

# 2021

## Active Ownership Engagement and Proxy Voting Report

DWS Investment GmbH



Investors for a new now

# Contents

## Notice

Corporate Governance is conducted for DWS Investment GmbH, DWS Investment S.A. and for specific portfolio management mandates of DWS International GmbH.

The primary responsibility for the engagements and the exercise of voting rights outlined in this report lies with DWS Investment GmbH (referred to as DWS in this report). To ensure an effective, efficient and consistent process, the following DWS legal entities have delegated the voting rights of their funds (in case of DWS Investment S.A.) respectively their institutional mandates (in case of DWS International GmbH) to DWS Investment GmbH:

- DWS International GmbH (applicable to mandates where the voting rights have been delegated by the institutional client)
- DWS Investment S.A

Reflecting our fiduciary duty to our clients, the exercise of our voting rights is made fully independent from any views or interests of our principal shareholder Deutsche Bank AG and other DWS legal entities.

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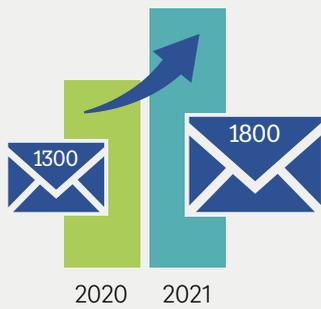
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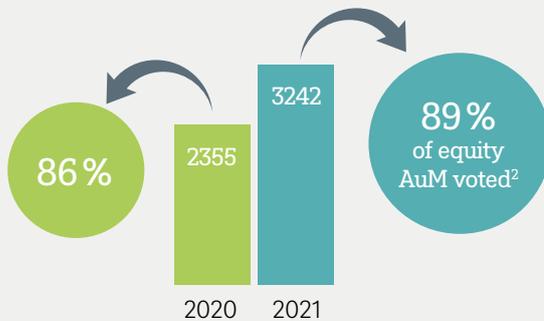
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More than **1800 investee companies** received our pre-season engagement letter. (1300 in 2020)



Our post-season letter was sent out to more than **660 investee companies**. (390 in 2020)



Annual general/extraordinary meetings of equity AuM voted<sup>1</sup>.



We sent our **questions** for the virtual AGMs of **40 investee companies**. (24 investee companies in 2020)



**72%** of all meetings voted had at least one vote Against, Withhold or Abstain. (67% in 2020)

<sup>1</sup> Funds of legal entities in scope: DWS Investment GmbH (with discretion to vote for certain assets under management of DWS International GmbH, DWS Investment S.A. (incl. SICAVs and PLCs) based on internal delegation agreements Source: DWS Investment GmbH; Data as of 31.12.2021, ISS Proxy Exchange

<sup>2</sup> Based on EUR equity exposure per end of December, 2021 for the funds and shares eligible for voting listed above. Source: DWS Investment GmbH.



We sent **30 questionnaires** to investee companies regarding Blue Economy issues.



	2020	2021
Engagements	454	581
One-on-one engagements	450	481
Written engagements and investor group calls	4	100



operating in Myanmar and/or Belarus received our letter on **Human Rights**.

Dear Reader,

2021 was another challenging year and it has seen an increased emphasis on the management of environmental and social risks and opportunities. Throughout the year, we have maintained a central focus on the importance of robust corporate governance practices with the aim to deliver sustainable long-term value. **Key thematic topics for us in 2021 have been climate change and human rights**, which are increasingly relevant to a company's business operations and, thus, to our discussions with our investee companies.

The UNFCCC COP26 ended with the signing of the Glasgow Climate Pact (GCP). It contains a number of new agreements and commitments that could lead to ramping up of decarbonization, if delivered. However, increased ambition will require stronger measures for implementation. **For this reason, our investees' climate impact continues to become a more central consideration when assessing their long-term value development as well as for informing our voting decisions at their general meetings.** Fortunately, we are seeing some pro-active steps from investee companies; since 2021, not only do we see climate topics in the format of shareholder proposals, but we also are now seeing some management proposals to vote on the company's approach to transition away from carbon.

**The conversations with issuers help to continue to shape our understanding and expectations, which we in turn reflect in our voting decisions.**

**DWS Group GmbH & Co. KGaA is a signatory of the Net Zero Asset Managers initiative and is committed to supporting the goal of net zero greenhouse gas (GHG) emissions by 2050 or sooner.** As a responsible investor, it is our fiduciary duty to express our expectations on sustainability in the best interest of our clients. As part of this initiative, we identified a group of more than 220 global investee companies based on the relevant degree of emissions, climate transition risk rating in addition to Climate Action 100+ constituents. In June 2021 we sent a letter to the identified investee companies, articulating our expectations and possible voting implications and inviting them to take ambitious steps on the path to Net Zero, which is accessible on the DWS website.<sup>3</sup> A series of thorough engagements with 83 investee companies then ensued. We continue to hold engagements on this topic and for those who do not respond we will consider voting against board members. The conversations with investee company help to continue to shape our understanding and expectations, which we in turn reflect in our voting decisions.

In addition, we initiated our thematic engagement on human rights issues in Myanmar and Belarus in order to have transparency on how they protect their employees and support the protection of human rights in general. As a result, we sent 38 letters to investee companies with operations in these countries and will follow up on these engagements.

<sup>3</sup> Our letter on net zero can be found at: <https://www.dws.com/en-gb/solutions/esg/corporate-governance/>.

Alongside our proxy voting activities, we increased our direct dialogues with members of the boards of directors via direct participation at the virtual shareholder meetings of our investee companies. **As the primary representatives of shareholder interests, boards ought to have proper oversight of material environmental, social and governance matters and should be held accountable if they fail to effectively do so.** Thus, striving to encourage transparency and a positive climate transformation, we expressed our concerns on relevant ESG topics via statements and questions at the virtual general meetings of 40 portfolio investee companies, in addition to our proxy votes at more than 3,200 shareholder meetings in 2021. We strongly encourage investee companies to maintain an active dialogue with shareholders at their AGMs to ensure meaningful exchanges.

We have a long-standing tradition that good corporate governance is critical to the sustainable development of a company and long-term shareholder value creation. From a governance perspective, we amended our Corporate Governance and Proxy Voting Policy in order to link governance and sustainability factors. **Since 2021, we have been voting against remuneration packages for management that do not incorporate relevant non-financial/sustainability factors and discussing this in our engagements.** Furthermore, we voted against the re-election or discharge of directors at investee companies that face severe controversies or a poor ESG rating. In addition, the topic of ESG oversight at board level has been a common topic during our engagements with investee companies in 2021.

**We have enhanced our engagement framework at the end of 2021 with a view to strengthening our focus on sustainability outcomes.**

The constantly changing environment associated with green industrialization poses major challenges for all stakeholders such as asset managers, clients, regulators, and our investees. We are entering a new phase, which also means into partly uncharted waters. At DWS, we bring more than 25 years of experience in active ownership and seek constant improvement to effect positive change. For this reason, we have enhanced our engagement framework at the end of 2021 with a view to strengthening our focus on sustainability outcome as well as to clearly define our escalation process. I hope that

this report gives you a comprehensive overview of our voting and engagement efforts in 2021, making our commitment to our active ownership philosophy transparent.

Yours sincerely,



A handwritten signature in dark teal ink, appearing to read 'Nicolas Huber'.

**Nicolas Huber**  
Head of Investment Stewardship

# Active Ownership is part of our fiduciary duty

# Proxy voting and engagement for the benefit of our clients

As a global asset manager, DWS acts as a fiduciary for its clients. Their interests come first, and we are guided by our obligation to keep and build their wealth. Our aim is to deliver strategies to our clients that preserve and increase their risk-adjusted returns. In our view, our fiduciary responsibilities include integrating non-financial, environmental, social and corporate governance (ESG) factors to the best possible extent. We do this not only in our own investment decisions but also by assuming active ownership of our holdings, using proxy voting and engagement to drive change for the benefit of our clients for active as well as passive investments.

Our commitment to active ownership is an important part of the investment process and the exercise of voting rights is as an important means to ring-fence our investments. We regard active ownership as an essential tool in promoting improved policies and practices to our investees in the best interest of our clients. We encourage good governance and sustainable corporate practices at our investee companies to increase value on equity and fixed income investments in the long-term.

We believe that governance is the foundation for the effective management of environmental and social issues. Our dedicated governance engagements are based on a thorough analysis of the independence and composition of boards, executive compensation, transparent reporting, transparency on auditors (for example selection, rotation and engagement) and equal shareholder rights. We believe transparency and open dialogue with our investee companies is important in order to maintain a fruitful, long-term working relationship; each year we send engagement letters to our investees before and after the proxy voting season, which reiterate our core governance values. In cases where we identify gaps between our expectations on ESG standards and the company's attitude towards it, we start a direct engagement with the company representatives.

We hereby screen for investee companies in regard of holding size, ESG rating, climate transition risk, and severity of controversies, among others.

DWS's investment professionals continued to regularly engage with the senior management and board representatives of investee companies, whereby, in addition to the fundamentals, strategy and outlook of the company, ESG issues play a significant role.

Our engagement activities are central to our ESG Integration Policy for Active Investment Management, to the Engagement Policy and in turn to our Corporate Governance and Proxy Voting Policy. Each policy plays a key role in the overall objective to improve the behaviour of an investee company as they relate to environmental, social and/ or corporate governance factors, as well as strategy, financial performance, risk and capital structure.

Our engagement activities are undertaken by the research analysts, portfolio managers, Corporate Governance Center and the ESG Integration team. Collaboration between those parties is an important factor of our active ownership activities and we are constantly striving to streamline our engagement approach to foster sustainability outcomes.

## Enhanced Engagement Framework

Towards the end of 2021, DWS introduced an enhanced engagement framework for example to constantly measure the outcome of the engagement with investee companies. In case concerns have not been sufficiently addressed, the company is not responsive or fails to meet our expectations within the regular engagement process, we will consider the escalation of the engagement in the best interest of our clients.

It establishes three clusters of engagement depending on the degree of interaction with the investee. It also sets targets towards sustainability outcomes which are among others mapped to the Sustainable Development Goals (SDGs).

- **Core List:** The focus will be on core corporate governance values and broader environmental and social issues
- **Focus Engagement List:** Different approaches will be defined on an ad-hoc basis. For certain investees, the focus will be on climate and norm violations as well as governance related issues. For others it could be about specific sustainability themes
- **Strategic Engagement List:** The objective is to work with investee companies on a number of clear ESG and non-ESG targets. By working with investee companies that are very important for DWS and its clients, there is a potential to improve the investee companies' ESG and non-ESG quality



**Our engagement activities are undertaken by the Corporate Governance Center, portfolio managers, analysts and the ESG Integration team.**

The underlying rationale used in our engagement is that we achieve positive change only when we exert influence and that we exert influence most effectively when we are invested. We aim to evaluate each company individually and try to improve sustainability outcomes via direct dialogue. We will only exclude these investee companies from relevant product investment universes if these efforts do not generate positive outcomes and we assess that there is little scope for improving the investee companies' risk profile.

## Use of Proxy Advisors

We utilize the services of two service providers: Institutional Shareholder Services Europe Limited ("ISS") and IVOX Glass Lewis GmbH. Both service providers analyze general meetings and their agendas based on our proprietary voting policy and provide us with voting recommendations and rationales. The voting follows a four-eye principle approach, whereby investment professionals and/or members of the Corporate Governance Center provide voting proposals, and the members of the Corporate Governance Center on behalf of DWS Investment GmbH provide the final approval for the votes to be instructed.

# Corporate Governance & Proxy Voting Policy developments in 2021

The foundation of our voting decisions is our Corporate Governance and Proxy Voting Policy, which has been developed over many years of experience voting at investor meetings. We review our policy on a yearly basis to ensure that our corporate governance expectations reflect relevant regulatory changes and remain robust against market standards and developments.

## Key changes to our Corporate Governance and Proxy Voting Policy for 2021

### Board Elections/Discharge

We extended our votes against the discharge of the board as well as to the re-election of directors for the following cases:

- The company is involved in severe ESG-controversies
- There are clear concerns over questionable finances or restatements of accounting figures
- There have been questionable transactions with conflicts of interest
- There have been abuses against minority shareholder interests

Furthermore, we expect boards and management to adequately assess and address risks and impacts arising from or associated with environmental and social developments. It is essential that investee companies align their business practices with internationally accepted and established standards such as the UN Global Compact Principles, TCFD recommendations, SASB, CDP, etc., and report on these topics accordingly. Since 2021, we hold boards accountable in case they do not act in an environmentally and socially responsible manner and this is also reflected in a poor ESG rating compiled by our DWS ESG Engine.

### Management and Board Remuneration

In addition to the financial KPIs, since 2021 we also expect the integration of the ESG-metrics into the short-term (STI) and/or long-term incentives (LTI). The remuneration report should disclose the STI and LTI target achievement levels

and remuneration paid, granted and/or vested. Furthermore, investee companies should disclose a cap on the maximum amount of remuneration for board members.

### Auditor

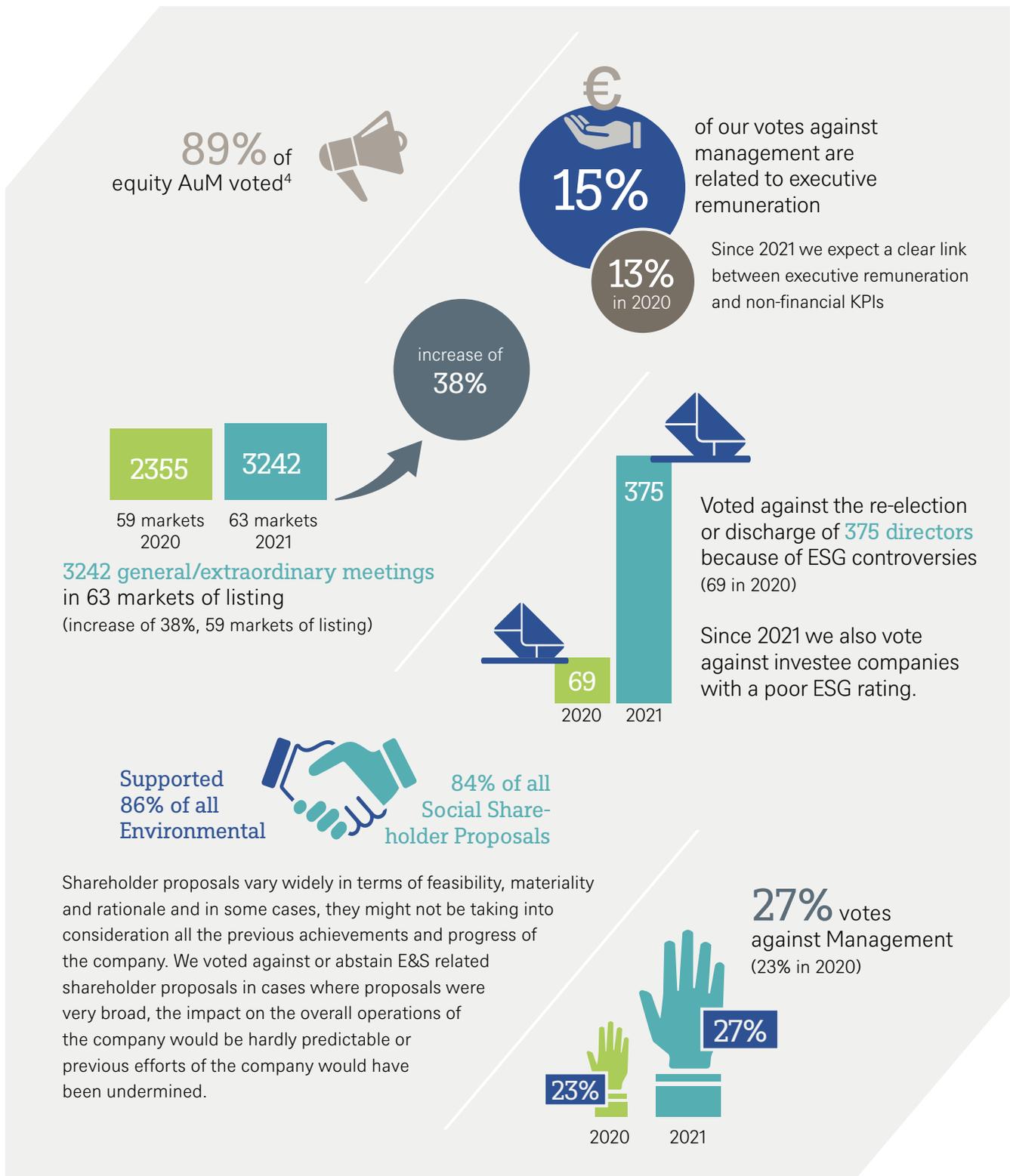
To ensure a critical view that is necessary to provide for a fair and correct account of a company's financial situation, the auditor's independence is crucial. Alongside the lead audit partner rotation and the proportion of fees derived from non-audit activities, since 2021, we expect investee companies to refresh the audit firm after ten years.



**From voting against board elections and the discharge of directors to considering diversity, ESG rating and audit firm tenure, we have constantly developed and strengthened our Corporate Governance and Proxy Voting Policy over many years.**

# Proxy Voting season 2021 in detail

Our voting approach aims at protecting and promoting the interests of our client investors and focuses on a quality-based analysis versus quantity of votes.



