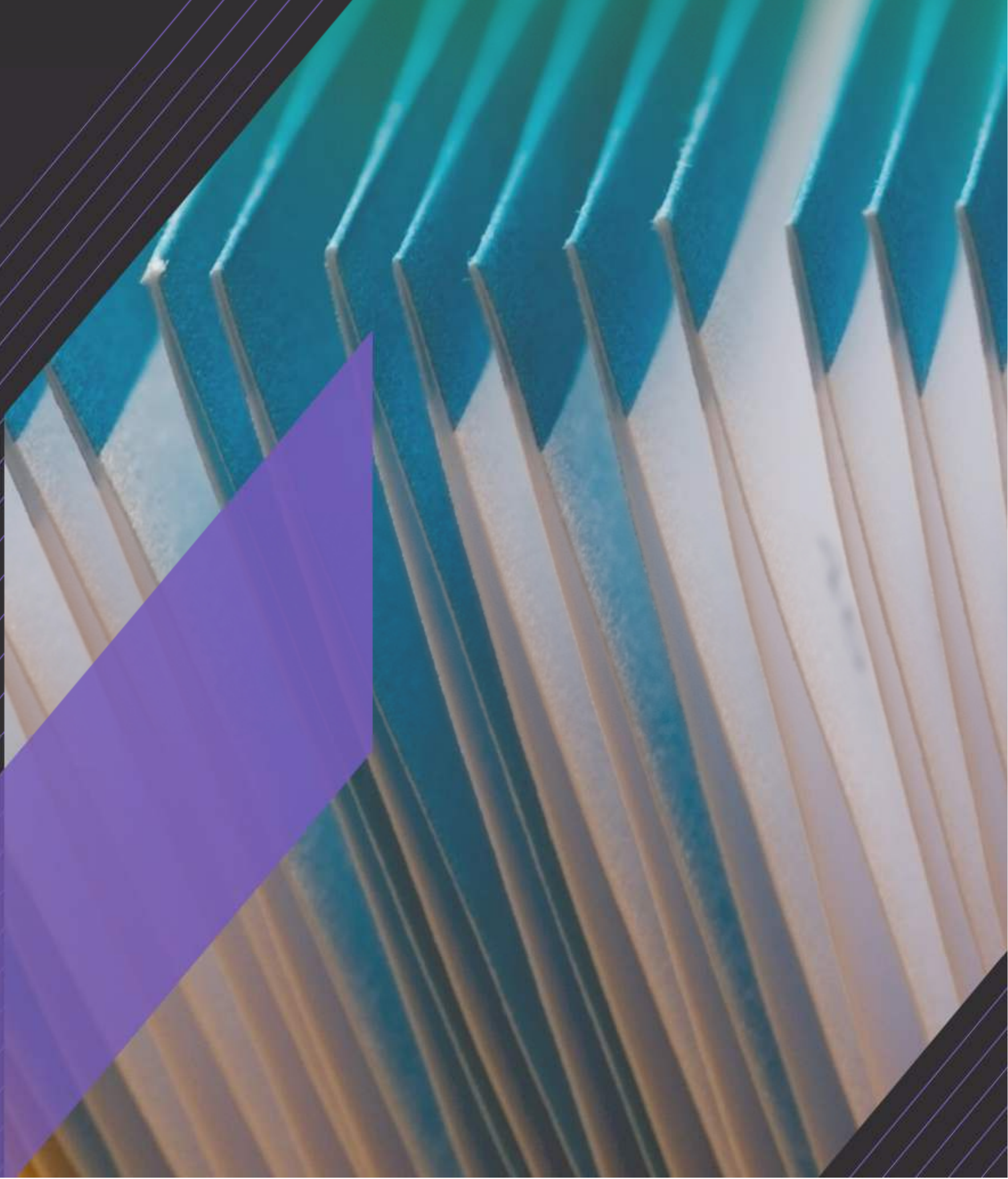
STATEMENT ON PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

DWS INVESTMENT S.A.

28.06.2024



A / Summary

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

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2023.

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

With this statement, DWS discloses – in line with the Delegated Regulation (EU) 2022/1288 to the Disclosure Regulation ("Delegated Regulation") – the principal adverse impacts of its investment decisions in investee companies, sovereigns and supranational organizations, and real estate assets as well as information on their identification and prioritisation along actions taken during the aforementioned reference period and actions planned for the subsequent reference period to avoid or reduce the principal adverse impacts identified.

DWS measures principal adverse impacts via the following indicators as defined by the Delegated Regulation:

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

The disclosed impacts as well as actions taken and planned refer to the following financial products in scope of the Disclosure Regulation (namely undertaking for collective investments in transferable securities (UCITS[2]), alternative investment funds (AIFs[3]), and portfolio management mandates[4]) as applicable based on their underlying investment policy:

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

[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.

- Investment funds (AIFs) with illiquid assets such as real estate, private debt and infrastructure – the "Illiquid Business".

DWS considers, i.e., identifies, prioritises, and addresses principal adverse impacts indicators through its group-wide overall sustainability strategy and commitments. Those aspects together with regulatory requirements and industry developments set strategic priorities which are implemented through policies and frameworks for DWS' financial products.

In specific, DWS considers principal adverse impacts of investment decisions via (1) DWS Group policies, (2) exclusion practices on portfolio or index level and (3) stewardship activities. To what extent those measures are applicable to DWS' financial products depends on the respective financial product's investment strategy or consent of third parties (e.g., clients). Regarding (3), DWS acts as an active owner by exercising voting rights on behalf of its clients and by engaging in a dialogue with investee companies on various sustainability-related topics, such as the reduction of greenhouse gas emissions, human rights, and workers' rights.[5]

Products for which DWS has outsourced the portfolio management to an external third party are included in the principal adverse impacts data disclosed for the aforementioned reference period. However, the consideration of principal adverse impacts for such products is subject to the individual product-specific investment policy.

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

Overall, as fiduciary, it is of the utmost importance for DWS to make investment decisions in the best interest of its clients, considering material risks and the product specific investment policy. Principal adverse impacts will thus not automatically outweigh other relevant factors, especially for financial products managed specifically for individual clients.

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

B / Description of the principal adverse impacts on sustainability factors

Indicators applicable to investee companies

Adverse sustainability indicator		Metric	Impact 2023[6]	Impact 2022[7]	Explanation	Actions taken, and actions planned, and targets set for next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Green-house gas (GHG) emissions	1. GHG emissions	Scope 1 GHG emissions	10.236.979,71 [tCO2e]	10.148.909,03 [tCO2e] [8]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments[9]) for which data was available (2023: 72,25% / 2022: 69,32% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	**General Framework:** **Targets**: DWS Group is committed to become climate-neutral in its actions well ahead of 2050. To this end, DWS Group published a net zero roadmap including interim carbon reduction targets for 2030 (for details see Section E.4. 'Standards and initiatives on climate change'). DWS has given its approval to include its AuM in the scope of this commitment and contribute a fair share towards the achievement of the group-level target.
		Scope 2 GHG emissions	2.363.364,94 [tCO2e]	2.472.408,78 [tCO2e]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all	**Actions taken**: In 2023, DWS Group rolled out its Coal Policy applicable to products under unilateral DWS control[10]. With this policy, DWS takes actions that are

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

[7] Please see footnote no.6.

