



01.01.23

Publication pursuant to SFDR - Summary

DWS ESG Convertibles

This financial product promotes environmental and social characteristics and qualifies as product in accordance with article 8(1) of Regulation (EU) 2019/2088.

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment. The fund commits to partially invest in sustainable investments. DWS evaluates whether an economic activity with a contribution to an UN SDG causes significant harm to any environmental or social sustainable investment objective (DNSH assessment). Any economic activity which fails the DNSH assessment cannot be considered as sustainable economic activity. The DNSH assessment also systematically integrates all mandatory principle adverse indicators from Table 1 and relevant indicators from Table 2 and 3 of Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation (SFDR). Taking into account these adverse impacts, DWS has established quantitative thresholds and/or qualitative values to determine if any investment significantly harms any of the environmental or social objectives. These values are set based upon various external and internal factors, such as data availability and market developments and may be adapted going forward. DWS further evaluates through its safeguard assessment the alignment of a company with international norms. This includes checks in relation to adherence to international norms, for example the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles of the United Nations Global Compact and the standards of the International Labour Organization. Companies with assessed and reconfirmed highest violations of one of the international norms are considered as non-compliant to the safeguards and their economic activities cannot be considered sustainable. DNSH assessment as well as the safeguard assessment are part of DWS sustainability investment assessment.

Environmental or social characteristics of the financial product

Through this fund, the Company promotes environmental and social characteristics in the areas of climate protection, social norms and governance, as well as the general ESG quality, by applying an exclusion strategy taking into account the following exclusion criteria: (1) Climate and transition risks; (2) Norm issues with respect to compliance with international norms for governance, human rights, labor rights, customer safety, environmental safety and business ethics; (3) In the area of ESG quality, issuers are generally compared with their peer group and excluded if they receive a low score; (4)

Controversial sectors and controversial activities; (5) Controversial weapons. Through this fund, the Company also promotes a minimum proportion of sustainable investments that make a positive contribution to one or more United Nations Sustainable Development Goals (UN SDGs).

Investment strategy

This fund follows a multi-asset strategy as the principal investment strategy. At least 51% of the net assets are invested in convertible debentures, warrant-linked bonds, warrants and convertible preference shares of reputable domestic and foreign issuers. Up to 20% of the net assets may be invested in equities, including convertible preference shares. Up to 49% of the fund's assets may be invested in money market instruments. Up to 25% of the fund's assets may be invested in bank balances. The fund may invest up to 10% in contingent convertibles. Please refer to the special section of the Sales Prospectus for further details of the principal investment strategy. The net assets shall be primarily invested in assets that fulfill the defined standards for the promoted environmental or social characteristics. The portfolio management of this fund seeks to attain the promoted environmental and social characteristics by assessing potential investments via a proprietary ESG assessment methodology irrespective of economic prospects of success. This methodology is based on the ESG database, which derives "A" to "F" letter coded assessments within the different categories 1) Climate and Transition Risk Assessment, 2) Norm Assessment, 3) ESG Quality Assessment, 4) Exclusion Assessment for controversial sectors, 5) Exclusion Assessment for the controversial weapons sector and 6) Measurement of the proportion of sustainable investments. These assessment categories are further detailed in the "Methodologies" section. The investment limits for the fund within each assessment category can be found in the pre-contractual disclosure for financial products. The procedure to assess the good governance practices of the investee companies is based on the above mentioned DWS Norm Assessment. Accordingly, the assessed investee companies follow good governance practices.

Proportion of investments

This fund invests at least 75% of its net assets in investments that are aligned with the promoted environmental and social characteristics. At least 15% of the fund's assets qualify as sustainable investments in the sense of article 2(17) SFDR. Up to 25% of the investments are not

aligned with these environmental or social characteristics. Derivatives are currently not used to attain the environmental or social characteristics promoted by the fund.

Monitoring of environmental or social characteristics

The ESG investment limits resulting from the ESG assessment methodology and investment limits for eligible assets which are described in the prospectus are coded and embedded into the Investment Management System where they are monitored pre- and post-trade on a daily basis to ensure the compliance with the investment guidelines. The pre-trade monitoring ensures that investment limits are complied with before trading. In case a breach is detected in post-trade monitoring it will be investigated for its cause and scope, addressed and corrected.

Methodologies

The portfolio management of this fund seeks to attain the promoted environmental and social characteristics by assessing potential investments via a proprietary ESG assessment methodology which is based on the ESG database, which uses data from multiple ESG data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to derive combined scores. The ESG database is therefore constituted by data and figures as well as on internal assessments that take into account factors beyond the processed data and figures, such as an issuer's future expected ESG development, plausibility of the data with regard to past or future events, an issuer's willingness to engage in dialogues on ESG matters or corporate decisions. The ESG database uses a variety of assessment categories to assess the attainment of the promoted environmental and social characteristics, including among others:

- **Climate and Transition Risk Assessment** serves as an indicator for the extent to which an issuer is exposed to climate and transition risks
- **Norm Assessment** serves as an indicator for the extent to which there are norm issues in connection with an issuer
- **ESG Quality Assessment** serves as an indicator for comparing the environmental, social and governance factors of an issuer with its peer group
- **Exclusion Assessment for controversial sectors** serves as an indicator for determining the extent of an issuer's involvement in controversial sectors and controversial activities
- **Exclusion Assessment for the controversial weapons sector** serves as an indicator for determining the extent of an issuer's involvement in controversial weapons
- **Measurement of the proportion of sustainable investments**

Within each category, issuers receive one of six possible scores, with "A" being the highest score and "F" being the lowest score. If an issuer's score in one category is deemed insufficient, the portfolio management is prohibited from investing in that issuer, even if it is eligible according to other categories. For exclusion purposes, each letter score in a category is considered individually and may result in exclusion of an issuer.

Data sources and processing

For the purpose of assessing the assets concerning sustainability DWS utilizes commercial vendor data from ESG Book, ISS ESG, Morningstar Sustainalytics, MSCI ESG and S&P TruCost. This information is supplemented with NGO data, e.g. from Urgewald. Quality and process controls apply on both sides, by the vendor and by DWS. DWS applies an internal software solution, the DWS ESG Engine, to standardize and aggregate the inbound ESG data into DWS ESG assessments, which are then used in the investment process. As DWS's ESG assessments are based on external vendor data, it does not estimate ESG data on its own.

Limitations to methodologies and data

Limitations to sustainability data originate mainly from the fact that they may carry a high amount of subjectivity (e.g. with qualitative ESG ratings or estimation processes for numerical data). DWS aims to mitigate that challenge by utilising multiple vendors.

Due diligence

The due diligence carried out on the underlying assets of a financial product is governed by relevant internal policies, key operating documents and handbooks. The due diligence is founded on the availability of ESG data which the management company sources from external ESG data vendors. In addition to the external quality assurance by the vendors, the management company has processes and governance bodies in place that control the quality of the ESG signals.

Engagement policies

An engagement activity can be initiated with the individual issuers regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be exercised by, for example, proxy voting, company meetings or engagement letters.

Designated reference benchmark

This fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.