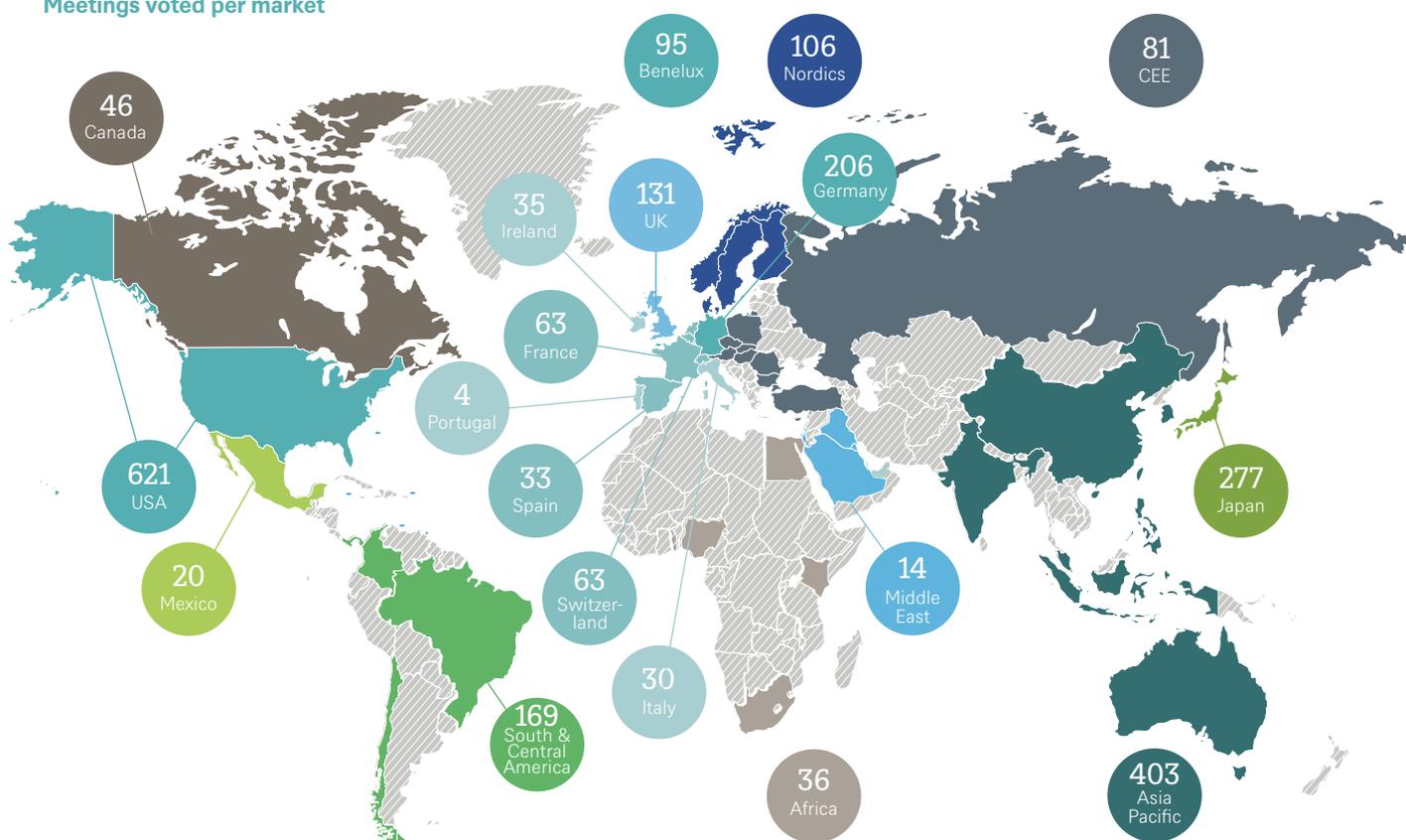
<sup>4</sup> Based on EUR equity exposure per end of December, 2021 for the funds and shares eligible for voting listed above. Source: DWS Investment GmbH.

# Proxy Voting activities in 2021

In 2021, we voted at a total of 3,242 general meetings of more than 2,426 investee companies in 63 markets of listing. We continued to gradually increase the number of meetings voted per year, making sure not to compromise the quality of the analysis. These meetings represented

approximately 89% of the equity assets under management (AuM) of our funds domiciled in Europe.<sup>5</sup> The majority of the voted meetings was for investee companies listed in the United States, followed by Asia-Pacific countries, Japan and Germany.

## Meetings voted per market

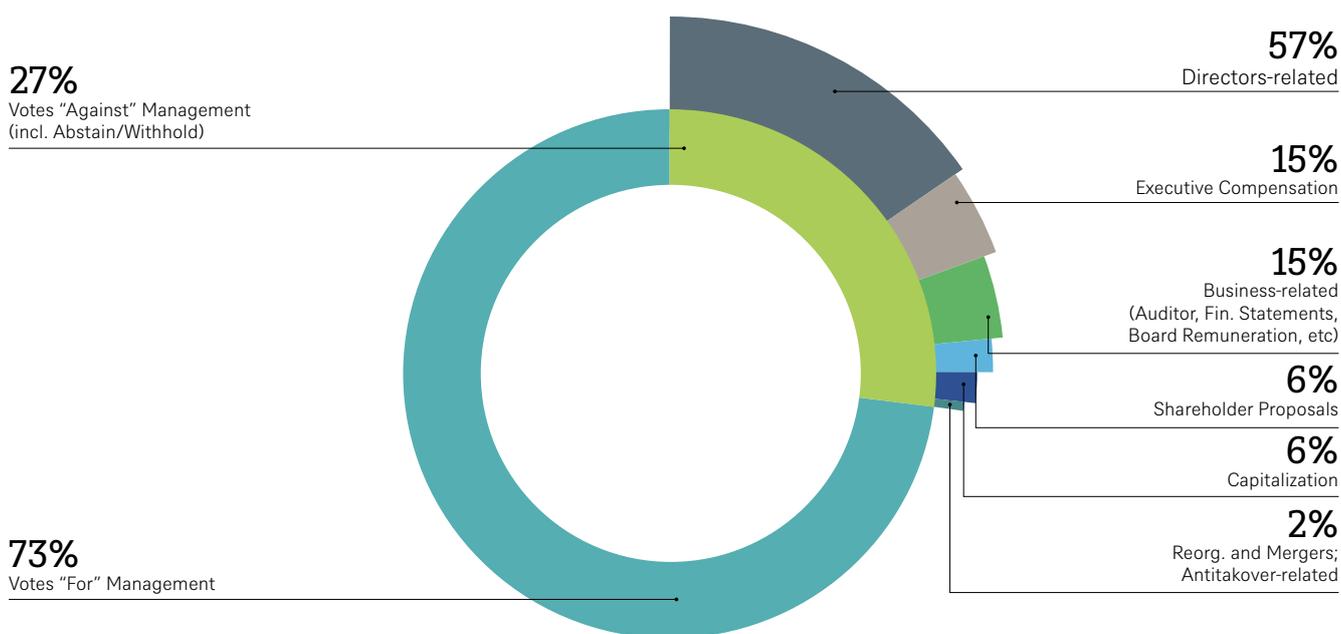


<b>Africa</b>	Egypt, Kenya, Nigeria, South Africa	<b>Nordics</b>	Denmark, Finland, Norway, Sweden, Iceland, Faroe Islands
<b>Asia Pacific</b>	Australia, South Korea, China, Taiwan, India, Indonesia, Malaysia, Philippines, Singapore, Hong Kong, New Zealand	<b>South &amp; Central America</b>	Brazil, Colombia, Chile, Panama, Curacao
<b>Benelux</b>	Belgium, Luxembourg, Netherlands	<b>Middle East</b>	Saudi Arabia, United Arab Emirates, Israel
<b>CEE</b>	Austria, Czech Republic, Hungary, Poland, Russia, Turkey, Greece		

<sup>5</sup> Funds of legal entities in scope: DWS Investment GmbH (with discretion to vote for certain assets under management of DWS International GmbH, DWS Investment S.A. (incl. SICAVs and PLCs) based on delegation agreements).



**Breakdown of votes "Against" management recommendation votes "For" or "Against" management**



Source: ISS Proxy Exchange; data as of 12/31/2021.

**Election/re-election or discharge of directors**

We voted against management recommendations in 27% of the total number of items voted in 2021 (2020: 23%).

The proposals we most commonly opposed were director-related and particularly related to the [election/re-election or discharge of directors](#) (57%). A contributing factor is that, since 2021, we may hold boards accountable in case they do not act in an environmentally and socially responsible manner as reflected in a poor ESG rating.

The most common reasons for not supporting the **discharge of non-executive members** of the boards were among others due to:

- failure to address existing material ESG controversies (e.g. climate risk management, human rights violations, etc.) appropriately and/or a poor ESG rating;
- failure to address diversity issues such as a lack of mandatory age limit for supervisory board members;
- lack of transparency on individual board members such as information on qualifications, nationality, individualized board attendance;
- failure to provide a regular say-on-pay vote for shareholders.

Regarding the **election/re-election of directors**, most votes that did not get our support were concerning:

- failure to ensure majority independence on the (supervisory) board and the key board committees;
- “overboarding” issues: the excessive external board mandates held by directors;
- combined CEO/chair without a corresponding lead independent director as per the DWS independence criteria
- failure to adequately address existing material ESG controversies (e.g. climate risk management, human rights violations, etc.) and/or has a poor ESG rating;
- failure to address relevant diversity issues.

**We voted against the re-election or discharge of 374 directors/boards because the company faces severe ESG controversies and/or has a poor ESG rating**

**Three examples from our voting decisions publicly displayed and available on our website:**

**Royal Dutch Shell**  
Sector: Oil & Gas  
Country: UK

AGAINST: The company is involved in several severe controversies. For example, through its activities in Nigeria, the company is linked to severe environmental pollution in relation to oil spills over several decades. The company is also facing other severe controversies.

**Amazon**  
Sector: Consumer Discretionary  
Country: USA

AGAINST: The company is involved in several major controversies for example regarding its anti-union tactics. Moreover, the firm allegedly failed to prevent forced labor, to provide fair and just working conditions and to assess its environmental impacts.

**LafargeHolcim**  
Sector: Materials  
Country: Switzerland

AGAINST: The company is facing allegation of labor violations including insurance cancellation, wage cuts, potential dismissals, and withdrawal of hazardous occupations classification in one of its subsidiaries.

In 2020, we voted against the (re-)election of 69 directors due to ESG controversies. In 2021, this number increased significantly to 374 directors due to our policy update to also hold boards accountable if they have a poor ESG rating.<sup>6</sup>

Source: ISS Proxy Exchange; Corporate Governance data as of 12/31/2021.

<sup>6</sup> All voting records can be found at: <https://www.dws.de/das-unternehmen/corporate-governance/>.

### Board (gender) diversity

We voted against the re-election of directors or the discharge of the board at 50 companies because the board lacks at least one female member. Below is a breakdown of the top six markets:



Source: DWS Investment GmbH, ISS Proxy Exchange, 12/31/2021.

### Board (gender) diversity

The number of investee companies for which we voted against the re-election of directors of the board because of a **lack of diversity at board level** has fallen from 68 in 2020 to 50 investee companies in 2021. While last year South Korea led the statistics with 17 investee companies, we saw a significant improvement in 2021, voting against director re-elections for just four investee companies. The reason for the improvement is the revision of the South Korean Financial Investment Services and Capital Markets Act that took effect in October 2021. The amendment requires that the board of directors of a listed company with a total asset of KRW 2 trillion or more shall not be entirely comprised of individuals of one gender. We see similar positive developments in other countries such as Japan. This year the Cayman Islands lead the statistics with eleven investee companies—this is an increase of two investee companies compared to last year. The respective investee companies are listed in the Cayman Islands, but the primary business assets are based in China and Hong Kong.

Even though we notice improvements in many countries, the proportion of women at board level and in senior management remains comparatively low, and the issue remains an important topic. In our view, gender diversity provides for a more dynamic, well rounded board of directors, bringing unique perspectives, experience, talents, and expertise. Due to markets varying on this topic, we have also factored in market best practice for gender diversity, and although our policy has a minimum of one female at board level hard coded, we regard this as an absolute minimum and strongly prefer and encourage higher levels of diversity.

### Executive compensation

Similar to previous voting seasons, **executive compensation plans** were one of the most critical items for us at general meetings in 2021 (15% of votes were cast against management, a two-percentage point increase compared to 2020 and a four percentage points increase compared to 2019). Looking only at the 1,750 investee companies that have put proposals related to executive remuneration up for vote in 2021, we opposed 57% of them. This is a slight increase compared to last year as since 2021 we expect investee companies to integrate ESG targets/non-financial KPIs into their remuneration systems and include a shareholding requirement for executives in order to align shareholder interests.

Common issues with executive remuneration were:

- a misalignment between pay and performance;
- there were components which were not considered good governance practices such as allowing for post-mandate vesting or extensive pension benefits for certain board members;
- no clear ESG targets/non-financial KPIs and the remuneration system;
- a lack of transparency and comprehensiveness (e.g. on the relevant maximum levels of compensation, key performance indicators and their weighting, etc.);
- no bonus-malus and/or clawback mechanisms.

### Executive compensation

Of all companies that proposed executive remuneration items in 2021, we could not support 57% with the following top six market breakdown:



Source: DWS Investment GmbH, ISS Proxy Exchange, 12/31/2021.

In 2021, we recognized a significant increase of votes against executive compensation items in the US and Germany. Whereas last year we voted against remuneration items for 121 US investee companies, in 2021 the number of investee companies has risen to nearly 400. This increase can be explained by our policy change: for US investee companies we see a lot of room for improvement when it comes to the integration of material ESG factors into their remuneration systems. For German investee companies we saw an increase from 30 investee companies we opposed in 2020 to 127 investee companies in 2021. This is mainly driven by the EU Shareholders Rights Directive (SRD II) which requires investee companies to put their remuneration policy up for a vote. Some investee companies have already put their remuneration policies on their 2020 AGM agendas, while the majority followed in 2021. Issues we detected for the German market are in addition to the absence of a link between the executive compensation and non-financial KPIs, shortcomings regarding the definition of shareholding periods, the use of adjusted metrics for performance assessment, and duplications of STI and LTI components. Furthermore, the number of against votes for remuneration in France significantly decreased. In 2021 we adjusted our voting policy regarding clawback requirements for French issuers following our engagement with investee companies informing us that due to tax reasons, clawback provisions are not market practice.



### External auditors

We were not able to support audit-related items at 57% of meetings that put this topic up for vote in 2021. Below breaks down the top six markets:



Source: DWS Investment GmbH, ISS Proxy Exchange, 12/31/2021.

### External auditors

Insufficient disclosure surrounding the external auditors and, in particular, the lead audit partners and their internal rotation periods, caused the auditor-related items proposed by our investees to be one of the most opposed items.

Since 2021, we expect a rotation of the audit firm at least every ten years to ensure a critical and independent view on the company which lead to an increase of votes against management by four percentage points compared to last year (2021: 15%, 2020: 11%). Audit firm refreshment is especially problematic for the US market.

Three examples from our voting decisions on audit firm tenure, displaying relationships of over a century.

These voting decisions are also publicly displayed and available on our website:

**Johnson & Johnson**  
Sector: Health Care  
Country: USA

The current audit firm tenure is 101 years.

**Naspers**  
Sector: Consumer Discretionary  
Country: South Africa

The current audit firm tenure is 106 years.

**Procter & Gamble**  
Sector: Consumer Staples  
Country: USA

The current audit firm tenure is 131 years.

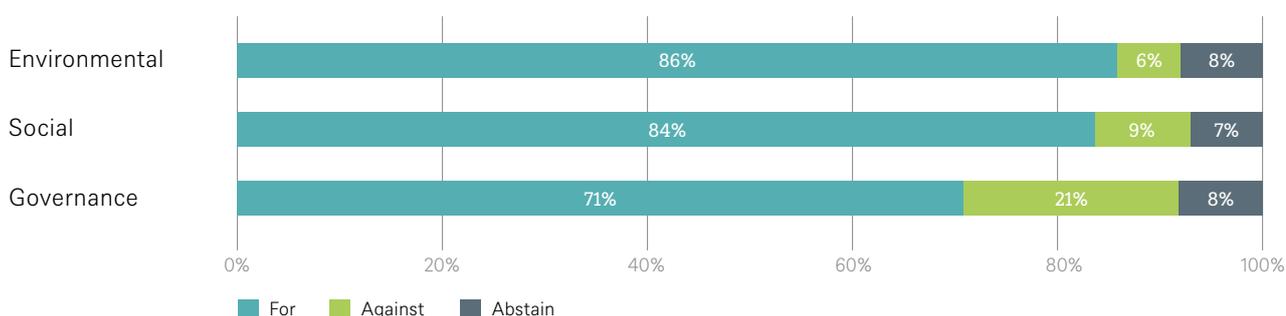
## Shareholder proposals

Voting on **shareholder proposals** is an important tool to convey shareholder sentiment, particularly on environmental and social topics, which generally address important material topics for company development.

In 2021, governance shareholder proposals often raised topics on executive compensation, shareholder rights, lobbying disclosures, transparency, or company bylaws. The environmental shareholder proposals largely focused on the management of climate risk—including the definition of emission reduction targets. The majority of the social shareholder proposals focused on human rights and diversity in 2021.

Overall, shareholder proposals are becoming more complex. Therefore, we carefully review all shareholder proposals on a case-by-case basis and support reasonable proposals that promote principles such as enhanced shareholder rights, and improved disclosure. Shareholder proposals vary widely in terms of feasibility, materiality, and reasoning, for which we focus on practicability and

meaningfulness. In some cases, proposals might not be taking into consideration previous steps and progress of the company. In those cases where investee companies already announced corresponding policies and procedures, we give the company a certain amount of time for implementation. With this, we strive not to undermine the investee companies’ efforts as well as our dialogue with them. As we are in close engagements with a number of our investee companies, we seek to follow their developments closely or work with them on a commitment to achieve the goals that we have identified together. If we have the impression that the ambitions of a company are lacking, we consider voting against the management. In 2021, we supported 74% of all shareholder proposals. We supported 86% of the **environmental shareholder proposals** and 84% of **social proposals** that we voted for. Furthermore, we were able to improve our ranking from 25th to 14th (first quintile) in the ShareAction Impact Matters Report 2021, which analyzes how 65 of the world’s largest asset managers voted on 146 environmental and social shareholder resolutions during the 2021 proxy season. As the quality and variety of topics diverge specifically in the area of **governance proposals**, we supported 71% in 2021.



Source: ISS Proxy Exchange; Corporate Governance data as of 12/31/2021.

## Examples of shareholder proposals in 2021

### An environmental shareholder proposal we supported:

**Sector:** Materials  
**Country:** Australia  
**Proposal:** Approve Paris-aligned Targets

**Rationale:** Shareholders requisitioned a resolution seeking disclosure of the carbon reduction targets for the company, how its capital expenditure will align with these targets and how its remuneration policy will incentivise progress against these targets.

### A social shareholder proposal we supported:

**Sector:** Consumer Staples  
**Country:** USA  
**Proposal:** Report on Human Rights Due Diligence

**Rationale:** The proponent requested the Board of Directors prepare a report, at reasonable cost and omitting proprietary information, on the company's human rights due diligence process to assess, identify, prevent, mitigate, and remedy actual and potential human rights impacts.

### An environmental shareholder proposal we supported:

**Sector:** Energy  
**Country:** USA  
**Proposal:** Report on Impacts of Net Zero 2050 Scenario

**Rationale:** The proponent requested that the company's board of directors issue an audited report to shareholders on whether and how a significant reduction in fossil fuel demand, envisioned in the International Energy Agency Net Zero 2050 scenario, would affect its financial position and underlying assumptions.

### A governance shareholder proposal we supported:

**Sector:** Automobile  
**Country:** USA  
**Proposal:** Approve Recapitalization Plan for all Stock to Have One-vote per Share

**Rationale:** A shareholder proposed that the board take steps to ensure that all of the company's outstanding stock has an equal one-vote per share in each voting situation.

### A governance shareholder proposal we did not support:

**Sector:** Technology  
**Country:** USA  
**Proposal:** Amend Certificate of Incorporation to become a Public Benefit Corporation

**Rationale:** The proponent requested an amendment to the company's Certificate of Incorporation to become a public benefit corporation. The proponent expresses concern that conventional corporations create annual, externalized social and environmental costs.

We did not support this proposal, as the company's policies and practices suggest that it is generating long-term value for shareholders, and also providing a benefit to all stakeholders, including customers, employees, and communities.

Source: DWS Investment GmbH, ISS Proxy Exchange, 12/31/2021.

# Engagements 2021 in detail

More than  
**220**

CO<sub>2</sub>

Engagement  
Letters on  
Net Zero

**83**

follow-up  
engagements



operating in Belarus and/or Myanmar received our letter on human rights. Follow-up engagements scheduled for 2022.



We sent **30 questionnaires** to investee companies regarding blue economy issues.



Climate change and Net Zero were our most discussed ESG issues in 2021.