[8] Tonnes of carbon dioxide equivalent

[9] All investments" means the current value of all investments which are included in the calculation of the figures presented in this statement, subject to the limitations stated in footnote no.6.

[10] Available here for additional information. Exceptions: physically replicating Passive funds, existing funds issued by the Illiquid Business. For products not under unilateral DWS control, implementation is subject to approval from third parties (clients, cooperation partners, US fund boards).

				investments) for which data was available (2023: 72,25% / 2022: 69,32% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	designed to reduce its investments in and funding of coal-related activities. For DWS's financial products in the Actively Managed Portfolio Business with a minimum sustainable investment share, the Do No Significant Harm (DNSH) - Assessment is an integral part of the DWS Regulatory Sustainability Framework[11] and evaluates whether an economic activity causes significant harm to other environmental or social sustainable investment objectives. As part of the DNSH-Assessment, DWS has established quantitative and/or qualitative thresholds to assess significant harm associated with a respective principal adverse impact indicator, including indicators 1 to 6. In case that the issuer does not pass the DNSH-Assessment, none of the sustainable contributions identified in the positive contribution to environmental or social objectives can be considered sustainable. **Actions planned**: Based on the final report of the "ESMA Guidelines on funds´ names using ESG or sustainability-related terms", DWS has already started an impact analysis of its financial products which will be finalized once the final ESMA guidelines are published officially. As a result, a sub-set of affected products are expected to introduce additional fossil fuel-related exclusion criteria implemented via the respective product-specific investment policy or index level-criteria. **Engagement:** **Actions taken**: In support of DWS Group's net zero ambition, DWS[12] sent an engagement letter to companies with high weighted average carbon intensity (WACI) portfolio contribution in the Actively and Passively
	Scope 3 GHG Emissions	75.484.458,24 [tCO2e]	70.292.158,98 [tCO2e]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments) for which data was available (2023: 71,89% / 2022: 69,08% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation. The data vendor improved their scope 3 estimation model in 2023.	
	Total GHG emissions	88.085.402,35 [tCO2e]	82.913.476,79 [tCO2e]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments) for which data was available (2023: 72,25% / 2022: 69,32% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	
2. Carbon footprint	Carbon footprint	405,06 [tCO2e / million	448,75 [tCO2e / million	The impact has only been determined in relation to investments in companies	

[11] The DWS Regulatory Sustainability Framework determines whether an economic activity of a target investment can be considered as sustainable pursuant to Article 2(17) of the Disclosure Regulation.
[12] A pooled voting rights agreement is in place between DWS Group's largest management companies in Europe - DWS Investment GmbH, DWS Investment S.A., and for specific portfolio management mandates of DWS International GmbH – and executed by DWS Investment GmbH. These entities also pool their engagement activities, executed by DWS Investment GmbH.

		EUR]	EUR]	(2023: 84,11% / 2022: 82,52% of all investments) for which data was available (2023: 72,25% / 2022: 69,32% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	Managed Portfolio Business. In this letter, DWS set out its expectations, informed the companies of its voting strategy and requested transparency and detailed information around their concrete net zero strategies. In addition, DWS conducted dedicated follow-up engagements, and remained in constructive dialogue with many issuers in 2023.
3. GHG intensity of investee companies	GHG intensity of investee companies	837,70 [tCO2e / million EUR]	1.069,46 [tCO2e / million EUR]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments) for which data was available (2023: 78,19% / 2022: 69,32% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	**Actions planned**: In support of DWS Group's net zero ambition, DWS[13] plans to review its net zero expectations of companies while also taking into consideration sector specifics. **Proxy voting:** **Actions taken**: In the Actively and Passively Managed Portfolio Business, DWS[14] expects the boards and the management of investee companies to assess risks and impacts arising from or associated with environmental developments. Additionally, DWS is generally supportive of ESG-related shareholder proposals while considering recognised standards, including the goals of the Paris Agreement, and evaluates them on a case-by-case basis guided by the principles outlined in the DWS Corporate Governance & Proxy Voting Policy[15]. For example, if deemed appropriate, DWS may vote for proposals asking investee companies to adopt (science-based) greenhouse gas reduction targets, and to commit to net zero until 2050 or sooner.
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	14,95 [%]	15,04 [%]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments) for which data was available (2023: 72,25% / 2022: 78,95% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation. The data vendor further aligned in 2023 their methodology with regulation to identify corresponding corporations.	

[13] Please see footnote no.12.
[14] Please see footnote no.12.
[15] Available here for additional information. A pooled voting rights agreement is in place between DWS Group's largest management companies in Europe - DWS Investment GmbH, DWS Investment S.A., and for specific portfolio management mandates of DWS International GmbH – and executed by DWS Investment GmbH. These entities also pool their engagement activities, executed by DWS Investment GmbH.

5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	65,92 [%]	74,29 [%]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investment) for which data was available (2023: 56,14% / 2022: 67,82% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	**Exclusions:** **Actions taken**: Exclusions with regard to GHG emissions are applied in line with the individual investment policy of the product or mandate. For retail products in the Actively Managed Portfolio Business which apply the DWS Basic Exclusions filter or the DWS ESG Investment Standard filter, this includes restrictions on investments with highly negative climate impacts, such as companies generating more than a certain revenue share from activities related to coal, fracking, and oil. In addition, several products for institutional clients apply customized ESG screens in which carbon emissions are an important component of the ESG parameters. In addition, DWS Group rolled out its new Coal Policy[16] during 2023. Products in scope of this policy no longer make new investments in companies that are coal developers or have a coal share of revenues greater than 25% and will divest from existing holdings in such companies. **Index selection:** **Actions taken**: Various products managed under the Passively Managed Portfolio Business are tracking reference indices which incorporate criteria to reduce exposure to or to exclude securities with certain negative climate impacts. This may include index-level rules such as alignment with EU Paris Aligned Benchmark standards and certain net zero frameworks, carbon intensity reductions, and exclusion of investee companies breaching revenue thresholds from controversial activities including thermal coal, unconventional oil and gas extraction, and oil sands extraction.
6. Energy consumption intensity per high impact climate sector	For high impact climate sector A (NACE Code A “Agriculture, forestry and fishing”) - Energy consumption in GwH per million EUR of revenue of investee companies	0,48 [GWh / million EUR]	0,41 [GWh / million EUR]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments) for which data was available (2023: 65,24% / 2022: 67,82% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	
	For high impact climate sector B (NACE Code B “Mining and quarrying”) - Energy consumption in GwH per million EUR of revenue of investee companies	3,69 [GWh / million EUR]	30,38 [GWh / million EUR]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments) for which data was available (2023: 65,24% / 2022: 67,82% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	

[16] Please see footnote no.10.

