21 November 2023

Publication pursuant to SFDR - Details

DWS Invest German Equities

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 sub-fund commits to partially invest in sustainable investments. To ensure those sustainable investments do not cause significant harm to any environmental or social sustainable investment objective following processes are implemented:

DNSH Assessment
The DNSH assessment is an integral part of the DWS Sustainability Investment Assessment and evaluates whether an issuer with a contribution to a UN SDG causes significant harm to any of these objectives. In case that a significant harm is identified, the issuer fails the DNSH assessment and the investment cannot be considered sustainable.

Integration of adverse impacts on sustainability factors
As part of the DNSH assessment under article 2(17) SFDR, the DWS Sustainability Investment Assessment systematically integrates the mandatory principal adverse indicators on sustainability factors (dependent on relevance) from Table 1 and relevant indicators from Tables 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 an issuer significantly harms any of the environmental or social objectives. These values are set based upon various external and internal factors, such as data availability or market developments and may be adapted going forward.

Alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights
As part of its sustainability investment assessment, DWS further evaluates through its DWS Norm 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 UN Global Compact and the standards of the International Labour Organization. Companies with the worst DWS Norm Assessment score (i.e., a letter score of “F”) cannot be considered sustainable and are excluded as an investment.

Environmental or social characteristics of the financial product

This sub-fund promotes environmental and social characteristics related to climate, governance and social norms as well as the political-civil freedom of a country through the avoidance of (1) issuers exposed to excessive climate and transition risks, (2) companies with the worst DWS Norm Assessment (i.e. as regards compliance with international standards of corporate governance, human rights and labour rights, customer and environmental safety and business ethics), (3) countries flagged as "not free" by Freedom House, (4) companies whose involvement in controversial sectors exceeds a predefined revenue threshold, and/or (5) companies involved in controversial weapons.
This sub-fund further promotes a minimum proportion of sustainable investments with a positive contribution to one or several of the United Nations Sustainable Development Goals (UN SDGs).
This sub-fund has not designated a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted.

Investment strategy

This sub-fund pursues a strategy based on equities as main investment strategy. At least 75% of the sub-fund’s assets are invested in equities, investment certificates, equity warrants, equity-linked warrants and subscription rights of German issuers. German issuers are defined as companies headquartered in Germany.
Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus.
The sub-fund’s assets are predominantly allocated into investments that comply with the defined standards in respect to the promoted environmental and social characteristics as described in the following sections. The sub-fund’s strategy in relation to the promoted environmental and social characteristics is integral part of the DWS ESG assessment methodology, which is continuously monitored via the sub-fund’s investment guidelines.

DWS ESG assessment methodology

The sub-fund aims to achieve the promoted environmental and social characteristics by assessing potential assets via an in-house DWS ESG assessment methodology, regardless of their economic prospects for success and by applying exclusion criteria based on this assessment. The DWS ESG assessment methodology is based on the DWS ESG database, which uses data from several ESG data providers, public sources and/or internal assessments to arrive at derived overall scores. Internal assessments take into account factors such as an issuer's future expected ESG developments, plausibility of data with regard to past or future events, the willingness to engage in dialogue on ESG matters and ESG-related decisions of a company.

The DWS ESG database derives coded scores within different assessment approaches as further detailed below. Individual assessment approaches are based on a letter scale from "A" to "F". Each issuer receives one of six possible scores, with "A" representing the highest score and "F" representing the lowest score on the scale. Within other assessment approaches, the DWS ESG database provides separate assessments, including, for example, related to revenues earned from controversial sectors or the degree of involvement in controversial weapons. If an issuer's score in one assessment approach is deemed insufficient, the sub-fund is prohibited from investing in that issuer or that asset, even if this issuer or this asset would in general be eligible according to the other assessment approaches.

The DWS ESG database uses, among others, the following assessment approaches to evaluate whether issuers/assets comply with the promoted environmental and social characteristics and whether companies in which investments are made apply good governance practices:

DWS Climate and Transition Risk Assessment

The DWS Climate and Transition Risk Assessment evaluates issuers in the context of climate change and environmental changes, for example with respect to greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes or are less exposed to these risks, receive better scores. Issuers with an excessive climate and transition risk profile (i.e., a letter score of "F") are excluded as an investment.

DWS Norm Assessment

The DWS Norm Assessment evaluates the behaviour of companies, for example, within the framework of the principles of the UN Global Compact, the standards of the International Labour Organization, and behaviour within generally accepted international standards and principles. The DWS Norm Assessment examines, for example, human rights violations, violations of workers' rights, child or forced labour, adverse environmental impacts and business ethics. The assessment considers violations of the aforementioned international standards. These are assessed using data from ESG data providers and/or other available information, such as the expected future developments of these violations as well as the willingness of the company to begin a dialogue on related business decisions. Companies with the worst DWS Norm Assessment score (i.e., a letter score of "F") are excluded as an investment.