Total Engagements

**581**

One-on-one engagements

**481**

Written engagements

**96**

Investor group calls

**4**

## Engagement activities<sup>7</sup> in 2021

At DWS, active ownership is going beyond the fiduciary duty of exercising our voting rights as an investor by using our shareholder rights to enhance long-term value in our investee companies.

Our communication with investee companies includes different escalation levels. Each year we send our annual pre-season letter to investees that are part of our proxy voting core list,<sup>8</sup> in which we inform them about our governance expectations and our updated Corporate Governance and Proxy Voting Policy.

Several criteria determine which of our investee companies are prioritized for our engagement screening. These include but are not limited to:

- Degree of exposure in terms of holdings
- Significant ownership in terms of market capitalization and fixed income holdings
- Exposure to ESG risks, including governance related issues, high climate and transition risk (CTRR) as well as severe violations of involvement in norm controversies
- Other specific sustainability themes (e.g. Principal Adverse Impact indicators (PAI), Sustainable Development Goals (SDG), etc.)

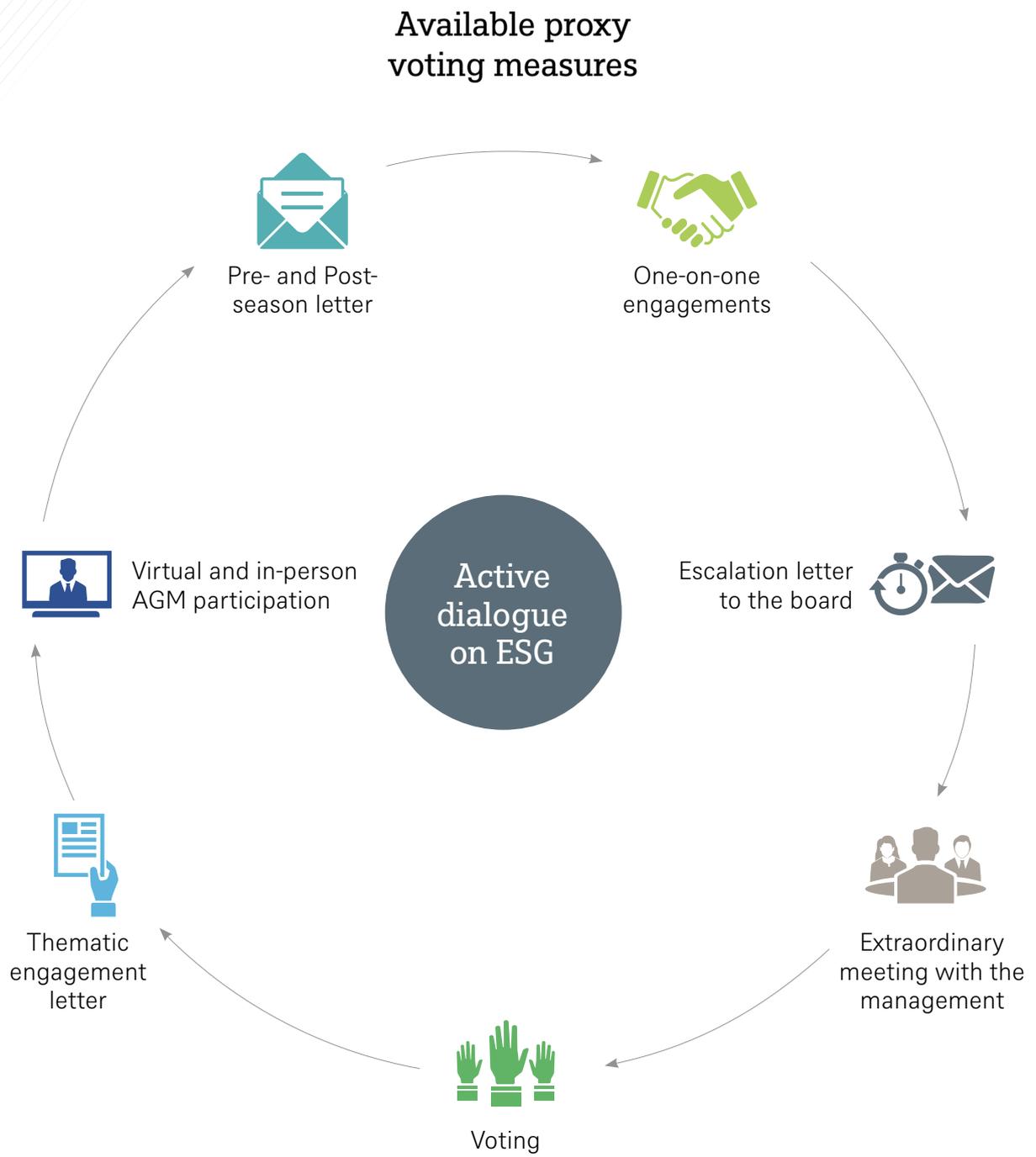
Our annual pre-season letter is then followed by pro-active one-on-one engagements. The engagement activity is conducted collaboratively between the analysts or portfolio managers as well as the Corporate Governance Center and the ESG Integration team including preparation, execution, monitoring and impact on investment decision. These engagements are monitored and documented in our engagement database. Analysts are also actively involved in the voting process at DWS, whereby they provide an investment angle to the voting recommendations via their sector/country expertise.

In addition, we may decide to directly participate in annual general meetings combined with a speech addressing shareholders and boards publicly. Due to the ongoing pandemic situation, we were able to increase our participation and send questions to the virtual AGMs of 40 investee companies. Where appropriate, we may also decide to file shareholder proposals and to send thematic engagement letters on relevant ESG-related topics to investee companies.

We strive to link the measures taken with the concrete use of our voting rights and we may vote against management proposals, in line with our voting policy. Throughout the year we also send escalation letters to the boards of investee companies as a result of them not being responsive to our engagement efforts and/or expectations in terms of good corporate governance. Additionally, at the end of the year, we send our individualized post-season letters to selected investees, where we had issues with particular items of their agenda and voted against those.

<sup>7</sup> Funds of legal entities in scope: DWS Investment GmbH (with discretion to vote for funds of DWS International GmbH, DWS Investment S.A. (incl. SICAVs and PLCs) based on delegation agreements.

<sup>8</sup> Proxy voting core list: holdings screened on ownership in terms of relevant market capitalization, assets under management; relevant ESG criteria- e.g. in terms of exposure to norm or climate transition risk; holdings of ESG dedicated funds, holdings in certain markets- e.g. DE, JP.



# Annual General Meeting participation

As the ongoing pandemic continues to impact many aspects of our lives, the vast majority of AGMs in 2021 were held entirely virtual again. Carrying out a virtual AGM has advantages; there are instant cost benefits to the company as there is no need to rent a venue. For shareholders it is easier to participate at virtual AGMs than to attend in person. However, the challenge to conduct a meaningful dialogue at the virtual AGM remains significant especially when it comes to the question of how shareholder participation in discussions and Q&A sessions in a virtual format. Asking questions is a fundamental shareholder right which may be weakened if the management is able to pre-screen, summarize and filter the questions in advance. Until now, only few investee companies allow shareholders to ask questions live at their virtual AGMs. The dialogue with shareholders—retail and institutional investors as well as representatives of protective associations – offers many opportunities for both sides to exchange their respective positions and arguments. This is particularly necessary in the case of controversial agenda items. We believe that investee companies, regulators and shareholders need to work together to find common ground and to increase shareholder engagement.

???

**We sent questions to the AGMs of 40 companies. This represents an increase of 67% compared to 2020**

Because of the virtual or hybrid AGM formats, we were able to send questions to the boards of 40 national and international investee companies. This represents an increase of 67% compared to 2020. To raise public awareness and provide external audience with a good level of transparency and disclosure, we, as in the previous years, publish all AGM speeches and questions on our website.<sup>9</sup>



## Questions from DWS at McDonald's Annual General Meeting, May 20, 2021

**Question 1:** In order to achieve a proper diversity and independence level, how do you plan to ensure that also a tenure balance is achieved within the Board as well as the Nominating Committee?

**Question 2:** How are material and relevant environmental and/or social key performance indicators reflected in the short- and long-term incentive plans of executive directors? Do you consider adding specific metrics to both components of executive pay?

**Question 3:** The current audit firm's tenure is 57 years. How do you evaluate and ensure the objectivity and independence of the audit firm, in particular after a long tenure? Do you consider a rotation of the audit firm in the near term?

**Question 4:** Despite the introduction of supplier standards, incidents of forced labour and human rights violations continue to occur within the fragmented supply chain – most recently in the context of compulsory labour of Uyghurs in China. What additional procedures will be implemented to improve compliance with international norms and standards in the supply chain?

**Question 5:** What measures are planned within the franchise concept to improve the protection of workers' rights and to avoid discrimination in the future?

**Question 6:** What measures do you take to act on your supply chain with regards to goods linked to environmental deforestation in the Amazon and across Brazil?

Source: DWS Investment GmbH 12/31/2021.

<sup>9</sup> All questions that we have submitted to Investee Company AGMs can be found at: <https://www.dws.com/en-gb/solutions/esg/corporate-governance/>.

## Questions from DWS at Royal Dutch Shell's Annual General Meeting, May 18, 2021



**Question 1:** What has changed in the Board today, in particular with the new additions in terms of oversight of these controversies?

**Question 2:** In your ambition to achieve Net Zero emissions by 2050 how are applicable Scope 3 GHG emissions categories reflected in your commitment and why are they not explicitly included as a target?

**Question 3:** Your short-, mid- and long-term carbon reduction targets are intensity-based. We believe investors would benefit more from absolute emission reduction indications, why do you prefer not to reflect the absolute emissions in your targets?

**Question 4:** How do your capital expenditure plans align with your long-term GHG reduction targets and with the Paris Agreement's 1.5°C objective?

**Question 5:** In your scenario planning with regards to climate change, do you specifically refer to a 1.5° Celsius scenario and if yes, do you plan on reporting on the key risks and opportunities identified?

**Question 6:** How much of Shell's upstream oil & gas CAPEX is consistent with the IEA's Beyond Two Degrees Scenario?

Source: DWS Investment GmbH 12/31/2021.

**Question 7:** The Science-based Targets Initiative requires setting targets based on emission reductions through direct action within own operations and/or value chains. Offsets are only considered to be an option for companies wanting to finance additional emission reductions beyond their science-based targets. Given that your emission reduction strategy is still heavily relying on offsets, how can you ensure the feasibility of your energy transition strategy in line with a 1.5°C scenario?

**Question 8:** A question to the Chair of the Audit Committee: what is your comment on Shell's plans for Paris-aligned climate accounts? Could you comment on whether the Audit Committee will consider publishing the implications of a Paris-aligned pathway on Shell's financial position in your next financial accounts?

**Question 9:** A question to the auditor: Could you comment on the feasibility of Shell's energy transition strategy with regards to whether the company can provide investors with visibility over how a Net Zero pathway could impact its financials? What risks do you see?

**Question 10:** How do you ensure that your climate policy lobbying, whether direct or through trade associations, aligns with the Paris Agreement?

## Engagements 2021

Throughout the next sections, we will share some of our engagement activities including case studies of our one-on-one engagements. During these, we track the engagement status, which represents the stage of engagement or the outcome with the following categories:

- Initiation
- Successful/closed: engagement targets were met
- Ongoing: engagement continues on all or part of the engagement targets
- Escalation: engagement escalation steps initiated
- Failed: engagement targets were not met for a continuous amount of engagement escalations

As outlined in the DWS Engagement Policy, if a company consistently violates international norms or standards and does not respond to DWS's engagement efforts, we will follow certain escalation steps and eventually mark the engagement as either "successful/closed" or "failed". In 2021, we successfully closed 23 of our one-on-one engagement cases, while the majority remained ongoing.

Due to compliance reason, we will only publish company names for cases already available on our website.

# Engagements on ESG issues

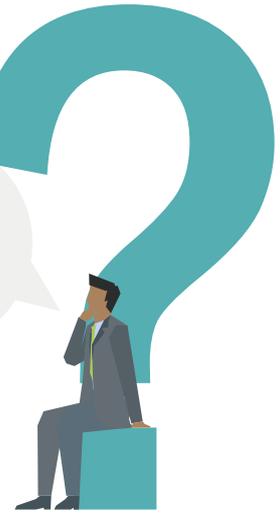
In 2021, we held 581 engagements with 471 investee companies, which represented an increase of nearly 28% compared to last year. Most of our engagement were held with US, German and investee companies in the Asia Pacific region, followed by the Nordics and Benelux investee companies. Our engagements in the Asian market continue increasing and we have also enhanced our outreach in certain emerging markets.

**481 one-on-one engagements**

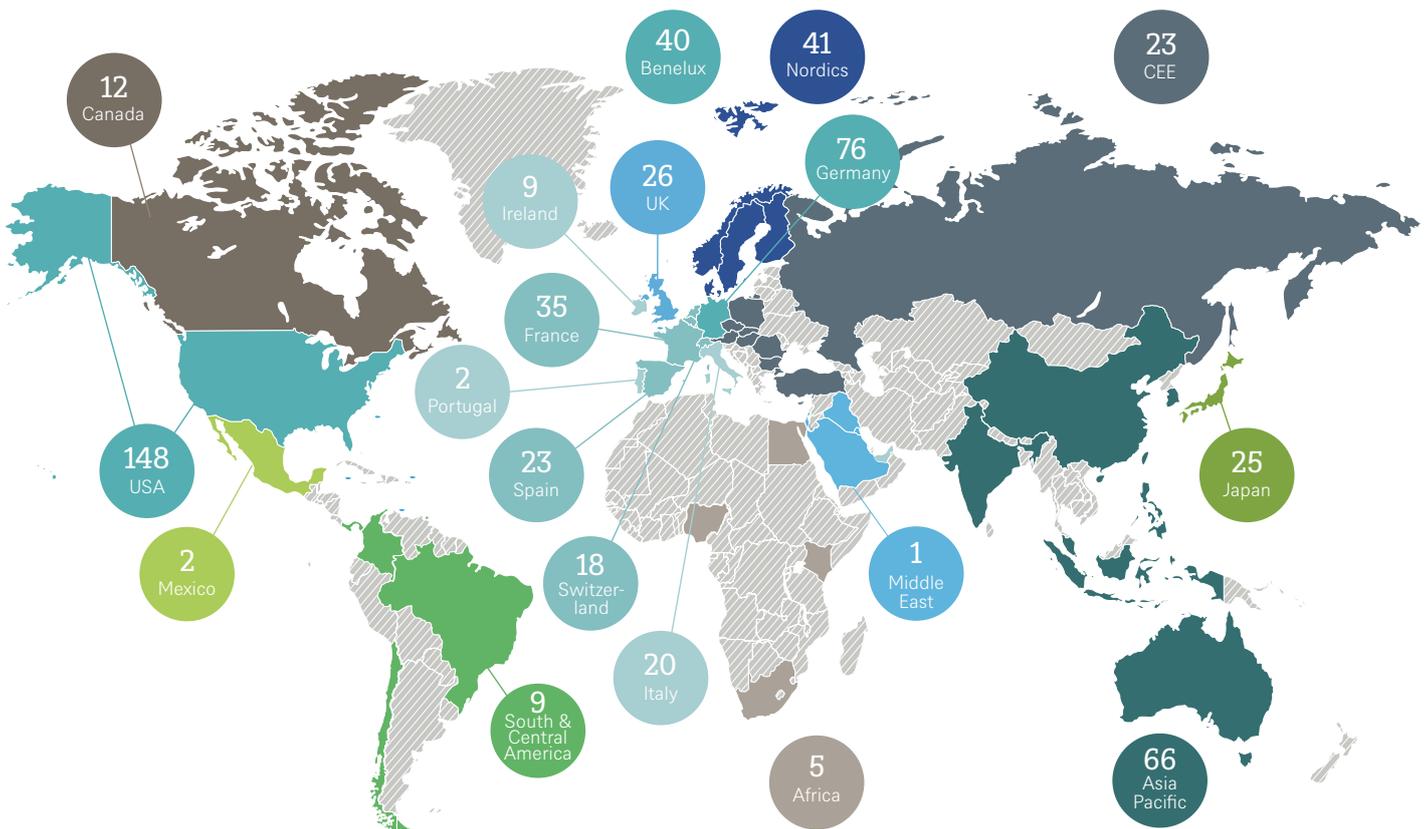
**4 investor group calls**

**96 written engagements**

**581 Engagements**



## ESG engagements per country in 2021



- |                     |   |                                    |  |
|---------------------|---|------------------------------------|--|
| <b>Africa</b>       | Egypt, Kenya, Nigeria, South Africa   | <b>Nordics</b>                     | Denmark, Finland, Norway, Sweden, Iceland, Faroe Islands |
| <b>Asia Pacific</b> | Australia, South Korea, China, Taiwan, India, Indonesia, Malaysia, Philippines, Singapore, Hong Kong, New Zealand | <b>South &amp; Central America</b> | Brazil, Colombia, Chile, Panama, Curacao                 |
| <b>Benelux</b>      | Belgium, Luxembourg, Netherlands  | <b>Middle East</b>                 | Saudi Arabia, United Arab Emirates, Israel               |
| <b>CEE</b>          | Austria, Czech Republic, Hungary, Poland, Russia, Turkey, Greece  |                                    |  |

Source: DWS Investment GmbH 12/31/2021.

In our engagements we discuss a variety of ESG related topics. **Out of an overall 581 engagements in 2021, 430 included governance related topics, for 172 meetings we discussed social topics and in 375 meetings environmental issues were raised.** Most of the investee companies we engaged with were part of the financial, industrial, materials, utilities, consumer discretionary, and energy sectors.

Among our most discussed topics in 2021 were **climate change and Net Zero, board composition, executive compensation**, followed by **ESG oversight and risk management, as well as disclosure in line with Taskforce for Climate-related Financial Disclosure/Sustainability Accounting Standards Board/impact reporting.** Our strong activities with regard to Net Zero are clearly reflected not only in the sector ranking but also in our engagement topics. This demonstrates our emphasis on environmental, specifically

climate, issues. Other topics included environmental footprint of the production process as well as the products and services, green innovation, and water risk. Although the individual ESG elements are interconnected, the 'S' of ESG has traditionally been more challenging to outline and quantify than 'E' and 'G' factors. Social issues appear to be less tangible and reporting social impacts has lagged due to challenges around the definition, scope, and measurement of social performance. There is no single framework that supports investee companies to achieve social targets holistically, but rather a number of global frameworks and standards on social topics. However, we believe that the social pillar can make a huge difference to a company's overall performance, confidence, brand image, and stakeholder engagement. The most discussed social topics in our 2021 engagements were health and safety, society relations, human rights, and human capital management.



In 375 of our total engagements\* we discussed **environmental** topics



In 172 of our total engagements\* we discussed **social** topics



In 430 of our total engagements\* we discussed **governance** related topics

\*581 total engagements (most engagements covered several topics across E, S and/or G).