For high impact climate sector C (NACE Code C “Manufacturing”) - Energy consumption in GwH per million EUR of revenue of investee companies	6,81 [GWh / million EUR]	0,82 [GWh / million EUR]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments) for which data was available (2023: 65,24% / 2022: 67,82% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	**Actions planned**: DWS is aiming to maintain or increase the number of such products in 2024, which may depend on factors such as demand, market dynamics, market standards, and index availability. **Oversight:** **Actions planned:** For European actively managed retail products which apply the DWS Basic Exclusions or ESG Investment Standard filters, a product-level oversight process is planned to be set up on relevant principal adverse impact indicators focusing on GHG intensity(indicator 3) and fossil fuel exposure (indicator 4).
For high impact climate sector D (NACE Code D “Electricity, gas, steam and air conditioning supply”) - Energy consumption in GwH per million EUR of revenue of investee companies	3,62 [GWh / million EUR]	4,67 [GWh / million EUR]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments) for which data was available (2023: 65,24% / 2022: 67,82% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	
For high impact climate sector E (NACE Code E “Water supply; sewerage; waste management and remediation activities”) - Energy consumption in GwH per million EUR of revenue of investee companies	2,61 [GWh / million EUR]	1,95 [GWh / million EUR]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments) for which data was available (2023: 65,24% / 2022: 67,82% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	
For high impact climate sector F (NACE Code F “Construction”) -Energy consumption in GwH per million EUR of	0,23 [GWh / million EUR]	0,22 [GWh / million EUR]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments) for which data was	

revenue of investee companies			available (2023: 65,24% / 2022: 67,82% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.
For high impact climate sector G (NACE Code G “Wholesale and retail trade; repair of motor vehicles and motorcycles”) - Energy consumption in GwH per million EUR of revenue of investee companies	0,22 [GWh / million EUR]	0,58 [GWh / million EUR]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments) for which data was available (2023: 65,24% / 2022: 67,82% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.
For high impact climate sector H (NACE Code H “Transporting and storage”) - Energy consumption in GwH per million EUR of revenue of investee companies	226,67 [GWh / million EUR]	2,17 [GWh / million EUR]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments) for which data was available (2023: 65,24% / 2022: 67,82% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation. The significant increase of the disclosed value for the Reference period 2023 is caused by investments in infrastructure which have not been reported for Reference period 2022. In addition, only for a low number of assets data was available. The conservative approach of DWS to exclude assets for which no data was

					available from the calculation and the rescaling of weights to 100%, leads to this significant increase.	
		For high impact climate sector L (NACE Code L "Real estate activities") – Energy consumption in GwH per million EUR of revenue of investee companies	0,55 [GWh / million EUR]	1,41 [GWh / million EUR]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments) for which data was available (2023: 65,24% / 2022: 67,82% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	
Biodiver-sity	7.Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0,36 [%]	0,09 [%]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments) for which data was available (2023: 77,50% / 2022: 77,28% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	**General Framework:** **Actions taken**: For DWS's financial products in the Actively Managed Portfolio Business with a minimum sustainable investment share, the Do No Significant Harm (DNSH) - Assessment is an integral part of the DWS Regulatory Sustainability Framework[17] and evaluates whether an economic activity causes significant harm to other environmental or social sustainable investment objectives. As part of the DNSH-Assessment, DWS has established quantitative and/or qualitative thresholds to assess significant harm associated with a respective principal adverse impact indicator, including activities negatively affecting biodiversity-sensitive areas. In case that the issuer does not pass the DNSH-Assessment, none of the sustainable contributions identified in the positive contribution to environmental or social objectives can be considered sustainable. **Engagement:**

[17] The DWS Regulatory Sustainability Framework determines whether an economic activity of a target investment can be considered as sustainable pursuant to Article 2(17) of the Disclosure Regulation.

Actions taken: In the Actively and Passively Managed Portfolio Business, DWS[18] considers biodiversity where relevant in strategic engagements with selected investee companies.

Proxy Voting:
Actions taken: In the Actively and Passively Managed Portfolio Business, if deemed appropriate, DWS is generally supportive for proposals to reduce negative environmental impacts and an investee company's overall environmental footprint, including any threats to biodiversity in ecologically sensitive areas.

Exclusions:
Actions taken: In the Sustainable Investments Business, restrictions are applied on investments with commercial logging operations for use in primary tropical moist forest, the destruction of critical habitat, as well as activities prohibited by national legislation or international conventions relating to the protection of biodiversity resources or cultural heritage.

Index Selection:
Actions taken: Certain products managed under the Passively Managed Portfolio Business are tracking reference indices which incorporate criteria to reduce exposure to or to exclude securities with certain negative impacts on biodiversity. This may include index-level rules such as the exclusion of investee companies which have a significant negative impact on biodiversity-related United Nations Sustainable Development Goals (UN SDGs), the exclusion of investee companies with an insufficient scoring with regard to certain biodiversity indicators, and

[18] Please see footnote no.12.

						the exclusion of investee companies breaching revenue thresholds from certain controversial biodiversity-related activities including palm oil, genetically modified organism (GMO) agriculture, hazardous pesticides, animal welfare, animal testing, and fur involvement. **Actions planned**: DWS is aiming to maintain or increase the number of such products in 2024, which may depend on factors such as demand, market dynamics, market standards, and index availability.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0,30 [tonnes / million EUR]	247,49 [tonnes / million EUR]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments) for which data was available (2023: 2,17% / 2022: 8,87% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation. The data vendor changed their methodology in 2023 which led to a significant reduction of the reported values on issuer level.	**General Framework:** **Actions taken**: For DWS's financial products in the Actively Managed Portfolio Business with a minimum sustainable investment share, the Do No Significant Harm (DNSH) - Assessment is an integral part of the DWS Regulatory Sustainability Framework[19] and evaluates whether an economic activity causes significant harm to other environmental or social sustainable investment objectives. As part of the DNSH-Assessment, DWS has established quantitative and/or qualitative thresholds to assess significant harm associated with a respective principal adverse impact indicator, including emissions to water. In case that the issuer does not pass the DNSH-Assessment, none of the sustainable contributions identified in the positive contribution to environmental or social objectives can be considered sustainable. **Engagement:** **Actions taken**: DWS[20] is a signatory to the Coalition for Environmentally Responsible Economies (CERES) water initiative. DWS is committed to engage on water risk within its engagement framework for the Actively and Passively Managed Portfolio Business in EMEA. Additionally, when DWS deems a company to cause significant negative

[19] The DWS Regulatory Sustainability Framework determines whether an economic activity of a target investment can be considered as sustainable pursuant to Article 2(17) of the Disclosure Regulation.
[20] Please see footnote no.12.

						impact on water issues and this is reflected in the DWS Norm Assessment[21] as a breach of the United Nations Global Compact (UNGC) principle 7, this breach is considered in engagements.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	4,28 [tonnes / million EUR]	9,03 [tonnes / million EUR]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments) for which data was available (2023: 25,72% / 2022: 25,27% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	**General Framework:** **Actions taken**: For DWS's financial products in the Actively Managed Portfolio Business with a minimum sustainable investment share, the Do No Significant Harm (DNSH) - Assessment is an integral part of the DWS Regulatory Sustainability Framework[22] and evaluates whether an economic activity causes significant harm to other environmental or social sustainable investment objectives. As part of the DNSH-Assessment, DWS has established quantitative and/or qualitative thresholds to assess significant harm associated with a respective principal adverse impact indicator, including the hazardous waste and radioactive waste ratio. In case that the issuer does not pass the DNSH-Assessment, none of the sustainable contributions identified in the positive contribution to environmental or social objectives can be considered sustainable. **Engagement:** **Actions taken**: When DWS deems a company to cause significant negative impact on waste issues and this is reflected in the DWS Norm Assessment as a breach of the UNGC principle 7, this breach is considered in engagements in the Actively and Passively Managed Portfolio Business[23]. **Exclusions:**

[21] The DWS Norm Assessment is used as an indicator for an issuer's exposure to norm-related issues.
[22] The DWS Regulatory Sustainability Framework determines whether an economic activity of a target investment can be considered as sustainable pursuant to Article 2(17) of the Disclosure Regulation.
[23] Please see footnote no.12.