Freedom House status

Freedom House is an international non-governmental organization that classifies countries by their degree of political freedom and civil liberties. Based on the Freedom House status, countries that are labelled as "not free" by Freedom House are excluded.

Exposure to controversial sectors

Investments in companies that are involved in certain business areas and business activities in controversial areas ("controversial sectors") are excluded. Companies are excluded from the portfolio as follows, according to their share of total revenues generated in controversial sectors.

Revenue thresholds for exclusion of controversial sectors:

- Manufacturing of products and/or provision of services in the defence industry: at least 10%
- Manufacturing and/or distribution of civil handguns or ammunition: at least 5%
- Manufacturing of tobacco products: at least 5%
- Coal mining and power generation from coal: at least 25%
- Mining of oil sand: at least 5%

The sub-fund excludes companies with coal expansion plans, such as additional coal mining, coal production or coal usage, based on an internal identification methodology.

The aforementioned coal-related exclusions only apply to so-called thermal coal, i.e., coal that is used in power stations for energy production. In the event of exceptional circumstances, such as measures imposed by a government to address challenges in the energy sector, the Management Company may decide to temporarily suspend the application of the coal-related exclusions to individual companies/geographical regions.

DWS exclusions for controversial weapons

Companies are excluded if they are identified as manufacturers or manufacturers of key components of anti-personnel mines, cluster munitions, chemical and biological weapons, nuclear weapons, depleted uranium weapons or uranium munitions. In addition, the shareholdings within a group structure can also be taken into consideration for the exclusions. Furthermore, companies that are identified as manufacturers or manufacturers of key components of incendiary bombs containing white phosphorus are excluded.

DWS Use of Proceeds Bond Assessment

Deviating from the assessment approaches described above, an investment in bonds of excluded issuers is nevertheless permitted if the particular requirements for use-of-proceeds bonds are met. In this case, the bond is first checked for compliance with the ICMA Principles for green bonds, social bonds or sustainability bonds. In addition, a defined minimum of ESG criteria is checked in relation to the issuer of the bond, and issuers and their bonds that do not meet these criteria are excluded.

DWS Target Fund Assessment

The DWS ESG database assesses target funds in accordance with the DWS Climate and Transition Risk Assessment, DWS Norm Assessment, UN Global Compact Assessment, DWS ESG Quality Assessment, the Freedom House Status and with respect to investments in companies that are considered to be manufacturers or manufacturers of key components of anti-personnel mines, cluster munitions, chemical and biological weapons (the shareholdings within a group structure are taken into consideration accordingly). The assessment methods for target funds are based on examining the entire target fund portfolio, taking into account the investments within the target fund portfolio. Depending on the respective assessment approach, exclusion criteria (such as tolerance thresholds) that result in exclusion of the target fund are defined. Accordingly, assets may be invested within the portfolios of the target funds that are not compliant with the DWS standards for issuers.

Non-ESG assessed asset classes

Not every asset of the sub-fund is assessed by the DWS ESG assessment methodology. This applies in particular to the following asset classes:

Derivatives are currently not used to attain the environmental and social characteristics promoted by the sub-fund and are therefore not taken into account for the calculation of the minimum proportion of assets that comply with these characteristics. However, derivatives on individual issuers may only be acquired for the sub-fund if the issuers of the underlyings comply with the DWS ESG assessment methodology.

Deposits with credit institutions are not evaluated via the DWS ESG assessment methodology.

DWS methodology for determining sustainable investments as defined in article 2 (17) SFDR (DWS Sustainability Investment Assessment)
Further, for the proportion of sustainable investments DWS measures the contribution to one or several UN SDGs via its DWS Sustainability Investment Assessment which evaluates potential investments in relation to different criteria to conclude that an investment can be considered sustainable as further detailed in section "What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?".

(Pre-contractual disclosure according to Annex II of the Commission Delegated Regulation (EU)2022/1288 supplementing the Sustainable Finance Disclosure Regulation.)

Policy to assess Good Governance
The assessment of the good governance practices of the investee companies is based on the DWS Norm Assessment, as further detailed in the dedicated section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?". Accordingly, the assessed investee companies follow good governance practices.

(Pre-contractual disclosure according to Annex II of the Commission Delegated Regulation (EU)2022/1288 supplementing the Sustainable Finance Disclosure Regulation.)

Proportion of investments

This sub-fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics. At least 10% of the sub-fund's assets qualify as sustainable investments in the sense of article 2(17) SFDR. Up to 49% of the investments are not aligned with these environmental or social characteristics. A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund.

