the individual issuers.

5.2 Integration of sustainability risks in the Risk Management processes for Illiquid funds

Risk management identifies and assesses the level of sustainability risk taken by illiquid alternatives funds based on individual asset level risk scores or ratings, which are formed by both quantitative and qualitative data points These assessments are based on both quantitative and qualitative data. These can be based on external ESG data providers (e.g., S&P Global Trucost for Real Estate, Global Real Estate Sustainability Benchmark for infrastructure), on ESG information gathered and assessed by investment managers as well as on internal subject-matter experts (e.g., ESG specialists). Risk assessments are reported to internal stakeholders on a quarterly basis. The results will also be discussed with the respective investment committee and/or fund Board/advisory committees. If deemed necessary measures can be defined to reduce the current level of risk through engagement for corrective actions.

Version history

Date	**Explanation of changes**
07.05.2026	• Reference to the SFDR definition of sustainability risk • Refinement of Section 2 • Refinement of Section 3 • Amendments to the content and level of detail of Sections 4.1, 4.2, and 4.3, reflecting updated internal sustainability risk integration procedures and the discontinuation of the Sustainable Investments business line • Deletion of previously used Section 5, due to the absence of an Investment Advice service line
15.09.2024	Amendments in the content and depth of section 3 and section 4.1
15.03.2024	Amendments in the content and depth of section 3 and section 4.1.1 based on an updated version of the ESG Integration Policy for Active Investment Management.