

About the portfolio manager

Assets under management	USD 804 bn, USD 638 mn according to sustainable criteria
Number of inv. profess.	4'188
Number of inv. profess. dedicated to ESG	12
Participation in shareholder meetings	Yes
ESG rating	„Sustainable“
ESG consultant	No, taking into account analysis by ISS and Glass Lewis
External data sources	
<ul style="list-style-type: none"> • Sustainalytics • MSCI • TruCost 	<ul style="list-style-type: none"> • RepRisk • Ethix • SigWatch • Oekom

Memberships

Signatory to UNPRI	Yes
UNPRI rating	A
Others	
<ul style="list-style-type: none"> • US Investors Network on Climate Risk (INCR) • UK Sustainable Investments Forum (UK SIF) • European Institutional Investors Group on Climate Change (IIGCC) 	<ul style="list-style-type: none"> • Global Investor Statement on Climate Change • Unterzeichnung des Paris Abkommens

Voting activity

Exercise of voting rights	Yes
ESG consultant	Internal team; implementation of DWS criteria regarding corporate governance and exercising of voting rights, additional use of analysis by ISS Europe and IVOX Glass Lewis
Voting report	Yes, quarterly and yearly reports

Additional information

<https://www.dws.de/das-unternehmen/corporate-governance/>

Decision making process for exclusion decisions

DWS does not use general exclusion lists. However, we do have an exclusion list and applying rules for companies involved in business with cluster munitions and anti-personnel mines. We seek to identify production or provisioning of certain products and services which may be considered controversial under special ESG regimes. Under this sector analysis we systematically review corporations concerning any or significant involvement into Controversial Conventional Weapons (Cluster Bombs, Anti-Personnel Mines, Depleted Uranium Weapons), Nuclear Arms, Military Defense Industry, Tobacco, Alcohol, Adult Entertainment and Gambling.

Consultant for investment guidelines and exclusion criteria

DWS does not use external ESG consultant for investment guidelines and exclusion decisions specifically. ESG considerations are integrated into DWS's general investment process, which is valid for all investment professionals because we are convinced that companies with better than average ESG performance can achieve better risk-adjusted performance. Our investment and proxy voting decisions therefore incorporate environmental, social, and corporate governance considerations in the pursuit to maximise shareholder value and serve our clients. Integrating ESG factors into the investment process in our view contributes to a better understanding of businesses and the respective environment in which they operate. It enables us to identify risks and opportunities that a traditional financial analysis could miss or fail to address systematically, with a potentially significant impact on long-term investment performance. As a result, although fundamental analysis considers key financial data and economic merit as the main criteria in making investment decisions, ethical and non-financial aspects are taken into account for both, risk assessment and contribution to performance.

Decision making process for exercising voting rights

We exercise our voting rights according to a stringent process, which focuses on quality versus quantity and applies across active and passive portfolios. We vote based on a „Watchlist“, which represents a list of our most relevant equity holdings globally, screened on a regular basis on percentage of market capitalization, assets under management and several ESG criteria. We utilize the services of proxy voting agents/providers to analyze general meetings' agendas based on our Corporate Governance and Proxy Voting Policy. We have a quality-focused approach, whereby investees are analyzed thoroughly and an informed decision is made at their general meeting. Our voting decisions follow the proprietary Corporate Governance and Proxy Voting Policy, a thorough analysis by the Corporate Governance Center and discussions with the analysts/portfolio managers of the Active business. Therefore, our proxy voting process follows a four-eye-principle approach, whereby after the analysis, the relevant approvers give their final say.

For agenda items of particular significance for a company (e.g., substantial transactions like mergers and acquisitions) and cases where the responsible portfolio manager or analyst proposes a recommendation different from our standard Corporate Governance and Proxy Voting Policy, our Proxy Voting Group is the ultimate decision-making body. This group is composed of senior managers from all relevant areas to ensure an effective, timely, and consistent voting process.

Engagement

Engagement Ja; 2017: Aktiver Dialog mit 81 Unternehmen

Consultant Internes, spezialisiertes Investment

Additional information

https://vds.issgovernance.com/repo/4585/policy/DWSCorpoarte_Governance_Engagement_Report_2017_FINAL.PDF

IST portfolio

Portfolio overview

ESG rating 4 stars by GRESB for RREEF America REIT II; Europe II & ACREF without rating

Application of an exclusion list No

ESG consultant for engagement activities

There are various ways of our engagement with companies depending on the company itself, the sector and the issue in question. However, in cases where we identify gaps between our expectations regarding Corporate Governance and the company's attitude towards it, we will start a direct engagement process with the management board, thus also before voting.

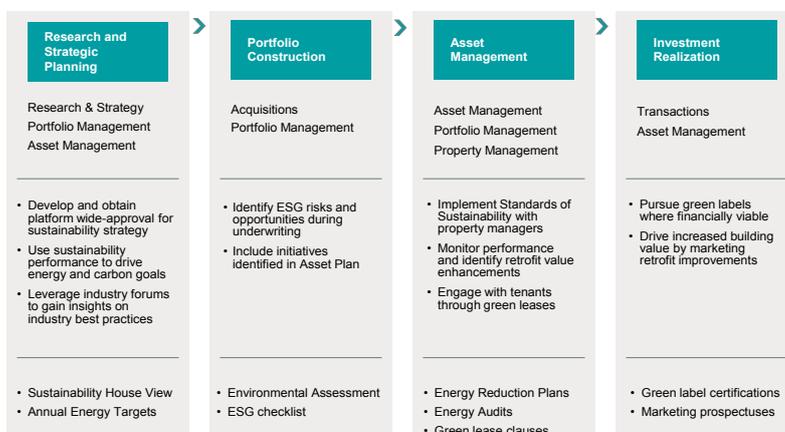
DWS does not outsource the engagement activity to an external engagement provider. We conduct our engagement through our investment and ESG specialists in-house. Our governance-specific engagement activities are conducted and managed by our dedicated Corporate Governance Center.

Incorporation of ESG factors into the investment process

We believe there are environmental, social and governance ("ESG") implications associated with the full range of our real estate investment management decisions, and that a commitment to decision-making based upon sustainable real estate best practices will add long-term value to the investments we manage for our clients.

The DWS Real Estate ESG Strategy is to strengthen our core real estate business by reducing risk, improving efficiency, and satisfying tenants. In order for ESG to clearly sustain and enhance returns, we:

1. Utilize a transparent process that is data-driven, and that identifies and responds to both material risks to be mitigated and opportunities to improve operational efficiency
2. Regularly report key metrics to clients and engage in discussions with them around ESG
3. Set meaningful and objective standards and targets by which we can be measured
4. Demonstrate how ESG issues impact our processes and decision-making
5. Educate and engage with our employees and service providers so that they have the tools they need to thrive and execute on our strategy



We believe effective hands-on ESG implementation by local teams translates into better and more efficient real estate decisions that add long-term value for investors. Throughout our 40-year real estate investment heritage, risk management, active asset management, and thought leadership have enabled us to develop a rigorous lifecycle approach designed to identify, implement and monitor investment themes and tactics.