Monitoring of environmental or social characteristics

For the purpose of the investment guideline monitoring, a coding process is established in which the investment policy as described in the prospectus and the investment limits contained therein are coded in accordance into the Investment Management System. This applies in particular to the respective ESG investment limits. The investment limits are monitored daily pre- and post-trade in the investment management system to ensure compliance with the investment guidelines. In pre-trade monitoring, it is ensured that the investment limits are complied with before trading. However, if a breach has been detected, the breach will be investigated for its cause and scope, addressed and corrected in accordance with legal/regulatory requirements and guidelines.

Methodologies

The attainment of the promoted environmental and social characteristics as well as the sustainable investment is assessed via the application of an in-house DWS ESG assessment methodology as further described in section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?". The methodology applies a variety of assessment approaches that are used as sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- **DWS Climate and Transition Risk Assessment** is used as indicator for an issuer's exposure to climate and transition risks.
- **DWS Norm Assessment** is used as indicator for a company's exposure to norm-related issues towards international standards.
- **Freedom House Status** is used as indicator for the political-civil freedom of a country.
- **Exposure to controversial sectors** is used as indicator for a company's involvement in controversial sectors.
- **DWS exclusions for controversial weapons** is used as indicator for a company's involvement in controversial weapons.
- **DWS-Methodology for determining sustainable investments pursuant to Article 2(17) SFDR (DWS Sustainability Investment Assessment)** is used as indicator to measure the proportion of sustainable investments.

(Pre-contractual disclosure according to Annex II of the Commission Delegated Regulation (EU)2022/1288 supplementing the Sustainable Finance Disclosure Regulation.)

Data sources and processing

DWS sources sustainability information from commercial data vendors: Information concerning involvement in sectors from ISS-ESG, MSCI ESG, S&P TruCost; concerning norm violations and controversy issues from ISS-ESG, MSCI ESG, Morningstar Sustainalytics; concerning general ESG quality of corporates, sovereigns and/or funds from ISS-ESG, MSCI ESG, Morningstar Sustainalytics; concerning specific carbon and water data from ISS-ESG, MSCI ESG, S&P TruCost, ESG Book; concerning specific data on sustainable development goals (SDG), SFDR and EU taxonomy from ISS-ESG, MSCI ESG. Furthermore, information from non-commercial sources is considered, most notably from Urgewald, transition pathway initiative (TPI) and Science Based Targets (SBTI). There may be limited information on certain asset classes. Each of the commercial data vendors established upstream controls to ensure quality of their processes and of the data that is being provided to DWS. DWS as data users has set up processes to monitor the quality of the inbound data. This concerns checks on availability and integrity of the data as well as scrutiny towards cases where inbound data changes impact investment eligibility of assets under the sustainability criteria of the fund. Regular meetings with the ESG data providers are held to discuss issues and challenged cases when necessary. From the inbound data described above DWS derives ESG assessments, which then are used by the DWS investment professionals to make their investment recommendations or -decisions taking into account sustainability considerations. To that end, DWS employs an in-house developed software solution, the DWS ESG Engine. This tool standardizes and aggregates data across various sources. The resulting ESG assessments carry sustainability information concerning involvement in sectors; general ESG quality; specific water and carbon topics and concerning SDG, SFDR and EU taxonomy. DWS predominantly bases its ESG assessments on external vendor data in the aforementioned fully automated process. The ESG assessments may be corrected from internal control functions, in this case the information is sourced from the DWS research process. To that end, DWS itself does not estimate ESG data on their own. Where it concerns the EU taxonomy aligned assets, DWS utilizes a vendor package which offers non-estimated numbers. The ESG database is therefore based on 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. For further information on ESG data sources and processing, please see https://download.dws.com/download?elib-assetguid=986a39002ddf4c50929a8d3dbb46c818

Limitations to methodologies and data

DWS bases its ESG assessments on external vendor data. The consumed data is of both quantitative (e.g. carbon intensities or share of sustainable activity) as well as qualitative nature (e.g. ESG assessments or assessment of possible violations of international norms). In both cases, the latter more than the former, potential expert-based subjectivity weighs in. Qualitative measures like general purpose ESG assessments may be subjective by construction; quantitative measures may originate from estimations or be based on certain assumption (e.g. determining the share of revenues from the share of produced energy). The prevalance of potential subjectivity constitutes a limitation if not properly mitigated. DWS mitigates this potential challenge by using multiple data vendors rather than only one in its ESG investment process m. With this approach the potential subjectivity of each vendor is mitigated and turned into a diversity of information. Further, DWS has implemented automated plausibility checks. An additional layer of scrutiny is employed which may choose to adjust challenged assessments. Assessments may go beyond the processing of external vendor data and may reflect internal assessments based on e.g. recent developments, engagement potential and progress.

Due Dilligence

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

Version history according to Art. 12 of Regulation (EU) 2019/2088

Date	Explanation of changes
21 November 2023	Change of the ESG assessment methodology
1 January 2023	Amendments to the structure, content and depth of detail according to the specifications of Art. 25 – 36 of the Comission Delegated Regulation (EU) 2022/1288