## Engagements per E, S, G topics

### Environment

Climate Change .....	<b>334</b>
Environmental Footprint of production process .....	<b>88</b>
Environmental Footprint of products .....	<b>75</b>
Green innovation (new products, circular economy, etc) .....	<b>41</b>
Water .....	<b>27</b>
Hazardous Waste/ Toxic Emissions .....	<b>9</b>

### Social

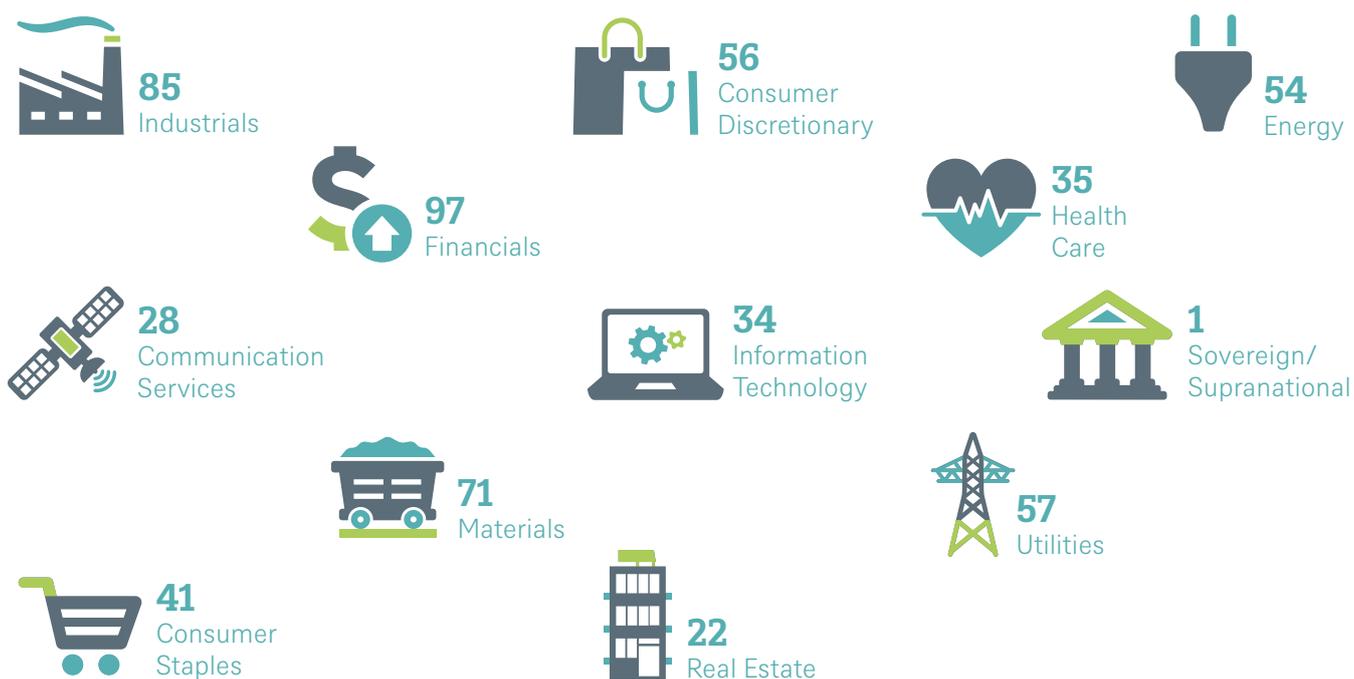
Health & Safety (incl.) Product/ Service Safety .....	<b>64</b>
Society Relations (regulators, communities, etc.) .....	<b>37</b>
Human Rights .....	<b>23</b>
Employee Satisfaction and Human Capital Management .....	<b>22</b>
Diversity .....	<b>21</b>
Supply Chain/Contractors .....	<b>18</b>

### Governance

Board Composition .....	<b>276</b>
Executive Compensation .....	<b>270</b>
ESG Oversight & Risk Management (incl. COVID-19) .....	<b>188</b>
Disclosure with TCFD/ SASB/EU Taxonomy/SDGs .....	<b>153</b>
Board Independence .....	<b>147</b>
Overboarding .....	<b>95</b>

Source: DWS Investment GmbH, 12/31/2021.

Sector breakdown of engagements



Roles of company counterparts

Investor Relations	298	Remuneration Committee Chair	11
ESG/Sustainability Team Rep	70	Executive Director	9
Board Chair	41	Head of Compensation & Benefits	6
CEO	30	Head of HR	5
CFO	29	Lead Independent Director	3
Legal/Corporate Governance Rep	21	Non-executive Director	1
Board Secretary	12		

Our pre-season letter represents an important first step into our engagement activities throughout the year by elaborating on our key focus areas as well as inviting our core list investee companies for a dialogue. This letter details the developments made to the DWS Corporate Governance and Proxy Voting Policy. In 2021 the Corporate Governance Center **sent a pre-season letter to more than 1800 investees.**

Towards the end of the year, we also sent our **individualized post-season letters to more than 660 investee companies,**

for which we had issues with particular items of their agenda and voted against management. In 2021, our key areas of focus for the letter were overboarding of board members, combined CEO/chair role, lack of female representation on the board, inadequate board independence, auditor tenure and transparency, executive remuneration as well as investee companies facing severe ESG controversies and/or a poor ESG rating.



**Pre-season letter on  
governance expectations**

**Post-season letter  
on governance issues  
where we voted  
against management**

**Thematic engagement letters  
on Net Zero and human rights**

# Fixed Income

In terms of asset class, our engagement activities do not systematically differentiate between equity and fixed income, however, for individual cases and specific strategies, the topics we need to discuss might differ. While bondholders do not have voting rights, they do have the opportunity to hold discussions with management. That being said, our credit research analysts and portfolio managers are convinced that material ESG factors have a

fundamental impact on credit quality and therefore are an important component of the research and investment process at DWS. For example, during our meetings with several green instruments issuers topics such as cash flow assignment of green assets to capital notes were discussed with the management of the issuing entity. In 2021, for our fixed income portfolios we held 125 engagements on ESG matters of which 62 were written engagements.

## Case Study

Fixed Income / Sector: Financials / Country: Luxemburg / Area of Engagement: G  
 Sub-Area of Engagement: Governance – ESG Disclosure



### Engagement Case:

We regularly engaged with a diversified financials company convincing them of the need to enhance their public ESG disclosure and consult ESG rating agencies. So far, ESG ratings for the company had been weak due to a lack of ESG disclosure. They put it on top of their agenda, started conversations with major ESG vendors and broadly disclosed ESG-related information.



### Engagement Targets:

Encourage ESG disclosure in order to eventually improve ESG vendors' ratings of the company.



### Engagement Status:

Success



### Key Takeaways:

The company engaged with a major ESG rating agency, convincing them of ESG commitments being compatible with internationally recognized frameworks. As a result, the ESG rating agency re-assessed the company and issued an updated report with a top rating. The company appreciated DWS' support as a thought partner on that journey. The company will continue engagement efforts with other ESG vendors.

Source: DWS Investment GmbH, 12/31/2021.

## Letter from the DWS Fixed Income Portfolio Management team to European Financial Institutions

We sent a questionnaire to 62 European financial institutions in order to better understand their alignment with the goals of the Paris Agreement. The questionnaire dealt with emissions measuring, reporting and reduction targets. In addition, we asked about green financing initiatives and low carbon investments. So far we have received 32 responses. The following illustrates the range of responses we received:

### Example 1:

"We aim to reduce absolute financed thermal coal-mining emissions by 85% by 2030; Provide financial services to only clients who are less than 5% dependent on revenue from thermal coal by 2030; Mobilise USD300bn in green and transition finance; Facilitate \$40 bn in sustainable infrastructure and \$35 bn in renewable energy and green tech by 2024 and 2023 respectively."

### Example 2:

"The Bank is currently in the progress of creating a clear roadmap to guide the journey towards carbon neutral loan portfolios. In future, the Bank will not provide finance for new coal power plants or coal mines, including companies that plan to build them. Neither will it develop new corporate finance relationships with customers whose financial dependence on coal used for power generation accounts for over 5 per cent of their net sales. This policy can be deviated from if the corporate customer is committed to shifting towards a low-carbon economy and demonstrating a concrete plan to withdraw from coal."

### Example 3:

"We have not yet fully calculated our scope 3 emissions and therefore are unable to give each scope by percentage. We expect our scope 3 to be a significant overall proportion, however cannot give an accurate figure for scope 1 and 2."

### Example 4:

"Currently we do not disclose CO2 reduction targets per certain sectors. We do not have yet available data about proportions of these specific sector exposures."

Source: DWS Investment GmbH, 12/31/2021.

# Governance

## ESG oversight

ESG is a business imperative, and we expect investee companies not to see it as a trivial exercise. An increasing number of boards are considering their approaches to environmental, social and governance topics and how salient sustainability priorities can be integrated in their business strategy. Business value creation is increasingly dependent on the alignment of sustainability and the company’s overall strategy. An essential step to align ESG and the business strategy is to establish a close oversight of ESG issues by the board. The directors should not only be involved during the ESG strategy setting process but also monitor the development and progress closely. Therefore, the full board needs to be informed and have a robust understanding of material ESG risks and how those risks are being mitigated. Boards needs to be aware not only on how to manage the most significant ESG risks within the sector but also of what is the financial impact of the identified ESG risks and communicate these in a comprehensive and transparent way to the shareholders.

Addressing ESG risks and opportunities in an adequate and thoughtful way requires expertise on these subjects and with this, ESG considerations should be integrated in the board’s

**P**roper oversight of ESG related risks and opportunities at board level is essential for long-term value creation

nominating, training, and education process. Most directors are likely to be familiar with the traditional governance component as it encompasses the effectiveness of the board and its committees including topics such as remuneration, audit, and disclosure-related topics as well as the nomination process. On the other hand, many environmental and social components are sector-specific and require a deeper understanding.

We expect our investees to have a proper oversight on ESG-related risks and opportunities at management and board level and clearly communicated our expectations and recommendations in our 2021 engagements. For investee companies facing high climate transition or physical risks, we also recommend a dedicated climate expert within the board.



### Top 3

#### Governance Engagement Topics:

1. Board composition
2. Executive remuneration
3. ESG oversight & risk management



In 430 of our 581 engagements, we discussed governance topics.



In 2021 we discussed the topic of ESG oversight with 180 investee companies.

## Case Study

Sector: Information Technology / Country: Israel / Area of Engagement: G

Sub-Area of Engagement: ESG Oversight – Disclosure in line with TCFD/SASB/EU Taxonomy/SDGs



### Engagement Case:

The company is considered an ESG laggard, disclosure practices are poor and there is no ESG oversight at board level.



### Engagement KPIs:

Form a board level ESG committee and further improve disclosure practices.



### Engagement Status:

Ongoing



### Key Takeaways:

None of the directors at board level is responsible for sustainability topics, currently, the legal department oversees ESG related issues. We suggested the company to form a board level ESG committee to oversee ESG related risks and opportunities, especially as the company is considered an ESG laggard.

The company provides poor ESG disclosure practices, even though there was some progress made in 2021. The company published an environment policy, a code of conduct for suppliers and a conflict minerals policy. The company currently sees no need to publish a sustainability report. We explained our approach and the importance of addressing the ESG-related risks the company faces and the need to be transparent on this.

Source: DWS Investment GmbH, 12/31/2021.

## Case Study

Sector: Energy / Country: Canada / Area of Engagement: G, E

Sub-Area of Engagement: ESG Oversight – Specifically Net Zero/science-based targets and disclosure on Climate Change



### Engagement Case:

Company is considered an ESG laggard.



### Engagement KPIs:

Seek disclosure on decarbonization and form a board level ESG committee.



### Engagement Status:

Ongoing



### Key Takeaways:

The head of sustainability is an ex-PR/communications specialist. An ESG committee exists, however, board

ESG oversight is general with no dedicated person with climate oversight. We recommend establishing clear responsibilities for ESG and due to the high exposure to climate related risks, to have a dedicated climate expert in place. The company is a clear ESG laggard and does not have intermediate emission targets, in addition it recently acquired a company with oil sands exploration, which is highly carbon intensive. The company's Net Zero pledge does not cover scope 3. The decarbonization strategy is not verified by SBTi. Executive remuneration is not explicitly linked to decarbonization but does factor in an ESG scorecard. Capex in low-carbon technology is not disclosed and likely to be low at this stage and renewables are not part of the decarbonization strategy at all. The company is due to disclose updated emission targets, including short and medium term, in Q4 2021.

Source: DWS Investment GmbH, 12/31/2021.

## External auditor

Following more recent cases of corporate misconduct that remained undiscovered by auditors, their role has become more prominent. Auditors bear an enhanced responsibility as they are providing the attestation for the accuracy of the accounts and financial (and non-financial) statements.

Investors rely on their prudence and assurance evaluation. To ensure a critical view that is necessary to provide for a fair and correct account of a company's financial situation, the auditor's independence is crucial.

We assess the auditor's independence with the following factors:

- The tenure of the audit-firm
- The length of term of the lead audit partner
- The proportion of fees derived from non-audit activities

We expect investee companies to rotate the audit firm after a period of ten years in service and the lead audit partner after five years. These limits are part of DWS' corporate governance core values and reflect the legislative developments within the European Union, namely the Directive on Statutory Audits of Annual Accounts and Consolidated Accounts (Directive 2014/56/EU).

In 2021, the German legislator further aligned the national regulation on this topic and removed the discretion for federal

## Since 2021, we expect companies to rotate the audit firm after a period of 10 years

states to allow audit-firms to be re-appointed after ten years for another ten-year-period and then being eligible for two joint audit-terms of two years each, thus resulting in a maximum period of 24 years. The lead audit partner is now also restricted to a five-year term. We consider these changes also as a confirmation of our expectations and have engaged with investee companies over the past years very intensively on this topic and will continue to do so. Following the 2021 proxy season, we sent our post-season letters to more than 350 investee companies and explained that we could not support the ratification of the auditor, either because the terms were exceeding the aforementioned thresholds or because a lack of disclosure (e.g., of the fee breakdown or the lead audit partner). Although shareholders appoint the auditor via an annual vote at the AGM in many markets shareholders have hardly any interaction with them. Thus, we have to rely on a competent board with a functioning audit committee with independent chairpersons and well-qualified, independent financial experts. The establishment of such committees has been part of international best practice for years and has now also become mandatory for boards in Germany. Furthermore, we expect that the focus for this committee will extend also to non-financial reporting.

### Case Study

Sector: Utilities / Country: US / Area of Engagement: G

Sub-Area of Engagement: Auditor



#### Engagement Case:

The company reached out as part of their annual outreach program. We wanted to enquire about audit tenure, which exceeds our threshold of 10 years by 63 years.



#### Engagement Targets:

Communicate our expectations and aim for an audit form rotation within the next two years.



#### Engagement Status:

Ongoing



#### Key Takeaways:

The Company explained that there is no plan to change the audit company, saying that they are very happy with the current auditor, who has deep experience in the utility industry and is the best in the region where the company is situated. The company argues the auditor serves the company well as independent auditor as they push back and show effective oversight, and actively look at issues. The company is satisfied that the auditor remains independent lead audit rotation mitigates entrenchment. We communicated our expectations and the implications of an audit firm tenure exceeding 10 years on our voting behavior: no change expected. In addition, according to the DWS guidelines the audit committee chair was not independent. The company informed that the chair has already been refreshed following shareholder feedback.

Source: DWS Investment GmbH, 12/31/2021.



**In 2021 we discussed the topic of the Auditor with 80 investee companies.**

### **Executive compensation and the integration of non-financial KPIs**

Executive pay is one of the most important aspects of good corporate governance and a central topic of engagement as it is the most effective tool to align executives with company performance, and therefore, shareholder interests. The topic of compensation is caught between cost control and fairness, as well as paying adequately compared to competitors in order to attract and retain talented people and setting the right incentives to create long-term value for shareholders. Executive compensation was once again at the heart of many governance engagements for 2021 with many external factors influencing executive pay and/or reporting thereof. With the COVID-19 pandemic in mind, increases to executive pay during the pandemic is a source of financial as well as reputational risk, especially alongside unrealized former targets, financial support from the government or laying off huge numbers of the workforce.

Additionally, the full adoption of the European Shareholder Rights Directive (SRD II) increased the number of say-on-pay votes as they became mandatory for European investee companies. We consider this a major improvement and



welcome that investee companies must now be transparent about their individualized compensation plans.

Finally, due to growing pressure from shareholders, investee companies are starting to integrate non-financial KPIs into their remuneration systems, as awareness grows of investee companies' double materiality. Topics such as GHG emissions, water and energy use, biodiversity, health and safety and diversity are increasingly finding their way into executive remuneration policies. We expect investee companies to integrate material ESG factors into their thinking and strategy as well as to establish and demonstrate a clear link between their stated ESG targets/non-financial KPIs and their remuneration systems. We expect the remuneration report to disclose the board's assessment of the performance for executives at the end of a reporting period.



**In 2021 we discussed the topic of executive compensation with 270 investee companies.**

During our engagements, we communicated our expectation that boards need to ensure that the structure of the incentives should encourage the achievement of financial as well as social and environmental objectives, and the compensation ultimately granted needs to be in line with performance. In times of crisis, boards are expected to provide an adequate balance in their executive pay decisions having in mind both the economic and the societal perspective.

## Case Study

Sector: Materials / Country: Germany / Area of Engagement: G

Sub-Area of Engagement: Governance – Remuneration



### Engagement Case:

We discussed the pay-for-performance ratio within the annual bonus with this company.



### Engagement Targets:

Review the latest draft of the executive remuneration system



### Engagement Status:

Successful



### Key Takeaways:

We recognized the material changes that were made throughout the two-year period of in-depth

engagements, namely elimination of EBITDA as target for both the STI and the LTI as well as abolishment of discretionary elements which are now limited to max. 20% of the STI and cannot exceed any caps.

The chosen dimension for sustainability also fits into the strategic direction of the company which has a 40% weighting within the long-term performance plan (e.g., CO2-emissions).

After an intense dialogue with the company for nearly two years, this remuneration system presents true development and can be regarded as a successful engagement leading to a more sustainable, transparent and shareholder-friendly remuneration system.

Source: DWS Investment GmbH, 12/31/2021.

## Case Study

Sector: Automobile / Country: Germany / Area of Engagement: G

Sub-Area of Engagement: Governance – Remuneration



### Engagement Case:

The former and the recently implemented executive remuneration system failed to address material future-oriented and sustainable elements. We criticized this among other prevailing governance deficiencies (i.e. lack of independent board members) publicly in our statements and questions at the AGM. In June 2021, the company offered a group call for investors to present the new executive remuneration system. However, this call was only attended by the remuneration consultant and no representative from the Board.

We criticized the lack of several elements that fail to meet best practice such as both variable pay components are share performance plans with 100% cash-payout. Furthermore, sustainability is only reflected indirectly in the annual bonus as a multiplier, whereas the LTI solely focuses on EPS. According to the company, the Supervisory Board decided to omit relative TSR as it felt that the share performance was sufficiently captured by the EPS. The absence of share ownership guidelines was explained due to "technical reasons" but not commented further. Although the representatives mentioned that input from investors was

sought, the proposed system does not reflect an ambitious level for long-term orientation.



### Engagement Targets:

To align the interests of shareholders and management by evaluating the executive remuneration system.