						Actions taken: In the Sustainable Investments Business, restrictions are applied on investments related to certain types of cross-border trade in waste and waste products, most types of waste incineration, and processing of toxic waste, as well as the production or trade in radioactive materials and unbonded asbestos fibres.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact (UNGC) principles and Organisation for Economic Cooperation and Develop-ment (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0,27 [%]	0,25 [%]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments) for which data was available (2023: 79,12% / 2022: 78,60% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	**General framework:** **Actions taken**: DWS considers international norms such as the UNGC principles, OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights (UNGPs) and is guided by these standards in the DWS Norm Assessment of companies in the Actively Managed Portfolio Business. For DWS's financial products in the Actively Managed Portfolio Business with a minimum sustainable investment share, the Do No Significant Harm (DNSH) - Assessment is an integral part of the DWS Regulatory Sustainability Framework[24] and evaluates whether an economic activity causes significant harm to other environmental or social sustainable investment objectives. As part of the DNSH-Assessment, DWS has established quantitative and/or qualitative thresholds to assess significant harm associated with a respective principal adverse impact indicator, including violations of UNGC principles and OECD Guidelines. In case that the issuer does not pass the DNSH-Assessment, none of the sustainable contributions identified in the positive contribution to environmental or social objectives can be considered sustainable. **Engagement:** **Actions taken**: In order to mitigate or eradicate severe violations of the international standards mentioned above,

[24] The DWS Regulatory Sustainability Framework determines whether an economic activity of a target investment can be considered as sustainable pursuant to Article 2(17) of the Disclosure Regulation.

DWS[25] has included its Norm Assessment as a metric for determining its engagement prioritisation lists in the Actively and Passively Managed Portfolio Business.

Proxy Voting:
Actions taken: DWS[26] would generally vote against the discharge of directors in case (among others) the investee company is facing very severe ESG controversies (e.g., violations against UN Global Compact norms). Thereby, DWS would hold the board members accountable. Furthermore, DWS is generally supportive of ESG-related shareholder proposals while considering recognised standards, including but not limited to the Ceres Roadmap 2030, the Sustainable Development Goals, the UN Global Compact, and the goals of the Paris Agreement, and evaluates them on a case-by-case basis. For example, DWS may support shareholder proposals asking investee companies to report on their environmental and social (e.g., human rights, product safety, data security) practices, policies, and impacts, if deemed appropriate. DWS may also vote for shareholder proposals requesting that investee companies adopt fair labour practices consistent with recognised international human rights standards, including policies to eliminate gender-based violence and other forms of harassment at the workplace, as well as proposals asking an investee company to prepare a report on its efforts to promote a safe workplace for all employees.

Exclusions:
Actions taken: In the Actively Managed Portfolio Business, companies with severe violations of the international standards mentioned above are excluded

[25] Please see footnote no.12.
[26] Please see footnote no.12.

					from retail products applying the DWS Basic Exclusions filter or the DWS ESG Investment Standard filter. In addition, several products for institutional clients apply customized ESG screens that reflect the international standards above. In the Sustainable Investments Business, restrictions are applied on investments related to activities involving forced labour or child labour, in line with Principle 4 and 5 of the UNGC. **Index Selection:** **Actions taken**: Certain products managed under the Passively Managed Portfolio Business are tracking reference indices which incorporate criteria such as the exclusion of investee companies which fail to comply with the UNGC principles or OECD Guidelines for Multinational Enterprises. **Actions planned**: DWS is aiming to maintain or increase the number of such products in 2024, which may depend on factors such as demand, market dynamics, market standards, and index availability. **Oversight:** **Actions taken**: For the Actively Managed Portfolio Business and Passively Managed Retail Business, DWS has put in place oversight controls for ESG integration where exposure in ESG laggards related to norm controversies is taken into consideration against a pre-defined risk appetite.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for	40,50 [%]	47,44 [%]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments) for which data was available (2023: 77,28% / 2022:75,72% of all investments).	**General framework:** **Actions taken**: DWS considers international norms such as the UNGC principles, the OECD Guidelines for Multinational Enterprises, and the UNGPs and is guided by these standards in the DWS Norm Assessment of companies in the Actively Managed Portfolio Business.

Compact principles and OECD Guidelines for Multi-national Enterprises	Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises		Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	For DWS's financial products in the Actively Managed Portfolio Business with a minimum sustainable investment share, the Do No Significant Harm (DNSH) - Assessment is an integral part of the DWS Regulatory Sustainability Framework[27] and evaluates whether an economic activity causes significant harm to other environmental or social sustainable investment objectives. As part of the DNSH-Assessment, DWS has established quantitative and/or qualitative thresholds to assess significant harm associated with a respective principal adverse impact indicator, including the lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines. In case that the issuer does not pass the DNSH-Assessment, none of the sustainable contributions identified in the positive contribution to environmental or social objectives can be considered sustainable. **Engagement:** **Actions taken**: In order to mitigate or eradicate severe violations of the international standards mentioned above, DWS[28] has included its Norm Assessment as a metric for determining its engagement prioritisation list in the Actively and Passively Managed Portfolio Business. **Proxy Voting:** **Actions taken**: DWS[29] generally votes against the discharge of directors in case the investee company is facing very severe ESG controversies (e.g., violations against UN Global Compact norms), thus, DWS would hold the board members accountable. Furthermore, DWS is generally supportive of ESG-related shareholder

[27] The DWS Regulatory Sustainability Framework determines whether an economic activity of a target investment can be considered as sustainable pursuant to Article 2(17) of the Disclosure Regulation.
[28] Please see footnote no.12.
[29] Please see footnote no.12.

					proposals while considering recognised standards, including but not limited to the Ceres Roadmap 2030, the Sustainable Development Goals, the UN Global Compact, and the goals of the Paris Agreement, and evaluates them on a case-by-case basis. For example, DWS may support shareholder proposals asking investee companies to report on their environmental and social (e.g., human rights, product safety, data security) practices, policies and impacts, if deemed appropriate. DWS may also vote for shareholder proposals requesting that investee companies adopt fair labour practices consistent with recognised international human rights standards, including policies to eliminate gender-based violence and other forms of harassment at the workplace, as well as proposals asking an investee company to prepare a report on its efforts to promote a safe workplace for all employees. **Exclusions:** **Actions taken**: In the Actively and Passively Managed Portfolio Business, companies with severe violations of the international standards mentioned above are excluded from retail products applying the DWS Basic Exclusions filter or the DWS ESG Investment Standard filter. In the Sustainable Investments Business, restrictions are applied on investments related to activities involving forced labour or child labour, in line with principle 4 and 5 of the UNGC.
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	13,78 [%]	14,27 [%]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments) for which data was available (2023: 21,83% / 2022:17,20% of all investments).	**General Framework:** **Actions taken**: For DWS's financial products in the Actively Managed Portfolio Business with a minimum sustainable investment share, the Do No Significant Harm (DNSH) - Assessment is an integral part of the DWS Regulatory Sustainability Framework[30] and evaluates whether an economic activity causes significant harm to

[30] The DWS Regulatory Sustainability Framework determines whether an economic activity of a target investment can be considered as sustainable pursuant to Article 2(17) of the Disclosure Regulation.

				Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation. Based on the guidance given in paragraph 22 of the 'Clarifications on the European Supervisory Authorities' (ESA) draft RTS under SFDR of 02 June 2022, this indicator is expressed as a weighted average.	other environmental or social sustainable investment objectives. As part of the DNSH-Assessment, DWS has established quantitative and/or qualitative thresholds to assess significant harm associated with a respective principal adverse impact indicator, including the unadjusted gender pay gap. In case that the issuer does not pass the DNSH-Assessment, none of the sustainable contributions identified in the positive contribution to environmental or social objectives can be considered sustainable. **Engagement:** **Actions taken**: Overall, gender pay gap disclosures are not mandatory all around the world. Companies are encouraged to disclose this information.
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	34,56 [%]	32,26 [%]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments) for which data was available (2023: 77,04% / 2022:76,11% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation. Based on the guidance given in paragraph 22 of the 'Clarifications on the European Supervisory Authorities' (ESA) draft RTS under SFDR of 02 June 2022, this indicator is expressed as a weighted average.	**Engagement:** **Actions taken**: Gender diversity is part of the topic of "board diversity" that has been included in DWS's[31] engagements during 2023. **Proxy Voting:** **Actions taken**: DWS[32] expects its investee companies to incorporate gender diversity into their board composition and refreshment processes and to adhere to national best practice stipulations on gender representation. DWS requires boards to generally have a gender diversity of at least 30% for developed markets ex. Japan (25%) and UK (33%) and at least one female board member for other markets.

[31] Please see footnote no.12.
[32] Please see footnote no.12.

14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0,00 [%]	0,00 [%]	The impact has only been determined in relation to investments in companies (2023: 84,11% / 2022: 82,52% of all investments) for which data was available (2023: 77,80% / 2022:77,80% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	**General Framework:** **Actions taken**: Since the production and use of controversial conventional weapons have been deemed as regulated or prohibited under the below-mentioned Conventions, DWS generally seeks to avoid investments or business relationships in relation thereto. DWS defines controversial weapons as follows: • Cluster Munitions as defined and banned in 2008 by the Convention on Cluster Munitions; • Anti-Personnel Mines as defined and banned in the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-personnel mines and their destruction; including as well anti-personnel time delay explosives and non-detectable fragment explosives as defined by Protocol I, II of the Convention on Certain Conventional Weapons • Biological weapons as defined in the Biological Weapons Convention • Chemical weapons as defined in the Chemical Weapons Convention **Index Selection:** **Actions taken**: Certain products managed under the Passively Managed Portfolio Business are tracking reference indices which incorporate criteria such as the exclusion of investee companies which breach certain revenue thresholds in controversial activities including conventional, unconventional, and nuclear weapons.

Indicators applicable to investments in sovereigns and supranationals

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned, and targets set for next reference period

Environ-mental	15. GHG intensity	GHG intensity of investee countries	266,80 [tonnes / million EUR]	285,00 [tonnes / million EUR]	The impact has only been determined in relation to investments (2023: 12,96% / 2022: 12,84% of all investments) in sovereigns and supranationals for which data was available (2023: 12,19% / 2022: 12,05% of all investments). Investments in companies or real estate as well as assets for which no data was available were excluded from the calculation.	**General Framework:** **Actions taken**: DWS assesses the climate performance of countries in its Sovereign Climate and Transition Risk Assessment,[33] which incorporates the 2015 Paris Agreement to limit global warming to well below 2°C or even to 1.5°C. This assessment tracks countries' developments in terms of climate performance, i.e., sheds light on how well countries are progressing in implementing necessary policies.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	7,00 [absolute number] 6,19 [%]	6,00 [absolute number] 5,85 [%]	The impact has only been determined in relation to investments (2023: 12,96% / 2022: 12,84% of all investments) in sovereigns and supranationals for which data was available (2023: 12,19% / 2022: 12,37% of all investments). Investments in companies or real estate as well as assets for which no data was available were excluded from the calculation.	**General Framework:** **Actions taken**: For sovereign issuers, the DWS ESG Quality Assessment assesses a country based on numerous ESG criteria including indicators for social aspects. In addition, it explicitly considers the civil and democratic liberties of a country. **Index Selection:** **Actions taken**: Certain products managed under the Passively Managed Portfolio Business are tracking reference indices which incorporate criteria to reduce exposure to or to exclude countries with violations of social norms. This may include index-level rules such as minimum thresholds in Country ESG Ratings and minimum Freedom House scores. **Oversight:** **Actions planned:** For European actively managed retail products which apply the DWS Basic Exclusions or ESG Investment Standard filters, a product-level oversight

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

						process is planned to be set up for this principal adverse impact indicator.

Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned, and targets set for next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0,00 [%]	0,06 [%]	The impact has only been determined in relation to investments in real estate (2023: 1,27% / 2022: 1,22% of all investments) for which data was available (2023: 1,27% / 2022: 1,22% of all investments). Investments in companies or sovereigns and supranationals as well as assets for which no data was available were excluded from the calculation. The exposure to fossil fuels in real estate is determined by the functional use of the asset (i.e., storage of fuels on site for the asset use is not considered exposure to fossil fuels) The types of real estate assets with potential exposure to fossil fuel extraction, storage, transport, or manufacture are petrol stations, power stations, and various storage assets, such as warehouses and distribution centers. Data on building use and occupier activities is collected for all assets under management. Best efforts are made to check the actual use of the building during its holding period; however, lease conditions can potentially limit the landlord's access to the property and therefore ability to	Due to extremely low exposure to real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels, no further action or reduction targets, other than continued monitoring of tenant activity and reporting of the exposure, have been deemed required.

					confirm the accuracy of occupier activity data. For 2022, a single property was considered as a potentially exposed asset due to the tenant's activities. For 2023, the property is no longer considered to be exposed to fossil fuels.	
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	42,71 [%]	33,37 [%]	The impact has only been determined in relation to investments in real estate (2023: 1,27% / 2022: 1,22% of all investments) for which data was available (2023: 0,72% / 2022: 0,65% of all investments). Investments in companies or sovereigns and supranationals as well as assets for which no data was available were excluded from the calculation. Data on a building's energy rating is obtained for all assets that have them. However, the exclusions[34] to the definition of "energy inefficient real estate assets"[35] apply to the assets located outside of the EU. Therefore, it is not possible to fully assess and report on this indicator using the provided formula. 37.40% of investments in real estate is thereby excluded from the assessment and reporting. Further 5.75% is excluded as under construction during the reference	**Actions taken**: Actions to reduce the share of investments in energy-inefficient real estate assets performed in the reference period include data collection and assurance, energy audits and certification, implementation of green leases, and various energy performance improvement measures, such as upgrades of a building's heating, ventilation, cooling and lighting systems, and insulation. Actions undertaken in 2023 included energy audits, energy ratings, and performance improvement measures. **Actions planned**: In 2024, DWS plans to carry out additional energy audits, energy ratings and energy performance improvement measures.