### Engagement Status:

Failed



### Key Takeaways:

We issued statements and submitted questions to the AGM thus, voicing our criticism publicly. A discussion with the responsible Board members was suggested after the AGM but is yet to take place. As there are further governance deficiencies, the company is being closely monitored and further escalation steps are possible. However, given the current shareholding-structure (91% of voting rights are held by four parties, all represented at board level), no real change is expected.

Source: DWS Investment GmbH, 12/31/2021.

# Environment

## Climate change and Net Zero

The discussion of the necessity for immediate action against climate change has accelerated especially in Europe. The European Central Bank's decision of integrating the consequences of climate change into its policy making after their monetary policy strategy review in July came as no surprise. This trend was also echoed during 2021 proxy season, as some investee companies set a new trend of offering shareholders the opportunity to vote on a climate transition/ decarbonization plan—the so-called “say-on-climate”. When voting for “say-on-climate” proposals, we decide on a case-by-case basis, considering factors such as science-based targets in line with the Paris Agreement and comprehensive disclosure according to an established framework.

The shift to a Net Zero society will lead to an economic transformation comparable to previous waves of industrialization. The green industrialization will likely accelerate, driven by digitalization, artificial intelligence, automation, biotechnology, fintech and clean technologies. Working towards Net Zero carbon emissions will probably render many old business models obsolete as the global economy moves away from a linear growth model – dominated by carbon-intensive investee companies – towards a more circular economic model, which takes into account all the costs of the production cycle. As fiduciary investors for clients, who are increasingly demanding sustainable investments, asset managers are in a good position to accompany the economy towards green industrialization.

In June 2021, we sent a letter to more than 220 investee companies from various industries worldwide based on our climate transition risk rating in addition to the Climate Action 100+ constituents. This elaborates on our expectations, informing them about our voting strategy and inviting them to take ambitious steps on the path to Net Zero. In October, we resent the letter to those investee companies that didn't respond to our initial Net Zero engagement request. As a tool to help us gather information, we sent those investee companies who were ready to engage our Net Zero questionnaire, in which we cover our expectations with regards to board oversight and responsibility, target setting, capital expenditure alignment and lobbying activities. Overall, we conducted 83 follow-up engagements in 2021.

Furthermore, we continued our engagements with regards to the Climate Action 100+ initiative aiming to promote the effective management of climate change risk and opportunities, curb emissions and strengthen climate-related financial disclosures. We expect investee companies that face substantial climate transition risks to accelerate their efforts in setting ambitious emission reduction targets and providing enhanced transparency on their roadmap towards climate neutrality. We will hold directors accountable in our voting when we believe they have not managed the climate risks adequately or are not incentivized in this direction.



### Top 3

#### Environmental Engagement Topics:

1. Climate change / Net Zero
2. Footprint of production process
3. Footprint of products



In 375 of our 581 engagements, we discussed environmental topics.



In 334 of our total engagements, we addressed the topic of climate change and Net Zero.

## Net Zero

Large companies are increasingly integrating greenhouse gas reduction targets into their business strategy.

During 2021, we were able to observe some positive developments with regard to the integration of emission reduction targets within highly greenhouse gas intensive sectors. Some companies have already formulated climate transition targets and integrated them into their business strategy.

However, there are still many companies that need to catch up: either the company has not yet defined any targets, the targets are not in line with the Paris Agreement 1.5°C objective, the verification of the targets is still missing, the capital expenditures are not aligned, or the targets are not linked to the executive compensation. We will further engage with these companies and closely monitor the developments in 2022. We expect companies that face substantial climate and transition risks to accelerate their efforts in setting ambitious emission reduction targets, aligning their capital expenditures and providing enhanced transparency on their roadmap towards climate neutrality.

In 2021, we conducted 83 dedicated Net Zero follow-up Engagements based on our Net Zero questionnaire. 73 of these engagements were one-on-ones.

### Case Study

Net Zero / Sector: Utilities / Country: Italy / Area of Engagement: E

Sub-Area of Engagement: Specifically, Net Zero/science-based targets and disclosure on Climate Change, Executive Compensation



#### Engagement Case:

We sent an engagement letter on Net Zero to the company to communicate our expectations and to monitor their progress.



#### Engagement Targets:

Enhanced transparency on strategy towards Net Zero, including Sustainable Development Goals (SDG) and science-based targets.



#### Engagement Status:

Ongoing



#### Key Takeaways:

Oil and gas exploration activities have been discontinued. In addition, the company's strategic direction already explicitly integrates the SDG objectives into financial strategy. In the next three years, the company expects an increase of 11% in gross organic

capex, of which more than 90% is attributable to the four SDGs on which the strategy is based: SDG 7 – Affordable and Clean Energy; SDG 9 – Industry, Innovation and Infrastructure; SDG 11 – Sustainable Cities and Communities; and SDG 13 – Climate Action. New targets aim to reduce direct CO2 emissions per kWh by 70% by 2030 which have been verified by the Science-Based Targets initiative (SBTi), compared with 2017 levels and a reduction of indirect emissions associated with the consumption of gas by the end users of 16% by 2030. The company disclosed its lobbying activity in detail in the annual report. The company has set targets for phasing out of coal production for 2022, 2024, 2030. The company also discloses scope 3 figures and link to SDGs as well as emission intensity. Furthermore, the company set long-term goals for emissions reductions including Net Zero commitment by 2050, while ensuring a just transition for workers in sectors vulnerable to climate disruption.

The company increased the weight of sustainability KPIs to align remuneration with the strategic plan.

Source: DWS Investment GmbH, 12/31/2021.

## Case Study

Net Zero

Sector: Materials, Metals & Mining

Country: Canada

Area of Engagement: E, G

Sub-Area of Engagement: Climate Change, specifically Net Zero/ Science-based targets, disclosures on Climate Change, executive remuneration



### Engagement Case:

We sent an engagement letter on Net Zero to the company to communicate our expectations and to monitor their progress.



### Engagement Targets:

Enhanced transparency on strategy towards net zero, incl. Sustainable Development Goals (SDG) and science-based targets.



### Engagement Status:

Ongoing



### Key Takeaways:

With the recently introduced reduction targets we observe progress at the company regarding the fight of climate change. In the short-term the company seeks to procure 50% of its electricity demands in Chile from clean energy by 2025 while 100% in the mid-term by 2030. Additionally, it intends to accelerate the adoption of zero-emissions alternatives for transportation by displacing the equivalent of 1,000 internal combustion engine vehicles by 2025. On a worldwide base for scope 1 and 2 emissions the coverage by renewables could reach around 40% by 2030. Further increases beyond are dependent on technology progress and innovation.

In the mid-term the company is striving to reduce the carbon intensity of its operations across all geographies by 33% by 2030 from a 2020 base. In the long-term the company follows a Net Zero strategy and seeks to be carbon-neutral by 2050. As absolute targets can easily be reached with portfolio transactions and without implementing any climate transactions, company

decided to do the opposite and focus on relative targets by 2030. The company gave additionally an absolute emission reduction indication as best practice of more than 20% by 2030.

A verification of the targets regarding the global warming by the Science-based Target initiative (SBTi) is missing. According to the company there are some methodological challenges and company is currently evaluating these issues. Scope 3 emission reduction targets and energy consumption and intensity reduction targets are missing. However, Tech Resources started to look on scope 3 as part of the strategy and is looking for necessary steps. To come up with a Scope 3 emission target it is working with suppliers and looking for opportunities from partnerships. Some dependency on technological progress leaves some risks to reach targets by 2050.

Climate change performance is integrated into company's executive remuneration that is performance-based and includes several sustainability performance indicators. This variable compensation structure is based on objectives outlined through three components: corporate, business unit and personal. Across the components, objectives related to sustainability performance, including climate change, among other health, safety and sustainability issues, affect approximately 10%–20% of the variable compensation.

The company is meanwhile using TCFD, SASB, and GRI as reporting framework and has disclosures on climate mitigation and climate adaptation activities through various publications, including a Sustainability Report and a TCFD-aligned Climate Change Outlook report. Company is currently observing developments around the EU Taxonomy.

Source: DWS Investment GmbH, 12/31/2021.

## Blue Economy

Our ocean and coasts are facing the ‘triple challenge’ of biodiversity loss, climate change and pollution as a result of years of unsustainable development and environmental mismanagement. According to WWF, in a research paper published in 2015 the overall ‘value’ of the ocean (or ‘blue’) economy was estimated to be USD24 trillion in total assets, with annual benefits of around USD2.5 trillion. However, decades of research highlight that indicators of ocean health are trending in the wrong direction with the natural capital base being eroded at great speed and made only worse by the impacts of climate change.

We have sent out a detailed questionnaire to 30 investee companies which are covered by the guidance of the Sustainable Blue Economy Finance Principles. This questionnaire is intended as a tool to help assess a company’s current and future performance on social and environmental sustainability related to the sustainable blue economy. The intention is to gather data on performance, company-set KPIs, targets and timelines. This is an initial step in a longer process, with the desired outcome to build targets, metrics and KPIs for each sector in order to map and document the progress of risk and impact reduction of the fund. We received a response from 18 investee companies and conducted 2 follow-up engagements in 2021. Throughout 2022 we will continue with our engagement with the investee companies of the fund a in order to set up specific action plans and identify engagement targets.



We sent blue economy questionnaires to **30 investee companies** and have had **18 responses** and **2 follow-up engagements**



## Case Study

Blue Economy

Sector: Consumer Discretionary

Country: US

Area of Engagement: E, G

Sub-Area of Engagement: Sustainable Blue Economy



### Engagement Case:

As part of the DWS Concept ESG Blue Economy Fund we initiated a discussion with this company. Given their size and importance in the tourism and cruising sector and their connection to the blue economy, our engagement is critical to achieving the goals of our ESG Blue Economy fund. The company is already addressing and improving certain aspects related to the sustainable blue economy, particularly in the context of procurement and land-based tours. For example, they support the use of the Global Sustainable Tourism Council (GSTC) standards, which are also used by the UNEP FI guidance. Unfortunately, the GSTC standards do not apply to vessels and there are a number of areas where further engagement is required to determine whether and how they meet the UNEP FI's Sustainable Blue Economy Finance Principles and guidance, for example in relation to ballast water treatment and vessel routing in regard to protected areas.



### Engagement Targets:

Our initial engagement with the company has focused on outlining possible key performance indicators (KPIs) based on the UNEP FI guidance, which have been drafted, and will continue to be developed, in a collaboration with WWF Germany. The initial KPIs are focused on understanding the company's strategy and operations with respect to implementation of activities against their stated goals with regards to the sustainable blue economy. Further potential targets of

our engagements include: Net Zero emissions strategy, water treatment system, vessel routing, visitor littering and other forms of pollution. In terms of governance, we are addressing questions around the combined CEO/chair roles, overboarding, key board committees and their independence as well as inclusion of sustainability goals as a component of management goals and management compensation.



### Engagement Status:

Ongoing



### Key Takeaways:

In terms of Net Zero, the company is implementing a new decarbonization strategy to be achieved by 2050, SBTi (covering scopes 1 and 2, scope 3 is in progress); including Net Zero cruise ships by 2035; first large-scale installation of a hydrogen-based technology as a new power supply. Currently 81% of the company's fleet is equipped with ballast water treatment systems, however we are keen to understand by when the remaining 19% will be outfitted with the same or equivalent technologies. The company also appointed a new chief ESG officer. With regards to the governance aspects, the company will consider the aspects mentioned internally. As a next step, we will focus on specific quantitative KPIs with regards to the engagement targets and strive to achieve transparency with regards to the compliance with the UNEP FI Guidance.

Source: DWS Investment GmbH, 12/31/2021.

# Social

## Human rights

Investee companies can affect the human rights of their employees and workers along their value chain as well as local communities, in a negative or a positive way. What constitutes human rights is clearly defined in several international conventions and violations can occur in many different forms including child labour, modern slavery, forced labour, freedom of association, health and safety and environmental pollution. Poor human rights performance cannot be simply seen as a reputational risk; it can have multiple consequences and impacts the Investee companies' stakeholders, the financial success, the shareholders and the sustainable creation of value.

The significant deterioration of the human rights situation in Myanmar and Belarus is of great concern to DWS. The authorities' policies of repressing and ideologically controlling the society also poses an increased risk to the private sector.

Accordingly, it is crucial that corporations with direct operations, supply chains or other business relationships put heightened emphasis on these issues to ensure compliance with principles and guidance on human rights (e.g. International Bill of Human Rights European Convention on Human Rights, United Nations Guiding Principles on Business and Human Rights, OECD guidance on responsible business conduct and human rights UN Global Compact principles, to which we are a signatory) and responsible business conduct.



Our thematic engagement activities aim to understand the investee companies' established human rights due diligence processes, including the assessment of adverse human rights impacts and how violations are addressed, mitigated and prevented through their actions. It is important for us to have transparency on how they protect their employees and support the protection of human rights in general. Besides our thematic engagement initiative, we have continuously engaged with investee companies on the topic of human rights and health & safety.



- Top 3**  
**Social Engagement Topics:**
1. Health & safety
  2. Society relations
  3. Human rights



In 172 of our 581 engagements, we discussed social topics.



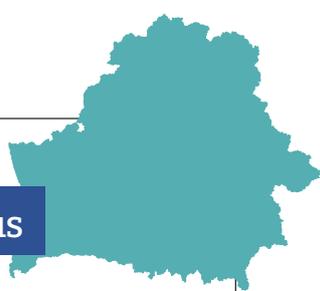
We addressed the topic of human rights in 23 of our engagements and sent 38 engagement letters.



## Myanmar

According to available information, the continuation of Myanmar military junta’s severe human rights violations ranging from abuses against ethnic minorities, restrictions on freedom of expression and peaceful assembly, limitations to the flow of information and further violations is of great concern to us.

- Therefore, we have sent out 21 thematic engagement letters to companies operating in Myanmar.
- So far, we have received 5 replies from companies outlining their general policies and commitments in place.
- Follow-up calls are scheduled for 2022.



## Belarus

The significant deterioration of the human rights situation in Belarus is of great concern to DWS; according to available information examples include torture, discriminatory measures against various groups of the society, restrictions on freedom of expression and peaceful assembly and limitations to the flow of information.

- As a first step of engagement with affected companies, we have sent out 17 human rights letters to companies operating in Belarus in 2021.
- So far, we have received 6 replies from companies outlining their general policies and commitments in place.
- Follow-up calls are scheduled for 2022.

## Health & safety

In 2021, health and safety was a commonly discussed topic with investee companies as issues were highlighted by the DWS ESG Engine. Keeping employees safe and healthy is a crucial topic and should be treated as an integral part of a company’s business strategy. We expect investee companies to assess, manage and reduce health and safety risks to prevent workplace injuries, illnesses, and fatalities. All measures to mitigate these risks should be clearly defined and communicated in a comprehensive policy.

The degree of exposure to physical risks can vary significantly between individual investee companies and sectors. Nevertheless, even in investee companies with a lower exposure, measures should be implemented to ensure both the physical and mental well-being of employees. We have seen that investee companies that have implemented strong policies and procedures when it comes to health and safety into their human capital management strategy are less exposed to social risks. For us, the implementation of those policies and guidelines is fundamental to create a safe working environment that is in consequence also ensuring a sustainable value creation for different stakeholders.

As not all risks and hazards can be reduced or eliminated by organizational policies and procedures, it is of utmost importance that employees are trained on a regular basis to stimulate awareness and knowledge. It is essential that workers are provided with appropriate equipment and supervision and that the company’s performance on health and safety is investigated, assessed and audited.



We have held **64 engagements** where the topic of health & safety was discussed

### Case Study

Sector: Materials / Country: South Africa / Area of Engagement: S

Sub-Area of Engagement: Social – Health and Safety



#### Engagement Case:

The company is facing severe ESG controversies regarding the safety of workers and fatalities. The company operates underground gold mines which carry inherent risks.



#### Engagement Targets:

Appropriate and clear measures taken to improve health and safety at the company.



#### Engagement Status:

Initiation



#### Key Takeaways:

The board takes these issues very seriously and it was an important topic at their investor and stakeholder days 2021. They rolled out a new campaign some month ago and the incidents have been thoroughly investigated together with the relevant stakeholders. The company is part of the International Council on Mining and Metals (ICMM), an international organization dedicated to a safe, fair and sustainable mining and metals industry. We continue to monitor the progress closely.

Source: DWS Investment GmbH, 12/31/2021.

## Gender and racial diversity

Gender and racial diversity is an important topic during our engagements, albeit some investee companies were facing more immediate risks and issues during the pandemic. Yet looking to the developments in Afghanistan in 2021 and the fear of diminished women's rights in important job positions, diversity is more current than ever before. The Global Gender Gap Report 2021 from the World Economic Forum reports that Covid-19 was a setback for gender parity in the workplace, as it documents for instance that 5% of employed women lost their jobs compared to 3.9% of employed men. Furthermore, it displays a waning of women's hiring into leadership resembling a turnaround after two years of progress across numerous industries<sup>10</sup>.

In addition to gender diversity, also racial diversity played a big role in the aftermath of the Black Lives Matter protests in 2020. Latest research from McKinsey found an increasing impact of greater diversity and better financial performance. Hereby, ethnical diversity seems to be even more relevant



financially than gender diversity.<sup>11</sup> Furthermore, McKinsey reports a strong correlation between gender diversity and positive behavior directly related to better organizational health. Initial research results about the financial performance of investee companies during the pandemic also suggest that investee companies with more diverse boards saw less decline than their peers,<sup>12</sup> supporting research about the financial crisis around 2008 when financial institutions with more women in boards were more risk resilience.<sup>13</sup>

Consequently, we consider diversity as an important social topic.

## Case Study

Sector: Health Care / Country: USA / Area of Engagement: S

Sub-Area of Engagement: Social – Diversity and Inclusion



### Engagement Case:

The company has low independence as some directors are not considered independent due to long tenure. There are also concerns regarding the nomination of the former CEO.



### Engagement Targets:

Follow-up on improvements regarding the topic of diversity



### Engagement Status:

Ongoing



### Key Takeaways:

The company recognizes that building an inclusive and diverse workforce is critical to enabling their mission and executing their strategy. A number of efforts were made this past year including:

- Created an inclusion and diversity action plan focusing on attracting, developing and retaining people of diverse backgrounds
- Launched blueprint for change to create processes and partnerships to increase recruitment of diverse candidates
- Launched two new inclusion and diversity learning programs, designed to augment broader efforts, including four self-paced, anti-bias e-learning and a virtual workshop on combating bias in the workplace
- Established Advancing Black Leadership strategy which provides access and opportunities for Black employees across the company
- Committed to continuing to disclose consolidated EEO-1 report for a second year in a row
- Appointment of four new directors in 2020, and ongoing focus on advancing board diversity

Source: DWS Investment GmbH, 12/31/2021.

<sup>10</sup> World Economic Forum: „Global Gender Gap Report 2021: Insight Report, March 2021. Retrieved from: WEF\_GGGR\_2021.pdf (weforum.org).

<sup>11</sup> McKinsey: „Diversity wins: How inclusion matters“, May 2020. Retrieved from: Diversity wins: How inclusion matters (mckinsey.de).

<sup>12</sup> Subramanian, R. (BoardReady): „Lessons from the Pandemic: Board Diversity and Performance“, July 2021.

<sup>13</sup> Sahay, R., Čihák, M. and other IMF Staff: „Women in Finance: A Case for Closing Gaps“, IMF Discussion Note, September 2018.

## Public policy engagement

DWS has actively contributed to various working groups and industry initiatives with the aim of shaping global corporate governance developments, representing the best interests of our clients.

Globally, we have continued our active participation in the Ceres Investor Network on Climate and Sustainability (SICS) to discuss and address climate sustainability issues facing investee companies through proxy voting, key shareholder proposals and engagements. Additionally, we are part of the Ceres Investor Water Hub, a working group that aims to drive greater consideration of water investment decision making by assessing water risks and opportunities as well as the Investor Policy working group that discusses global, federal, regional and state policies once a month.

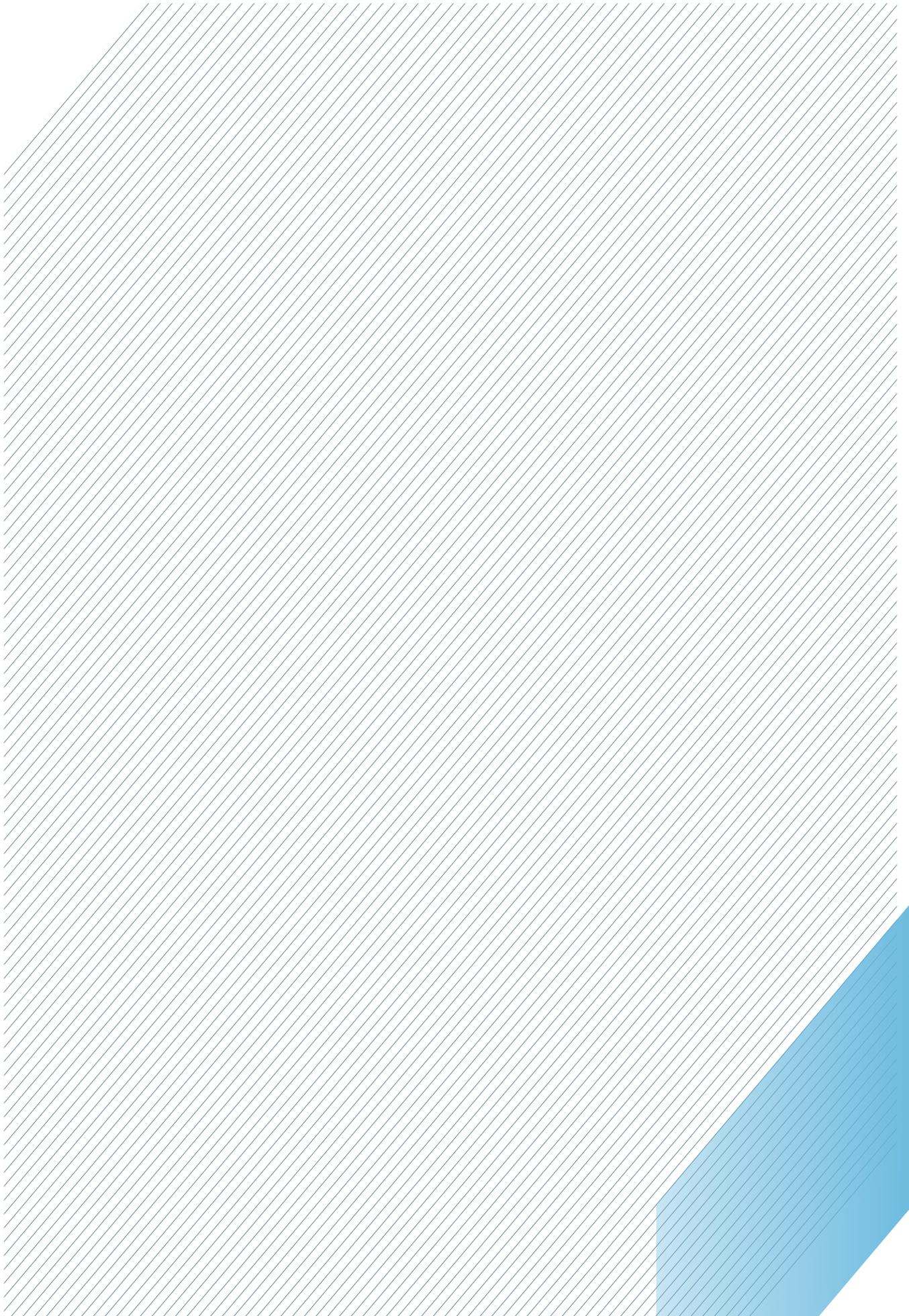
We are also participating in the consultation involving the changes to the Global Governance Principles (GGPs) as a member of the International Corporate Governance Network (ICGN) with the aim to promote effective standards of corporate governance across all global investee companies. Since September 2021, we are a member of the ICGN Global Governance Committee. As a member of the European Fund and Asset Management Association (EFAMA), we are part of

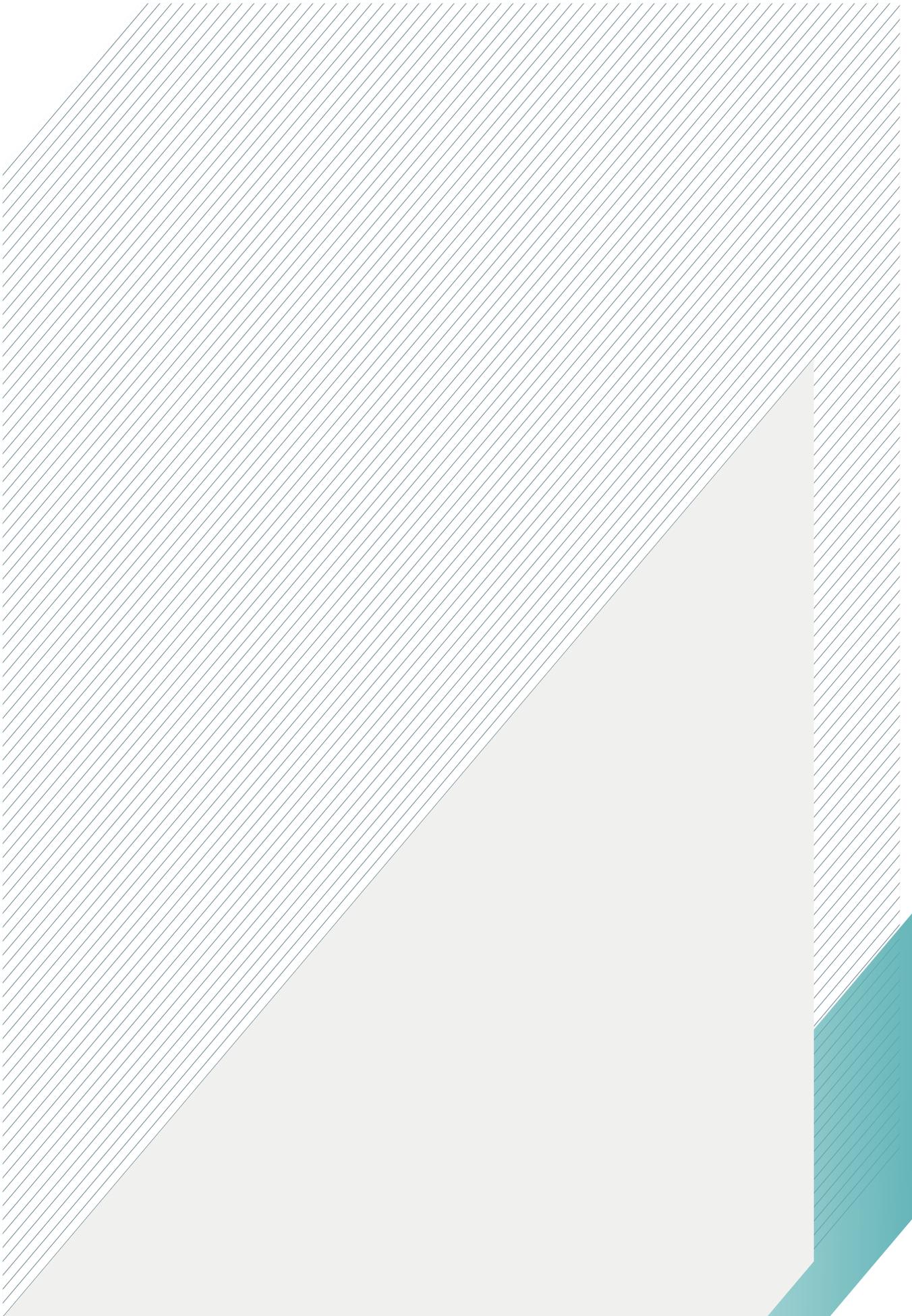
the ESG & Stewardship Standing Committee as well as the Stewardship and Sustainable Finance workstreams.

Furthermore, we participated in the Investment Association (IA) consultations (i.e. the Lord Hill review, listing requirements) as well as regular discussions on stewardship topics (i.e. directed voting, diversity (gender and ethnic), say-on-climate, Stewardship Code reporting). We also assumed our membership in a sub-working group on how to establish an efficient and effective process to (co-) file requisitioned resolutions.

In Germany, we continued contributing to the DVFA-Scorecard for corporate governance for DAX and MDAX-investee companies. Furthermore, in light of the COVID-19 pandemic, we participated at the ongoing DVFA discussion about the future of the AGM (formats, requirements, protection of shareholder rights), including panel discussions and culminating in a position paper. This topic was also discussed in the BVI working group "General Guidelines for German AGMs". Furthermore, we are part of the BVI working group for sustainable executive remuneration and we are involved in discussions about the role of ETFs in takeovers.







# Closing remarks

In 2022, we will continue our active ownership activities with our investees on material financial as well as environmental, social and governance factors. Monitoring and dialogue allow us to gain a better understanding of their existing practices with regards to sustainability risks and opportunities and thereby help us safeguard our investment decisions.

Our active ownership priorities will also continue to develop around our core values for good corporate governance and environmental and social corporate responsibility:

- Adequate board composition with sufficient levels of independence, diversity as well as sound ESG governance/oversight
- Transparent, comprehensible and ambitious executive remuneration
- Adequate transparency on auditors
- Appropriate treatment of shareholder and stakeholder rights, in compliance with internationally recognized E,S or G standards (e.g. the UN Global Compact Principles and OECD Guidelines for Multinationals)

Climate change will continue playing a crucial role in our activities in 2022. Although the degree of exposure to climate risks may vary across sectors and assets, we expect boards to develop a robust understanding of the company-specific risks and how to mitigate them. Particularly, we ask investee companies to reflect on the double-materiality and their impact on the environment.

In 2022, we will further aim to focus on Net Zero and follow-up on our engagements we already had, taking a closer scrutiny on the integration of climate related targets into the strategy and the alignment of capex with the decarbonization plan. We will also continue to seek to establish a dialogue with the investee companies which have not yet responded. For those investee companies that did not respond we will vote against responsible directors. In addition, we will continue to push for climate and/or other relevant non-financial metrics to be

integrated into executive compensation plans. We hold boards and management accountable in case they fail to respond adequately to such risks or fail to provide the necessary disclosure.

We encourage investee companies to establish biodiversity and environmental protection standards and conduct independent review processes. We expect investee companies to prevent and mitigate accidents and spills that seriously damage the environment and/or affect communities, including immediate coordination with the authorities and transparent reporting to stakeholders. Furthermore, investee companies should—depending on their exposure—report its fresh-water use and set water reduction and recycling targets.

Compliance with international human rights standards is a fundamental concern for us. We expect our investees to have robust processes and policies in place to ensure that human and labor rights are protected throughout their value chain. This includes regular on-site audits. We expect investee companies to engage in regular and fair dialogue with local communities and other stakeholders. We will continue to follow-up on our human rights thematic engagement letter regarding Belarus and Myanmar.

Finally, our aim is to further exert influence and achieve positive change according to the SDGs and Principle Adverse Impacts (PAIs). We evaluate each company individually and try to improve sustainability outcomes via direct and constructive dialogues with the investee companies.

# Appendix

## Further links

Corporate Governance and Proxy Voting Policy (Funds in Europe and Japan): <https://dws.com/en-se/solutions/esg/corporate-governance/>

Proxy Voting Policy and Guidelines- DWS (Funds in the US): <https://dws.com/en-us/resources/proxy-voting/>

DWS Engagement Policy: <https://www.dws.com/en-se/solutions/esg/>

# List of our Governance engagements in 2021

Company	Country	Sector	Key Areas of engagement
1011778 BC UNLIMITED LIABILITY CO	CA	Consumer Discretionary	Social: Client and Society Relations Environmental: Water; Social: Health & safety
AA BOND CO LTD	GB	Industrials	Environmental: Net Zero/Science-based targets; Governance: Executive Compensation
AAREAL BANK AG	DE	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
ABN AMRO BANK nv	NL	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
ACERINOX SA	ES	Materials	Environmental: Climate Change; Water; Governance: Board Composition; Social: Diversity; Health & safety
ACTIVISION BLIZZARD INC	US	Communication Services	Governance: Auditor; Executive Compensation; Overboarding
ADLER REAL ESTATE AG	DE	Real Estate	Environmental: Climate Change; Green innovation; Governance: Board Composition; Capital Structure
ADVANZ PHARMA	GB	Health Care	Governance: Transparency
AEGON nv	NL	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
AES CORP	US	Utilities	Environmental: Climate Change; Social: Society Relations (regulators, communities, etc.)
AGCO CORPORATION	US	Industrials	Environmental: Resource consumption; Social: Health & safety; Governance: Combined CEO/Chair; Executive Compensation
AIA GROUP LTD	HK	Financials	Environmental: Net Zero; Governance: Auditor; Executive Compensation; Succession Planning/Refreshment
AIR LIQUIDE FINANCE SA	FR	Materials	Environmental: Net Zero
AIRBUS	NL	Industrials	Environmental: Climate Change; Governance: Business Ethics
AKZO NOBEL nv	NL	Materials	Environmental: Climate Change; Governance: Compensation; Social: Health & safety; Society Relations
ALCON AG	CH	Health Care	Governance: Board Composition; Executive Compensation; Overboarding; Succession Planning/Refreshment
ALFA LAVAL	SE	Industrials	Environmental: Climate Change; Governance: Executive Compensation: Diversity & Inclusion; Health & safety
ALFEN BEHEER BV	NL	Industrials	Environmental: Climate; Governance: Board Composition; Transparency; Social: Diversity; Health & safety
ALLIANZ	DE	Financials	Governance: Board Composition; Executive Compensation
ALLSTATE CORP	US	Financials	Governance: Auditor; Combined CEO/Chair; Executive Compensation; Social: Diversity; Environmental: Climate
ALROSA PJSC	RU	Materials	Environmental: Climate; Governance: Dividend Policy; Operations & Performance; Risk Management
ALTICE FRANCE SA (FRANCE)	FR	Communication Services	Environmental: Net Zero/Science-based targets
AMADEUS IT GROUP SA	ES	Information Technology	Governance: Board Independence; Executive Compensation
AMAZON COM INC	US	Consumer Discretionary	Governance: Executive Compensation; Lobbying Disclosure; Social: Health & safety; Labor Rights
AMERICAN AIRLINES GROUP INC	US	Industrials	Environmental: Net Zero/Science-based targets
AMERICAN ELECTRIC POWER COMPANY INC.	US	Utilities	Environmental: Net Zero/Science-based targets

## Appendix

Company	Country	Sector	Key Areas of engagement
AMERICAN WATER WORKS COMPANY INC	US	Utilities	Governance: Auditor; Lobbying Disclosure; Shareholder Rights/Proposals
AMG AFFILIATED MANAGERS GROUP	US	Financials	Governance: Executive Compensation
AMGEN INC	US	Health Care	Social: Diversity and equal opportunity; Governance: Auditor; Combined CEO/Chair; Overboarding
AMPLIFON	IT	Health Care	Environmental: Climate Change; Net Zero; Governance: Executive Compensation; Social: Health & safety
ANIMA HOLDING	IT	Financials	Governance: Auditor; Business Ethics; ESG Oversight; Impact Reporting (SDG); Risk Management
ANTA SPORTS PRODUCTS LTD	CN	Consumer Discretionary	Environmental: Net Zero; Governance: Auditor; Board Composition; Executive Compensation; Overboarding
AP MOELLER - MAERSK A/S	DK	Industrials	Environmental: Net Zero/Science-based targets; Governance: Auditor; Executive Compensation
APERAM SA	LU	Materials	Environmental: Climate; Governance: Board Composition; Social: Health & safety; Human Rights; Diversity
APPLE INC	US	Information Technology	Governance: Board Composition; Overboarding
APPLIED MATERIAL INC	US	Information Technology	Environmental: Net Zero; Social: Diversity
APPLUS SERVICES SA	ES	Industrials	COVID-19 update; Governance: Executive Compensation; Transparency
ARCADIS nv	NL	Industrials	Environmental: Climate Change; Governance: Auditor; Board Composition; Executive Compensation
ARENA LUXEMBOURG FINANCE SARL	LU	Industrials	Environmental: Climate; Net Zero; Governance; Executive Compensation; Social: Health & safety
ARION BANKI SDR	IS	Financials	Environmental: Green innovation; Governance: Auditor; Board Composition
ASCENT RESOURCES UTICA HOLDINGS LLC	US	Energy	Environmental: Climate Change; Deforestation; Net Zero; Governance: Executive Compensation
ASIA CEMENT CORP	TW	Materials	Environmental: Climate Change; Net Zero
ASML HOLDING nv	NL	Information Technology	Environmental: Net Zero/Science-based targets; Social: diversity; Governance: Board Composition
ASSEMBLIN FINANCING AB	SE	Industrials	Environmental: Net Zero/Science-based targets; Governance: Executive Compensation
ASSICURAZIONI GENERALI SPA	IT	Financials	Environmental: Climate Change; Net Zero; Governance; Executive Compensation; Social: Diversity
AT&T INC	US	Communication Services	Governance: Executive Compensation; Social: Client & Society relationships
ATLANTIA SPA	IT	Industrials	Environmental: Climate Change; Net Zero; Governance: Business Ethics; Executive Compensation
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD	AU	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
AUTOZONE INC	US	Consumer Discretionary	Environmental: Net Zero/Science-based targets
AXA SA	FR	Financials	Board Composition; Executive Compensation
BAKER HUGHES HOLDINGS LLC	US	Energy	Environmental: Climate Change; Environmental Footprint of products
BALL CORP	US	Materials	Environmental: Climate Change; Governance: Board Independence; Combined CEO/Chair; Executive Compensation
BANCO BILBAO VIZCAYA ARGENTARIA S.A.	ES	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
BANCO DE CREDITO DEL PERU	PE	Financials	Environmental: Climate Change; Governance: ESG Disclosure; Executive Compensation; Impact Reporting (SDG)
BANCO DE SABADELL SA	ES	Financials	Governance: Board Composition; Combined CEO/Chair; Executive Compensation; Social: Diversity; Environmental: Climate Change
BANCO SANTANDER SA	ES	Financials	Social: Society Relations (regulators, communities, etc.)
BANCO SANTANDER SA (Frankfurt am Main branch)	DE	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
BANGKOK DUSIT MEDICAL SERVICES PCL	TH	Health Care	Governance: Auditor; Board Composition; ESG Oversight; Executive Compensation; Overboarding; Succession Planning
BANK CENTRAL ASIA TBK PT	ID	Financials	Governance: Board Composition; ESG Oversight; Executive Compensation; Succession Planning
BANK RAKYAT INDONESIA (PERSERO) TBK PT	ID	Financials	Environmental: Climate Change; Governance: Board Composition; ESG Disclosure; Executive Compensation