[34] The EU Energy Performance Certificate scheme does not apply to countries outside of the EU, apart from the UK, and the NZEB does not apply to any country outside of the EU.
[35] As defined in Annex 1 of the RTS.

					period. For German commercial assets and Polish assets[36], BVI methodology on conversion from color scale to letter rating is used[37]. This approach has been used for 19.17% (Germany) and 1.28% (Poland) of investments in real estate.	

Other indicators for principal adverse impacts on sustainability factors

Adverse sustainability indicator		**Metric**	**Impact 2023**[38]	**Impact 2022**[39]	**Explanation**	**Actions taken, and actions planned, and targets set for next reference period**
Indicators applicable to investments in investee companies						
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	27,03 [%]	43,94 [%]	The impact has only been determined in relation to investments (2023: 84,11% / 2022: 82,52% of all investments) in companies for which data was available (2023: 76,50% / 2022: 75,29% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	Please refer to principal adverse impact indicators 1 to 6 of the indicators applicable to investee companies.

[36] In Germany and Poland, Energy Performance Certificates are not expressed in a letter rating.

[37] The method for the classification of German energy performance certificates for non-residential buildings, which was developed in the industry association BVI Bundesverband Investment und Asset Management e. V., enables an appropriate conversion of the colour scale existing in energy performance certificates into a letter classification. The method follows the procedure in German energy performance certificates for non-residential buildings, i.e. the efficiency class classification in the colour scales for non-residential buildings is made on the basis of the primary energy demand for demand-based certificates and based on the final energy consumption for consumption-based certificates.

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

[39] Please see footnote no.38.

Indicators applicable to investments in investee companies						
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Human Rights	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	0,02 [absolute number]	0,01 [absolute number]	The impact has only been determined in relation to investments (2023: 84,11% / 2022: 82,52% of all investments) in companies for which data was available (2023: 77,48% / 2022: 70,99% of all investments). Investments in real estate or sovereigns as well as assets for which no data was available were excluded from the calculation.	Please refer to principal adverse impact indicators 10 and 11 of the indicators applicable to investee companies.

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

DWS Group's framework to identify and prioritise principal adverse impacts of investment decisions applies to DWS and was approved by its governing body on 28.06.2023.

1. Identification of principal adverse impacts

DWS measures the principal adverse impacts of its investment decisions via the applicable mandatory indicators as defined in the Delegated Regulation. In addition, as required by the Delegated Regulation, DWS selected the following two additional principal adverse impact indicators from a prescribed indicators set:

- Climate and other environment-related indicator: Investments in companies without carbon emission reduction initiatives (applicable to investments in investee companies)

- Indicator for social and employee matters, respect for human rights, anti-corruption and anti-bribery matters: Number of identified cases of severe human rights issues and incidents (applicable to investments in investee companies)

The selection of the additional indicators took place in accordance with DWS Group's overall sustainability strategy which applies to DWS. Furthermore, DWS considered the relevance of the principal adverse impact indicators in the context of its business activities, likelihood and potential severity of an impact as well as data quality and availability.

2. Prioritisation of principal adverse impacts

For the prioritisation of principal adverse impacts, DWS Group takes strategic relevance, regulatory requirements, and market developments into consideration. Additionally, prioritising principal adverse impacts is influenced by quantitative aspects, such as data quality, data availability, and development of principal adverse impacts over time. DWS Group prioritised the topic climate change as depicted in its Sustainability Strategy. As part of its Net Zero Asset Managers (NZAM) initiative signatory status, DWS Group has a stated commitment to become climate-neutral in its actions in line with the Paris Agreement. DWS as part of DWS Group follows this strategic positioning and prioritisation outcome.

DWS considers principal adverse impacts through (1) its product range strategy, (2) DWS Group policies, (3) exclusion practices on portfolio or index level, and (4) stewardship activities. With regard to (1), DWS launches or manages both ESG and non-ESG products acknowledging a differentiated client demand as well as evolving regulatory developments. Stewardship activities are explained in more detail in Section D. The measures described below fall under (2) and (3). To what extent they are applicable to DWS's financial products depends on the respective financial product's investment strategy or the consent of third parties.

- DWS Coal Policy[40]: With this policy, DWS takes actions that are designed to reduce its investments in and funding of coal-related activities, such as excluding new investments in coal developers and in companies with a

[40] Available here for additional information. Exceptions: physically replicating Passive funds, existing funds issued by the Illiquid Business. For products not under unilateral DWS control, implementation is subject to approval from third parties (clients, cooperation partners, US fund boards).

coal share of revenues greater than 25%. This policy is applicable to products under unilateral DWS control and has been rolled out and integrated into existing documentation of in-scope products in scope during 2023.

- Exclusions related to controversial weapons: DWS aims to generally exclude companies which are involved in the development, manufacturing, procurement, distribution, services, and use of several types of controversial weapons systems or components thereof, from its investment universe.

- ESG Filter Framework / ESG screens: Subject to the ESG profile of a fund, DWS's actively and passively managed retail funds apply ESG filters or track indices incorporating ESG criteria for its EU-domiciled funds which comprise, where relevant, exclusions with regard to fossil fuels, violations of international norms on social and environmental matters, such as the UN Global Compact and OECD Guidelines for Multinational Corporations. Various products set up for institutional clients apply customized ESG screens based on the individual ESG preferences of the client.

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

Given the diverse nature of its business, DWS has an asset class approach with regard to integrating principal adverse impacts, differentiating between the Actively Managed Portfolio Business, the Passively Managed Portfolio Business, the Illiquid Business, and the Sustainable Investments Business.

3.1. Actively Managed Portfolio Business

Methodology

For the Actively Managed Portfolio Business of DWS, sustainability-related information is integrated into DWS portfolio management systems. This enables investment professionals to have visibility on the sustainability profile of the respective portfolio – including information on principal adverse impacts on sustainability factors where relevant. Investment professionals are obliged to monitor changes in the ESG investment guidelines in relation to principle adverse impacts of the respective financial product and to take these into account in taking investment decisions.

Subject to the product specific investment policy or consent of third parties, the Actively Managed Portfolio Business applies the DWS Coal Policy[41]. Subject to the ESG profile of a product, the actively managed retail funds additionally apply the DWS ESG Filter Framework. Actively managed products set up for institutional clients apply customized ESG screens based on the individual ESG preferences of the client (see section 2 'Prioritisation of principal adverse impacts').

Data sources and margin of error

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

The margin of error depends on availability and quality of data as provided by each of the external vendors. Corresponding limitations are mitigated by DWS's utilisation of multiple vendors, which also facilitates wider coverage and robust calculation. If no adequate primary data is available, DWS uses publicly reported data as well as estimated data.

[41] Please see footnote no.40.