Company	Country	Sector	Key Areas of engagement
BANKINTER SA	ES	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
BANPU PCL	TH	Energy	Environmental: Net Zero/Science-based targets
BANPU POWER PCL	TH	Utilities	Environmental: Net Zero/Science-based targets
BARCLAYS BANK IRELAND PLC	IE	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
BASF N	DE	Materials	Governance: Auditor; Board Composition; Executive Compensation; Succession Planning; Environmental: Net Zero
BAYER AG	DE	Health Care	Governance: Board Composition; Executive Compensation; Succession Planning; Environmental: Net Zero
BAYERISCHE MOTOREN WERKE AG (BMW AG)	DE	Consumer Discretionary	Environmental: Net Zero/Science-based targets
BEIJING ENTERPRISES WATER GROUP LTD	HK	Utilities	Environmental: Climate Change; Net Zero; Governance: Auditor; Board Composition; Overboarding
BELFIUS BANQUE SA	BE	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
BHP GROUP LTD	AU	Materials	Environmental: Net Zero/Science-based targets; Financial; Strategy; Social: Health and safety
BLUESCOPE STEEL LTD	AU	Materials	Environmental: Net Zero
BNP PARIBAS (NEW YORK BRANCH)	US	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
BOC HONG KONG HOLDINGS LTD	HK	Financials	Governance: Board Composition; Capital Structure; Executive Compensation; Overboarding
BOEING	US	Industrials	Governance: Business Ethics (Money Laundering /Bribery/ Corruption etc)
BOOKING HOLDINGS INC	US	Consumer Discretionary	Environmental: Environmental Footprint of production process; Governance: ESG Oversight; Social: Labor Rights
BOYD GAMING CORP	US	Consumer Discretionary	Governance: Capital Structure; Social: Health and Safety
BP PLC	GB	Energy	Environmental: Climate Change; Green innovation
Bq Cntl Fribourg	CH	Financials	Governance: Impact Reporting (SDG); Transparency; Social: Client relationships (data security, etc.)
BRASKEM FINANCE LTD	KY	Materials	Environmental: Net Zero; Governance: ESG Disclosure; ESG Oversight; Executive Compensation; Impact Reporting (SDG)
BRITISH AMERICAN TOBACCO PLC	GB	Consumer Staples	Governance: Executive Compensation
BUNGE LTD	US	Consumer Staples	Environmental: Net Zero/Science-based targets
CAESARS ENTERTAINMENT CORP	US	Consumer Discretionary	Social: Product/Service Safety
CAIXABANK SA	ES	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
CANADIAN IMPERIAL BANK OF COMMERCE	CA	Financials	Environmental: Climate Change; Governance: Board Composition; Executive Compensation; Social: Society Relations
CARDINAL HEALTH INC	US	Health Care	Governance: Combined CEO/Chair; Executive Compensation
CARGOTEC CORP	FI	Industrials	Blue Economy; Governance: Auditor; Board Composition; ESG Oversight; Executive Compensation
CARLISLE COMPANIES INC	US	Industrials	Environmental: Climate Change; Governance: Executive Compensation; Social: Health & safety
CARLSBERG BREWERIES A/S	DK	Consumer Staples	Environmental: Climate Change; Governance: Board Composition; Social: Health & safety
CARNIVAL CORP	US	Consumer Discretionary	Governance: Executive Compensation
CATERPILLAR INC	US	Industrials	Environmental: Net Zero/Science-based targets; Climate Change
CELLTRION HEALTHCARE CO LTD	KP	Health Care	Governance: Board Composition; ESG Disclosure; Diversity; ESG Oversight; Executive Compensation
CEMENTIR HOLDING nv	IT	Materials	Environmental: Net Zero
CEMEX SAB DE CV	MX	Materials	Environmental: Net Zero/Science-based targets
CENOVUS ENERGY INC	CA	Energy	Environmental: Net Zero; Governance: ESG Oversight
CENTENE CORP	US	Health Care	Governance: Auditor; Board Independence; Executive Compensation

## Appendix

Company	Country	Sector	Key Areas of engagement
CENTRICA PLC	GB	Utilities	Environmental: Net Zero; Governance: Executive Compensation
CERVED INFORMATION SOLUTIONS SPA	IT	Financials	Governance: Executive Compensation
CEZ AS	CZ	Utilities	Environmental: Net Zero
CF INDUSTRIES INC	US	Materials	Environmental: Environmental Footprint of production process; Green innovation; Net Zero
CHECK POINT SOFTWARE TECHNOLOGIES	IL	Information Technology	Environmental: Net Zero; Governance: Auditor; Overboarding; Succession Planning; Social: Supply Chain
CHESAPEAKE ENERGY CORP	US	Energy	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
CHEVRON CORP	US	Energy	Environmental: Climate Change; Environmental Footprint of production process and products; Governance: ESG Oversight
CHINA AOYUAN GROUP LTD	CN	Real Estate	Governance: Auditor; Board Composition; Executive Compensation; Overboarding; Succession Planning
CHINA MENGNIU DAIRY LTD	HK	Consumer Staples	Environmental: Climate Change; Governance: Auditor; Board Composition; Executive Compensation
CHINA STEEL CORPORATION	TW	Materials	Environmental: Net Zero/Science-based targets
CHR HANSEN HOLDING A/S	DK	Materials	Environmental: Green innovation; Net Zero; Governance: Board Independence; Executive Compensation; Social: Diversity
CITIBANK NA	US	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
CK HUTCHISON HOLDINGS LTD	HK	Industrials	Governance: Auditor; Board Composition; ESG Oversight; Executive Compensation; Succession Planning
CLP HOLDINGS LTD	HK	Utilities	Environmental: Net Zero; Governance: Auditor; Board Composition; Executive Compensation
CNOOC LTD	HK	Energy	Environmental: Net Zero; Governance: Board Composition; Executive Compensation; Overboarding
COCA-COLA	US	Consumer Staples	Environmental: Environmental Footprint of production process and products; Green innovation; Net Zero
COEUR MINING INC	US	Materials	Board Independence; Overboarding; Executive Compensation; Climate Change; ESG Disclosures
COLGATE-PALMOLIVE	US	Consumer Staples	Governance: Board Independence; Combined CEO/Chair; Social: Diversity; Health & safety; Environmental: Net Zero
COMMERZBANK AG	DE	Financials	Environmental: Climate Change; Net Zero; Governance: Board Composition; Executive Compensation
COMMONWEALTH BANK OF AUSTRALIA	AU	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
COMPAGNIE DE SAINT GOBAIN SA	FR	Industrials	Environmental: Climate Change; Governance: Board Composition; Executive Compensation; Social: Diversity
COMPASS GROUP PLC	GB	Consumer Discretionary	Social: Client relationships (data security, etc.); Society Relations (regulators, communities, etc.)
CONTINENTAL AG	DE	Consumer Discretionary	Governance: ESG Oversight; Violations to the UNGC principles (and OCDE Guidelines)
CONTOURGLOBAL LP	US	Utilities	Environmental: Net Zero/Science-based targets; Financial; M&A; Social: Health and safety
CORBION nv	NL	Materials	Environmental: Climate Change; Governance: Auditor; Board Composition; Executive Compensation
CORNING INC	US	Information Technology	Social: Gender diversity; Governance: Board Independence; Combined CEO/Chair; Executive Compensation
COSAN SA INDUSTRIA E COMERCIO	BR	Energy	Environmental: Net Zero/Science-based targets; Governance: Board Independence; Executive Compensation
COTY US INC	US	Consumer Staples	Environmental: Biodiversity; Hazardous Waste; Supply chain/contractors; Governance: Executive Compensation
COVESTRO AG	DE	Materials	Environmental: Net Zero; Governance: Executive Compensation; Overboarding
CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK (NEW YORK BRANCH)	US	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
CREDIT AGRICOLE SA	FR	Financials	Environmental: Net Zero; Governance: Board Composition; ESG Disclosure
CREDIT MUTUEL ARKEA	FR	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
CREDIT SUISSE AG	CH	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
CRH PLC	IE	Materials	Governance: Board Composition; Capital Structure; ESG Oversight; Executive Compensation

Company	Country	Sector	Key Areas of engagement
CSPC PHARMACEUTICAL GROUP LTD	HK	Health Care	Governance: Auditor; Board Composition; Combined CEO/Chair; ESG Disclosure
DAIKIN INDUSTRIES LTD	JP	Industrials	Environmental: Net Zero/Science-based targets
DAIMLER AG	DE	Consumer Discretionary	Governance: Board Composition; Operations & Performance; Strategy; Succession Planning.; Environmental: Climate Change
DANONE SA	FR	Consumer Staples	Governance: Board Independence; Overboarding
DANSKE BANK A/S	DK	Financials	Environmental: Climate Change; Net Zero; Governance: Auditor; Board Composition; Overboarding
DARLING INGREDIENTS INC	US	Consumer Staples	Governance: Auditor; Board Composition; Combined CEO/Chair; Executive Compensation
DASSAULT AVIATION SA	FR	Industrials	Environmental: Climate; Governance: Board Composition; Executive Compensation; Social: Health & safety
DAVITA INC	US	Health Care	Governance: Auditor; Board Independence; Executive Compensation
DELTA AIR LINES INC	US	Industrials	Environmental: Net Zero/Science-based targets
DETSKY MIR PJSC	RU	Consumer Discretionary	Governance: Auditor
DEUTSCHE BOERSE AG	DE	Financials	Governance: Board Composition; Executive Compensation; Overboarding
DEUTSCHE LUFTHANSA AG	DE	Industrials	Governance: Board Composition; Capital Structure; Executive Compensation; Risk Management
DEUTSCHE PFANDBRIEFBANK AG	DE	Financials	Environmental: Climate Change; Net Zero; Governance: Board Composition; Capital Structure; Succession Planning
DEUTSCHE POST AG	DE	Industrials	Governance: Board Composition; Executive Compensation; Succession Planning/Refreshment
DEUTSCHE TELEKOM AG	DE	Communication Services	Governance: Board Composition; Executive Compensation; Shareholder Rights/Proposals
DEVON ENERGY CORPORATION	US	Energy	Environmental: Net Zero
DIC ASSET AG	DE	Real Estate	Governance: Board Composition; Capital Structure; ESG Oversight; Executive Compensation
DISCOVER FINANCIAL SERVICES	US	Financials	Social: Cyber security and data privacy; Financial services and economic inclusion; Governance: Board Independence
DOLLAR GENERAL CORP	US	Consumer Discretionary	Environmental: Toxic Emissions; Social: Labor management; Governance: Auditor; Board Independence; Executive Compensation
DOMETIC GROUP AB (PUBL)	SE	Consumer Discretionary	Environmental: Net Zero; Governance: Board Composition; Disclosure in line with EU Taxonomy; Executive Compensation
DOMINION ENERGY INC	US	Utilities	COVID-19 response; Environmental: Climate Change; Net Zero; Governance: Board Independence
DOW INC	US	Materials	Environmental: Climate Change; Net Zero; Governance: Board Independence
DRAX GROUP PLC	GB	Utilities	Environmental: Net Zero; Governance: Board Composition; Disclosure in line with EU Taxonomy; Executive Compensation
DTE ENERGY COMPANY	US	Utilities	Environmental: Net Zero/Science-based targets; Social: Diversity and equal opportunity
E.ON SE	DE	Utilities	Environmental: Net Zero/Science-based targets; Governance: Executive Compensation
EDP - ENERGIAS DE PORTUGAL SA	PT	Utilities	Governance: Board Composition
EDP RENOVAVEIS SA	ES	Utilities	Governance: Auditor; Combined CEO/Chair; ESG Disclosure; Executive Compensation; Overboarding
ELECTRICITE DE FRANCE SA	FR	Utilities	Environmental: Net Zero/Science-based targets
ELECTRONIC ARTS INC	US	Communication Services	Governance: Executive Compensation; Shareholder Rights/Proposals
ELIOR GROUP SA	FR	Consumer Discretionary	Environmental: Net Zero; Governance: Board Composition; Disclosure in line with EU Taxonomy; Executive Compensation
ELLAKTOR SA	GR	Real Estate	Environmental: Climate Change; Net Zero; Governance: ESG Oversight; Executive Compensation
ENAGAS SA	ES	Utilities	COVID-19 update; Environmental: Climate Change; Net Zero; Governance: Board Composition; Executive Compensation
ENBRIDGE INC	CA	Energy	Environmental: Net Zero; Governance: ESG Oversight; Executive Compensation; Social: Human Rights
ENEL SPA	IT	Utilities	Environmental: Climate Change; Net Zero; Governance: Executive Compensation
ENERGO PRO AS	CZ	Utilities	Environmental: Net Zero; Governance: Board Composition; Disclosure in line with EU Taxonomy; Executive Compensation
ENERGY TRANSFER LP	US	Energy	Environmental: Climate Change; Governance: Executive Compensation; Social: Health & safety

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Company	Country	Sector	Key Areas of engagement
ENGIE SA	FR	Utilities	Environmental: Net Zero; Governance: Executive Compensation; Social: Health & safety
ENI SPA	IT	Energy	Environmental: Climate Change; Net Zero; Governance: Executive Compensation; Social: Society Relations
ENN ENERGY HOLDINGS LTD	CN	Utilities	Environmental: Climate Change; Net Zero; Governance: Auditor; Board Composition; Executive Compensation
ENTAIN PLC	GB	Consumer Discretionary	Environmental: Net Zero; Governance: Board Composition; Social: Health & safety
EPIROC AB	SE	Industrials	Environmental: Net Zero; Governance: Auditor; Board Composition; Executive Compensation; Overboarding; Succession Planning
ERSTE GROUP BANK AG	AT	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
ESSITY AB (PUBL)	SE	Consumer Staples	Environmental: Climate Change; Governance: ESG Disclosure; Executive Compensation; Social: Human Rights
ESTEE LAUDER COMPANIES INC. (THE)	US	Consumer Staples	Environmental: Climate Change; Net Zero; Social: Human Rights; Society Relations
EVERGY KANSAS CENTRAL INC	US	Utilities	Environmental: Net Zero; Governance: Executive Compensation
EXXON MOBIL CORP	US	Energy	Combined CEO/Chair; Executive Compensation; Climate Change
FARMLAND PARTNERS INC	US	Real Estate	Governance: Board Composition
FERRARI nv	IT	Consumer Discretionary	Environmental: Net Zero; Governance: Board Composition; Executive Compensation; Overboarding
FERROVIAL SA	ES	Industrials	Environmental: Net Zero/Science-based targets
FONCIA MANAGEMENT SASU	FR	Consumer Discretionary	Environmental: Net Zero; Governance: Board Composition; Disclosure in line with EU Taxonomy; Executive Compensation
FORTESCUE METALS GROUP LTD.	AU	Materials	Environmental: Net Zero; Water; Governance: Board Independence; Executive Compensation
FORTUM OYJ	FI	Utilities	Environmental: Climate Change; Net Zero
FREEMPORT-MCMORAN INC	US	Materials	Environmental: Biodiversity; Hazardous Waste/Toxic Emissions; Water; Social: Health & safety; Human rights
FRESENIUS MEDICAL CARE AG	DE	Health Care	Governance: Board Composition; Business Ethics; ESG Oversight; Executive Compensation; Transparency
FRESENIUS SE & CO. KGAA	DE	Health Care	Governance: Board Composition; Executive Compensation; Succession Planning/Refreshment
FUBON FINANCIAL HOLDING CO LTD	TW	Financials	Governance: Board Composition; ESG Oversight; Executive Compensation; Overboarding
FUGRO nv	NL	Industrials	Environmental: Net Zero; Governance: Board Composition; Executive Compensation; Social: Supply Chain
GALAXY ENTERTAINMENT GROUP LTD	HK	Consumer Discretionary	Governance: Auditor; Board Composition; Executive Compensation; Transparency
GECINA SA	FR	Real Estate	Governance: Executive Compensation
GENERAL DYNAMICS CORP	US	Industrials	Social: Weapon Production; Human rights
GENERAL MOTORS CO	US	Consumer Discretionary	Environmental: Net Zero/Science-based targets
GERRESHEIMER AG	DE	Health Care	Governance: Board Composition; Executive Compensation; Succession Planning/Refreshment
GILEAD SCIENCES INC	US	Health Care	Governance: Board Composition; Executive Compensation; Social: Diversity and Inclusion
GLOBAL FASHION GROUP S.A.	LU	Consumer Discretionary	Governance: Board Composition; Executive Compensation
GOODMAN GROUP PTY LTD	AU	Real Estate	Governance: Auditor; Board Independence; Executive Compensation
GREENCORE GROUP PLC	IE	Consumer Staples	Governance: Board Composition; Executive Compensation; Succession Planning/Refreshment
GRIFOLS SA	ES	Health Care	Social: Equal access to business resources, financial services and economic inclusion
GRUPO DE INVERSIONES SURAMERICANA SA	CO	Financials	Environmental: Net Zero; Governance: ESG Disclosure; ESG Oversight; Executive Compensation; Impact Reporting (SDG)
GRUPO FINANCIERO BANORTE SAB DE CV	MX	Financials	Governance: Board Composition
GUANGDONG INVESTMENT LTD	HK	Utilities	Governance: Auditor; Board Composition; ESG Disclosure; Executive Compensation; Overboarding