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

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

3.2. Passively Managed Portfolio Business

Methodology

For the Passively Managed Portfolio Business, the incorporation of ESG factors is integrated into portfolio managers' investment process, analysis and decisions and product specialists' index due diligence and selection processes. The business has established minimum standards with relation to the selection of new indices and a documented approach regarding the removal of securities with involvement in controversial weapons subject to materiality considerations. In addition, for indirect investment policy funds (synthetic products), the DWS Coal Policy[42] applies.

Data sources and margin of error

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

3.3. Illiquid Business

Methodology

DWS has set up procedures and methodologies in relation to the management of ESG factors and principal adverse impacts in private real estate as part of the overall Private Real Estate Business' Global Sustainability Framework System (GSF)[43]. The principal adverse impacts applicable to investments in real estate assets as identified in the table in Chapter B of this statement are considered in the sustainability due diligence prior to asset acquisition, and at disposition. During the holding period, principal adverse impacts are integrated in the asset management process through data collection and analysis, risk reviews including energy audits, identification, and implementation of performance improvement measures, and building energy performance certification. Regarding real estate loans, principal adverse impacts are identified and considered by assigning internal ESG grades across the investment lifecycle of mutual funds that invest in loans.

When making infrastructure equity investments and debt investments, DWS considers principal adverse impacts by applying an Environmental and Social Management System (ESMS) which sets out the general framework for the integration of ESG factors in the investment lifecycle. This includes the identification and consideration of principal adverse impacts in sourcing, acquisition processes, asset management, and divestment processes. For investments in holdings in infrastructure project companies, the mandatory principal adverse impact indicators applicable to investment in companies are applied. If adverse impacts are identified during the investment due diligence process, it is at the portfolio manager's discretion whether to make this investment decision within the legal and contractual limits. Also in the direct lending business, sustainability criteria are integrated in investment due diligence. This may include checks performed by the portfolio management, as well as further review and analysis of sustainability-related concerns, if necessary.

[42] Available here for additional information. Exceptions: physically replicating Passive funds, existing funds issued by the Illiquid Business. For products not under unilateral DWS control, implementation is subject to approval from third parties (clients, cooperation partners, US fund boards).
[43] Available here for more information.

Further, the Illiquid Business applies the DWS Coal Policy[44] and exclusions with regard to controversial weapons (see section 2 'Prioritisation of principal adverse impacts').

Data sources and margin of error

For direct real estate investments, the data sources differ between the principal adverse impact indicators. Relevant data sources include utility bills, energy performance certificates, and information provided by third-party property managers and tenants. For collection of energy consumption data and calculation of resulting greenhouse gas emissions, DWS makes use of Measurabl[45], an external real estate ESG data management tool. While data on energy consumption intensity and resulting greenhouse gas emissions are in principle collected for all assets under management, lease conditions, data protection laws and utility company constraints can potentially limit the landlord's ability to obtain consumption data. This is particularly the case for occupier's data and resulting Scope 3 greenhouse gas emissions. The Real Estate Business uses the data estimation feature provided by Measurabl[46] within the limits of Global Real Estate Sustainability Benchmark (GRESB) Reference Guide Estimation Methodology[47]. To address any remaining data gaps, the Real Estate Business discloses data coverage rather than performing further estimations, procures anonymised aggregated data if available, engages with tenants, and implements green leases clauses, including the sharing energy consumption data.

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

3.4. Sustainable Investments Business

Methodology

Investment funds which have a sustainable investment as their objective follow comprehensive policies and guidelines as defined per fund[48] through which principal adverse impacts are prioritised and considered in investment decisions, such as the Environmental and Social Management System (ESMS) guidelines. These ESMS are guided by internationally recognized standards such as the EU Directive on Environmental Impact Assessment, the International Finance Corporation (IFC) Performance Standards, European Investment Bank (EIB) Statement on Environmental and Social Principles and Standards, as well as the Environmental and Social Policy and Safeguards of the Green Climate Fund.

The Sustainable Investments Business is subject to the DWS Coal Policy[49] and exclusions with regard to controversial weapons (see section 2 'Prioritisation of principal adverse impacts'). Further, the investment guidelines for the sustainable investment funds managed by DWS encompass exclusion lists through which principal adverse impacts are prioritised and mitigated (for details, please see the table in Chapter B of this statement).

[44] Available here for more information. Exceptions: physically replicating Passive funds, existing funds issued by the Illiquid Business. For products not under unilateral DWS control, implementation is subject to approval from third parties (clients, cooperation partners, US fund boards).
[45] For additional information, please see https://www.measurabl.com/.
[46] For additional information, please see How do Meter Reading Estimates Work? – Measurabl Help Center.
[47] For additional information, please see GRESB Documents.
[48] These policies and guidelines are available in the fund documentation.
[49] Available here for more information. Exceptions: physically replicating Passive funds, existing funds issued by the Illiquid Business. For products not under unilateral DWS control, implementation is subject to approval from third parties (clients, cooperation partners, US fund boards).

Data sources and margin of error

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

4. 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 its business activities with the objective of creating long-term value. This includes the management of sustainability related opportunities and risks. The Executive Board has delegated its authority for the implementation of the sustainability strategy to the DWS Group Sustainability Committee. The committee is mandated with implementing the sustainability strategy as approved by the DWS Executive Board on fiduciary and corporate levels across all divisions 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 Climate Report integrated in the Annual Report 2023.

The various DWS Group's divisions are responsible for setting up, maintaining, and reviewing policies, processes, and frameworks through which the sustainability strategy is implemented in the divisional processes. This includes the above-mentioned framework to identify and prioritise principal adverse impacts which also applies to DWS.

D / Engagement policies

DWS's direct exchange and dialogue with investees is part of its sustainability actions. As part of the prioritisation process, (see section C.2. 'Prioritisation of principal adverse impacts'), where there is no reduction of principal adverse impacts achieved over more than one reporting period, DWS will review its engagement policy to evaluate whether and how they should be adapted to further mitigate adverse impacts of investment decisions.

The DWS Engagement Policy[50] establishes inter alia the engagement framework for DWS on how to engage with its investees in relation to equity as well as fixed income investments in the Actively and Passively Managed Portfolio Business. The policy addresses types and methods of engagement, escalation strategies, expectations regarding communication with inter alia DWS as an investor and DWS acting on behalf of its clients on several topics, including ESG.

The DWS Corporate Governance & Proxy Voting Policy[51] details DWS's voting framework in relation to its equity investments. It gives a general overview of circumstances that we consider important when evaluating voting proposals and describes guidelines on how to vote in relation to topics such as ESG-related shareholder proposals.

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

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

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

- Water: DWS is a signatory to the CERES water initiative and is committed to engage with investees on water risk. Water risk is one of the criteria used within the DWS engagement prioritisation process.

- International norms, incl. human rights: To mitigate or eradicate severe violations of the international standards, DWS has included its Norm Assessment as a metric for determining its engagement prioritisation lists. DWS would vote against the discharge of directors in case the investee company is facing severe ESG controversies and/or violates internationally established norms.

- Gender diversity: DWS expects its investee companies to incorporate gender diversity into their board composition and refreshment processes and to adhere to national best practice stipulations on gender representation. DWS considers voting against the reappointment or appointment of an executive or non-executive director if the election of a candidate causes the board to become insufficiently gender diverse.

[50] In 2023, we operate our engagement framework and have now included DWS CH AG in addition to DWS Investment GmbH, DWS International GmbH and DWS Investment S.A.
[51] Available here for additional information. A pooled voting rights agreement is in place between DWS Group's largest management companies in Europe - DWS Investment GmbH, DWS Investment S.A., and for specific portfolio management mandates of DWS International – and executed by DWS Investment GmbH. These entities also pool their engagement activities, executed by DWS Investment GmbH.

E / References to international standards

DWS Group and DWS as its subsidiary, respectively, adhere to, or are guided by the following key sustainability-related responsible business conduct codes and internationally recognized standards for due diligence and reporting (non-exhaustive list). If applicable, the principal adverse impact indicators used to measure alignment with those standards are stated in parentheses.

1. Overarching standards and initiatives

DWS Group is a signatory to the following framework:

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

2. Standards on controversial weapons

The following international conventions (amongst others) provide the basis for the exclusions related to controversial weapons that generally seek to avoid investments into companies with relevant exposures:

- Convention on Cluster Munitions, an international treaty that prohibits the use, production, transfer, and stockpiling of cluster bombs (PAII 14);
- Anti-Personnel Mine Ban Convention, a convention on the prohibition of the use, stockpiling, production and transfer of anti-personnel mines and their destruction (including as well anti-personnel time delay explosives and non-detectable fragment explosives as defined by Protocol I, II of the Convention on Certain Conventional Weapons) (PAII 14).
- Biological Weapons Convention, a convention on the prohibition of the development, production, acquisition, transfer, stockpiling and use of biological and toxin weapons (PAII 14).
- Chemical Weapons Convention, a convention on the prohibition of the development, production, stockpiling and use of chemical weapons and on their destruction (PAII 14).

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

3. Standards and initiatives on human rights

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

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

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

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

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

DWS measures its alignment by screening investments for involvement in severe violations of the international standards mentioned above. Issuers with severe violations are excluded from DWS's retail products in the Actively Managed Portfolio Business applying the DWS Basic Exclusions or the DWS ESG Investment Standard filter. In addition, several products for institutional clients apply customized ESG screens excluding issuers with violations of the international standards described above. The data for this screening is processed through the DWS ESG Engine. For information on the data coverage for PAII 10,11, and additional PAII 14, please refer to the table in section B of this statement. For the Passively Managed Portfolio Business, certain products track reference indices which incorporate criteria such as the exclusion of investee companies which fail to comply with the UNGC principles or OECD Guidelines for Multinational Enterprises.

4. Standards and initiatives on climate change

DWS Group and DWS as its subsidiary, respectively, are signatory/committed to the following initiatives and apply the related frameworks related to climate change for managing their investments:

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

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

The above-mentioned initiatives are aligned with the objectives of the Paris Agreement.

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

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

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

DWS Group has a stated ambition to become climate-neutral in its actions, in line with the Paris Agreement, and well ahead of 2050. Based on this ambition, DWS Group became a founding signatory of the NZAM initiative and set its 2030 interim decarbonisation target as part of this initiative.

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

For the in-scope assets, DWS Group's interim target is to seek a 50% reduction in inflation-adjusted Weighted Average Carbon Intensity (WACI adj.) related to Scope 1 and 2 emissions by 2030, compared to the base year 2019. This target is consistent with a fair share of the 50% global reduction in CO_2 consistent with the climate scenarios in the IPCC special report on global warming of 1.5°C published in 2018. Certain financial products of DWS are included in the overall in-scope assets for DWS Group.

DWS Group reports progress on its interim net zero targets on an annual basis via CDP. The data for carbon intensity of issuers is sourced from external ESG data vendors and provided by the DWS ESG Engine. For information on the data coverage for PAII 1 to 6, and additional PAII 4, please refer to the table in section B of this statement.

F / Historical comparison

In this statement on principal adverse impacts of investment decisions on sustainability factors, DWS also provides in the above section B 'Description of the principal adverse impacts on sustainability factors' a historical comparison of the reference period for the calendar year 2023 ("Reference period 2023") covered by this statement, with the previous reference period of the calendar year 2022 ("Reference period 2022") which had been reported on in the statement published on 30 June 2023.

The regulatory landscape in the sustainable finance area continues to evolve. To meet these developments aimed at protecting investors through transparency, consistency, and comparability, DWS continuously develops and evolves its sustainable finance related policies, data, methodologies, and processes. This also encompasses the data, methodologies, and processes DWS applies to assess and calculate the principal adverse impacts of its investment decisions on sustainability factors.

To increase transparency and comparability of the impact in the Reference period 2022 with the impact in the Reference period 2023, DWS has decided to calculate the principal adverse impacts on sustainability factors of its investment decisions for both reference periods based on the same methodology and processes. Due to developments in the DWS methodologies and processes for calculating principal adverse impacts, the impact data for the Reference period 2022 disclosed in this statement for historical comparison purposes may deviate from the impact data disclosed in the statement published on 30 June 2023 for that previous Reference period 2022. For transparency purposes, the previously published Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors dated 30 June 2023 remains available on the DWS website[52].

Apart from the above-mentioned impact of evolving data, methodologies and processes, principal adverse impacts change year-over-year due to a variety of underlying effects. Factors influencing principal adverse impacts comprise, among others, changes in methodology of the third-party data provider, market movements and fund flows, and changes in principal adverse impacts of the portfolio companies or investments. They are further impacted by the consideration of principal adverse impacts by the individual financial products, and the launch and closure of financial products. Specific changes relating to individual principal adverse impact indicators are detailed in section B.

As opposed to the Reference period 2022, the impact data for the Reference period 2023 now also includes investments in private debt and infrastructure and the Sustainable Investments Business.

[52] Available here for additional information.

G / Glossary

AIF	Alternative Investment Fund
AuM	Assets Under Management
CDP	Climate Disclosure Project
CERES	Coalition for Environmentally Responsible Economies
DNSH	Do No Significant Harm
EIB	European Investment Bank
ESA	European Supervisory Authorities
ESG	Environmental, Social, Governance
ESMS	Environmental and Social Management System
GHG	Greenhouse gas emissions
GMO	Genetically Modified Organism
GSF	Global Sustainability Framework
GRESB	Global Real Estate Sustainability Benchmark
IFC	International Finance Corporation
ILO	International Labor Organization
IPCC	Intergovernmental Panel on Climate Change
ISS	International Shareholder Services
MSCI	Morgan Stanley Capital International
NZAM	Net Zero Asset Managers
OECD	Organization for Economic Co-operation and Development
PAI	Principal adverse impact
PAII	Principal adverse impact indicator
PRI	Principles for Responsible Investment
RTS	Regulatory technical standards
SBTi	Science Based Target initiative
SDG	Sustainable Development Goal
SFDR	Sustainable Finance Disclosure Regulation
TCFD	Taskforce on Climate Related Financial Disclosures
UCITS	Undertaking for Collective Investments in Transferable Securities
UNGC	United Nations Global Compact
UNGP	United Nations Guiding Principles on Business and Human Rights
WACI	Weighted Average Carbon Intensity