Company	Country	Sector	Key Areas of engagement
H & M HENNES & MAURITZ AB	SE	Consumer Discretionary	Environmental: Net Zero; Governance: Board Composition; Impact Reporting (SDG); Social: Product/Service Safety
HALMA PLC	GB	Information Technology	Environmental: Blue Economy; Net Zero/Science-based targets; Governance: Auditor; Board Composition
HANG LUNG PROPERTIES LTD	HK	Real Estate	Environmental: Net Zero; Governance: Auditor; Board Composition; Executive Compensation; Succession Planning
HEIDELBERGCEMENT AG	DE	Materials	Environmental: Climate Change; Green innovation; Hazardous Waste/Toxic Emissions; Net Zero; Governance: Dividend Policy
HENKEL AG & CO KGAA	DE	Consumer Staples	Environmental: Climate Change; Governance: ESG Oversight; Social: Supply Chain/Contractors
HEXAGON AB	SE	Information Technology	Governance: Board Composition; ESG Disclosure; Executive Compensation
HONDA MOTOR CO LTD	JP	Consumer Discretionary	Environmental: Net Zero
HONEYWELL INTERNATIONAL INC	US	Industrials	Social: Human rights
HONG KONG & CHINA GAS CO LTD	HK	Utilities	Environmental: Net Zero; Governance: Auditor; ESG Oversight; Executive Compensation
HONG KONG EXCHANGES & CLEARING LTD	HK	Financials	Governance: Auditor; Board Composition; Executive Compensation; Overboarding; Succession Planning
HONGKONG LAND HOLDINGS LTD	BM	Real Estate	Environmental: Net Zero; Governance: Board Composition; ESG Oversight; Executive Compensation
HUGO BOSS N AG	DE	Consumer Discretionary	Governance: Capital Structure; ESG Oversight; Executive Compensation; Overboarding
HYSAN DEVELOPMENT CO LTD	HK	Real Estate	Environmental: Net Zero; Governance: Auditor; Board Composition; ESG Disclosure; Executive Compensation
HYUNDAI MOTOR	KP	Consumer Discretionary	Environmental: Climate Change; Governance: M&A; Strategy; Social: Labor Rights
IBERDROLA SA	ES	Utilities	Environmental: Net Zero; Governance: Executive Compensation; Business Ethics; Social: Society Relations
INEOS GROUP HOLDINGS SA	LU	Materials	Environmental: Climate Change; Environmental Footprint of production process; Governance: ESG Oversight
ING GROEP nv	NL	Financials	Governance: Dividend Policy
INIT INNOVATION IN TRAFFIC SYSTEM SE	DE	Information Technology	Governance: Auditor; Board Transparency; ESG Disclosure; ESG Oversight; Executive Compensation
INTEL CORPORATION	US	Information Technology	Governance: Executive Compensation
INTELLIGENT SYSTEMS CORP	US	Information Technology	Governance: Board Composition; Combined CEO/Chair
INTERACTIVE CORP	US	Communication Services	Governance: Board Composition; ESG Oversight
INTERNATIONAL BUSINESS MACHINES CO	US	Information Technology	Social: Diversity; Governance: Board Independence; Combined CEO/Chair; Executive Compensation
INTERNATIONAL PAPER CO	US	Materials	Environmental: Net Zero/Science-based targets
INTERTEK GROUP PLC	GB	Industrials	Governance: Auditor; Board Composition; ESG Disclosure; ESG Oversight; Executive Compensation
INTERTRUST GROUP BV	NL	Consumer Discretionary	Environmental: Net Zero/Science-based targets; Governance: Board Composition; ESG Disclosure; Executive Compensation
InvERSIONES CMPC S.A.	CL	Materials	Environmental: Net Zero; Governance: ESG Disclosure; ESG Oversight; Executive Compensation; Impact Reporting (SDG)
IRELAND	IE	Sovereign/Supranational	Environmental: Climate Change
JAB HOLD	NL	Financials	Governance: ESG Oversight; Financial; Strategy
JD SPORTS FASHION PLC	GB	Consumer Discretionary	Governance: ESG Oversight; Executive Compensation
JENOPTIK N AG	DE	Information Technology	Governance: Board Composition; Executive Compensation; Succession Planning/Refreshment
JERONIMO MARTINS SA	PT	Consumer Staples	Environmental: Environmental Footprint of production process and products; Governance: Impact Reporting (SDG)
JFE HOLDINGS INC	JP	Materials	Environmental: Climate Change; Governance: Board Composition; Executive Compensation
JM AB	SE	Consumer Discretionary	Governance: Board Composition; Executive Compensation
JPMORGAN CHASE & CO	US	Financials	Environmental: Net Zero; Social: Labor management; Governance: Board Composition; Combined CEO/Chair

## Appendix

Company	Country	Sector	Key Areas of engagement
JUST EAT TAKEAWA nv	NL	Consumer Discretionary	Environmental: Climate Change; Governance: ESG Disclosure; Social: Health & safety; Labor Rights
KAEFER ISOLIERTECHNIK GMBH & CO KG	DE	Industrials	Environmental: Climate Change; Environmental Footprint of products; Net Zero
KAO CORPORATION	JP	Consumer Staples	Environmental: Resource consumption; Supply chain/ contractors; Water; Financial; Operations & Performance; Strategy
KDDI CORP	JP	Communication Services	Governance: Board Composition
KERING SA	FR	Consumer Discretionary	Environmental: Climate; Governance: Board Composition; Business Ethics; Social: Child Labor; Diversity
KGHM POLSKA MIEDZ SA	PL	Materials	Environmental: Climate Change; Net Zero
KIKKOMAN CORPORATION	JP	Consumer Staples	Environmental: Resource consumption; Supply chain/ contractors; Water; Financial; Operations & Performance; Strategy
KINDER MORGAN INC	US	Energy	Environmental: Net Zero
KION GROUP AG	DE	Industrials	Governance: Board Composition
KOC HOLDING AS	TR	Industrials	Improving the overall ESG footprint of their group companies
KONE OYJ	FI	Industrials	Governance: Board Composition; Executive Compensation; Succession Planning/Refreshment
KONINKLIJKE AHOLD DELHAIZE nv	NL	Consumer Staples	Governance: Executive Compensation
KONINKLIJKE BOSKALIS WESTMINSTER nv	NL	Industrials	Environmental: Blue Economy; Net Zero/Science-based targets; Governance: Auditor; Executive Compensation
KOREA ELECTRIC POWER CORP	KP	Utilities	Environmental: Net Zero; Governance: ESG Oversight; Social: Human Rights; Society Relations
KOSMOS ENERGY LTD	US	Energy	Environmental: Net Zero/Science-based targets
KROGER CO	US	Consumer Staples	Environmental: Net Zero; Governance: Auditor; Board Composition; ESG Oversight; Executive Compensation
KUEHNE UND NAGEL INTERNATIONAL AG	CH	Industrials	Environmental: Blue Economy; Net Zero/Science-based targets; Governance: Auditor; Board Composition
KYUSHU RAILWAY CO	JP	Industrials	Environmental: Net Zero; Governance: Board Independence; Cross-Shareholding; Social: Employee Satisfaction
LABORATORY CORPORATION OF AMERICA HOLDINGS (LABCORP)	US	Health Care	Governance: ESG Oversight; Social: Cyber Security; Talent management
LAFARGEHOLCIM LTD	CH	Materials	Environmental: Environmental Footprint of production process and products; Green innovation
LAIR LIQUIDE SA POUR LETUDE ET LEXPLO DES PROCEDES GEORGES CLAUDE SA	FR	Materials	Governance: Board Composition
LANDIS+GYR GROUP AG	CH	Information Technology	Environmental: Hazardous Waste; Governance: Board Composition; Executive Compensation; Impact Reporting (SDG)
LANXESS AG	DE	Materials	Governance: Executive Compensation
LAREDO PETROLEUM INC	US	Energy	Environmental: Net Zero
LG CHEM LTD	KP	Materials	Environmental: Net Zero; Governance: Board Composition; Executive Compensation; Social: Health & safety
LG DISPLAY CO LTD	KP	Information Technology	Governance: Board Composition; ESG Disclosure; ESG Oversight; Executive Compensation; Overboarding
LINDE PLC	GB	Materials	Governance: Board Composition; ESG Oversight; Succession Planning/Refreshment
LLOYDS BANKING GROUP PLC	GB	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
LOCKHEED MARTIN CORPORATION	US	Industrials	Environmental: Net Zero/Science-based targets; Social: Weapon Production
LOJAS QUERO-QUERO SA	BR	Consumer Discretionary	Governance: Board Independence; Disclosure in line with TCFD/SASB/EU Taxonomy/ SDGs; Overboarding
LONGFOR GROUP HOLDINGS LTD	CN	Real Estate	Environmental: Net Zero/Science-based targets; Governance: Auditor; Board Independence; Executive Compensation
LONZA GROUP AG	CH	Health Care	Governance: Auditor; Board Composition; Executive Compensation; Shareholder Rights/Proposals; Succession Planning
LUNDIN ENERGY AB	SE	Energy	Environmental: Net Zero; Governance: Business Ethics; Compensation; Social: Health & safety; Human Rights
LVMH MOET HENNESSY LOUIS VUITTON SE	FR	Consumer Discretionary	Environmental: Net Zero/Science-based targets

Company	Country	Sector	Key Areas of engagement
LYONDELLBASELL INDUSTRIES nv	GB	Materials	Environmental: Net Zero
MAGELLAN MIDSTREAM PARTNERS LP	US	Energy	Environmental: Net Zero/Science-based targets
MAGNIT PJSC SPONSORED RUSSIA RU DR	RU	Consumer Staples	Environmental: Climate Change; Governance: Auditor; Board Composition; Executive Compensation
MAGNOLIA OIL & GAS CORP	US	Energy	Environmental: Net Zero/Science-based targets
MARATHON PETROLEUM CORP	US	Energy	Governance: Executive Compensation; Environmental: Net Zero
MASCO CORPORATION	US	Industrials	Environmental: Net Zero; Social: Gender diversity; Governance: Executive Compensation
MASMOVIL IBERCOM SA	ES	Communication Services	Governance: Operations & Performance; Transparency
MCDONALDS CORP	US	Consumer Discretionary	Environmental: Net Zero/Science-based targets; Social: Diversity; Governance: Executive Compensation
MEDIATEK INC	TW	Information Technology	Environmental: Climate Change; Net Zero; Governance: Board Composition; Executive Compensation
MEDIOBANCA BANCA DI CREDITO FINANZIARIO SPA	IT	Financials	Environmental: Climate Change; Governance: Board Composition; Social: Diversity
MEIJI HOLDINGS CO., LTD.	JP	Consumer Staples	Environmental: Climate Change; Governance: Board Composition; Executive Compensation
MEITUAN DIANPING	CN	Consumer Discretionary	Governance: Auditor; Board Composition; Executive Compensation; Overboarding
MELIA HOTELS INTERNATIONAL S.A.	ES	Consumer Discretionary	Environmental: Climate Change; Governance: Auditor; Board Composition; Combined CEO/Chair; ESG Oversight
MERCK KGAA	DE	Health Care	Governance: Auditor; Board Composition; Succession Planning/Refreshment
Merida Industry Co., Ltd.	TW	Consumer Discretionary	Governance: Board Composition; ESG Oversight; Executive Compensation; Transparency
METRO AG	DE	Consumer Staples	Governance: Auditor; Executive Compensation; Overboarding
METSO OUTOTEC CORP	FI	Industrials	Environmental: Net Zero; Governance: Executive Compensation; Overboarding; Social: Health & safety
MINERVA LUXEMBOURG SA	LU	Consumer Staples	Environmental: Net Zero; Governance: ESG Disclosure; ESG Oversight; Executive Compensation; Impact Reporting (SDG)
MITSUBISHI CORP	JP	Industrials	Environmental: Climate Change; Governance: Board Composition; ESG Disclosure
MITSUI FUDOSAN CO LTD	JP	Real Estate	Environmental: Net Zero; Governance: Board Composition; Cross-Shareholding
MIZUHO BANK LTD	JP	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
MMC Norilsk Nickel PJSC	RU	Materials	Environmental: Biodiversity; Net Zero/Science-based targets
MOLSON COORS BEVERAGE CO	US	Consumer Staples	Environmental: Water; Social: Diversity and Inclusion
MONETA MONEY BANK	CZ	Financials	Governance: M&A
MONSTER BEVERAGE CORP	US	Consumer Staples	Environmental: Green innovation; Water; Governance: Board Composition; Social: Health & safety
MORGAN STANLEY	US	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
MORPHOSYS AG	DE	Health Care	Governance: Board Composition; Executive Compensation; Overboarding; Succession Planning/Refreshment
MOTOROLA SOLUTIONS INC	US	Information Technology	Social: Diversity and equal opportunity; Governance: Combined CEO/Chair; Executive Compensation; Overboarding
MTN GROUP LTD	ZA	Communication Services	Governance: Business Ethics (Money Laundering/Bribery/Corruption etc); Risk Management
MTU AERO ENGINES HOLDING AG	DE	Industrials	Governance: Board Composition; Executive Compensation; Succession Planning/Refreshment
MUENCHENER RUECKVERSICHERUNGS GESELLSCHAFT AG IN MUENCHEN	DE	Financials	Governance: Board Composition; Capital Structure; Executive Compensation; Succession Planning/Refreshment
NASPERS LTD	ZA	Consumer Discretionary	Governance: Auditor; Board Independence; Executive Compensation
NATIONAL GRID PLC	GB	Utilities	Environmental: Net Zero/Science-based targets

## Appendix

Company	Country	Sector	Key Areas of engagement
NEMETSCHKE AG	DE	Information Technology	Governance: Auditor; Board Composition; Executive Compensation; Overboarding; Succession Planning
NESTE	FI	Energy	Environmental: Green innovation
NESTLE SA	CH	Consumer Staples	Environmental: Climate Change; Governance: Executive Compensation; Overboarding; Social: Health & safety
NEWMONT CORPORATION	US	Materials	Environmental: Climate Change; Net Zero; Governance: Board Independence; ESG Oversight; Executive Compensation
NEXANS SA	FR	Industrials	Environmental: Climate Change; Governance: Auditor; Board Composition; Executive Compensation; Overboarding
NEXI SPA	IT	Information Technology	Environmental: Net Zero; Governance: Board Composition; Disclosure in line with EU Taxonomy; Executive Compensation
NEXTERA ENERGY INC	US	Utilities	Environmental: Net Zero/Science-based targets
NIPPON STEEL CORP	JP	Materials	Environmental: Net Zero/Science-based targets
NIPPON SUISAN KAISHA	JP	Consumer Staples	Governance: Board Composition; Executive Compensation
NIPPON TELEGRAPH AND TELEPHONE COR	JP	Communication Services	Environmental: Net Zero; Governance: Board Composition; ESG Disclosure; Executive Compensation
NOMURA HOLDINGS INC	JP	Financials	Governance: Board Composition; Risk Management; Succession Planning/ Refreshment
NORDEA BANK AB	SE	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
NORTHROP GRUMMAN CORP	US	Industrials	Governance: Business Ethics; Social: Product/Service Safety; Human rights
NOVARTIS AG	CH	Health Care	Environmental: Net Zero; Governance: Board Composition; ESG Oversight; Executive Compensation
NOVATEK PAO	RU	Energy	Environmental: Climate Change; Net Zero
NOVO NORDISK CLASS B	DK	Health Care	Environmental: Climate; Governance: ESG Disclosure; Social: Human Rights
NRG ENERGY INC	US	Utilities	Environmental: Net Zero; Governance: Board Independence; Executive Compensation; Social: Supply Chain
nvIDIA CORP	US	Information Technology	Social: Diversity and Inclusion; Human Rights; Supply Chain/Contractors
NYKREDIT REALKREDIT A/S	DK	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
OESTERREICHISCHE POST AG	AT	Industrials	Environmental: Climate Change; Green innovation; Governance: ESG Oversight; Social: Health & safety
OLD DOMINION FREIGHT LINE INC	US	Industrials	Environmental: Climate Change; Environmental Footprint of products; Social: Health and Safety
OMV AG	AT	Energy	Environmental: Net Zero/Science-based targets; Governance: Board Composition; Executive Compensation
ONTEX GROUP nv	BE	Consumer Staples	Environmental: Climate Change; Governance: Executive Compensation; Social: Diversity
OP CORPORATE BANK PLC	FI	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
ORSTED A/S	DK	Utilities	Environmental: Blue Economy; Net Zero/Science-based targets; Governance: Auditor; Executive Compensation
OVERSEA-CHINESE BANKING CORPORATION LTD	SG	Financials	Environmental: Climate Change; Governance: Board Composition; Executive Compensation; Succession Planning
PEPSICO INC	US	Consumer Staples	Board Independence; Executive Compensation; Climate Change
PFIZER INC	US	Health Care	Social: Diversity and equal opportunity
PGE POLSKA GRUPA ENERGETYCZNA SA	PL	Utilities	Environmental: Climate Change; Net Zero
PHILIP MORRIS INTERNATIONAL INC	US	Consumer Staples	progress in shifting to smoke-free; Social: Health and Safety; Product/Service Safety
PHILLIPS 66	US	Energy	Environmental: Climate Change; Governance: Executive Compensation; Social: Society Relations
PINEWOOD FINCO PLC	GB	Communication Services	Environmental: Net Zero/Science-based targets; Governance: Executive Compensation
PIONEER NAT RES CO	US	Energy	Environmental: Climate Change; Net Zero; Governance: Board Independence
POLYUS PJSC	RU	Materials	Environmental: Net Zero; Water; Governance: Board Independence; Executive Compensation

Company	Country	Sector	Key Areas of engagement
POSCO	KP	Materials	Environmental: Net Zero
PPL CORPORATION	US	Utilities	Environmental: Net Zero/Science-based targets
PROCTER & GAMBLE	US	Consumer Staples	Environmental: Net Zero
PROSIEBEN SAT.1 MEDIA N	DE	Communication Services	Governance: Board Composition; Capital Structure; Executive Compensation; Overboarding
PUBLIC POWER CORPORATION FINANCE PLC	GB	Utilities	Environmental: Hazardous Waste/Toxic Emissions; Resource consumption; Net Zero/Science-based targets
QUEST DIAGNOSTICS INC	US	Health Care	Governance: Board Composition; Combined CEO/Chair; Social: Data Security
RABOBANK INTERNATIONAL (LONDON BRANCH)	GB	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
RAFFINERIE HEIDE GMBH	DE	Energy	Environmental: Resource consumption/ scarcity; Net Zero/Science-based targets
RAIFFEISEN BANK INTERNATIONAL AG	AT	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
RAYTHEON TECHNOLOGIES CORP	US	Industrials	Environmental: Net Zero; Governance: Board Independence; Social: Employee Satisfaction
RED ELECTRICA CORPORACION SA	ES	Utilities	Environmental: Climate Change; Net Zero; Governance: ESG Disclosure; Executive Compensation; Social: Health & safety
REGIONS FINANCIAL CORPORATION	US	Financials	Environmental: Net Zero; Social: Equal access to business resources, financial services and economic inclusion
RESTAURANT BRANDS INTERNATIONAL INC	CA	Consumer Discretionary	Environmental: Net Zero/Science-based targets; Supply chain/ contractors; Social: diversity; Health & safety
REXEL SA	FR	Industrials	Environmental: Biodiversity
RIO TINTO PLC	GB	Materials	Environmental: Climate Change; Net Zero; Social: Human Rights
ROLLS-ROYCE HOLDINGS PLC	GB	Industrials	Environmental: Net Zero/Science-based targets
ROYAL DUTCH SHELL PLC	NL	Energy	Environmental: Net Zero; Governance: Board Composition; Executive Compensation; Social: Society Relations
RWE AG	DE	Utilities	Environmental: Climate Change
RYANAIR HOLDINGS PLC	IE	Industrials	Environmental: Climate Change; Governance: Board Composition; Social: Labor Rights
SAGE THERAPEUTICS INC	US	Health Care	Governance: Board Composition; Executive Compensation; Overboarding
SANLAM LTD.	ZA	Financials	Governance: Board Independence; Executive Compensation; Social: HR Efficiency/ Social climate
SANOFI SA	FR	Health Care	Governance: Auditor
SASOL LTD	ZA	Materials	Environmental: Net Zero
SAZKA GROUP AS	CZ	Consumer Discretionary	general ESG and financial
SCHLUMBERGER nv	US	Energy	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
SCHNEIDER ELECTRIC SE	FR	Industrials	Board Diversity; Overboarding
SCHOELLER-ALLIBERT GROUP	NL	Industrials	Environmental: Net Zero/Science-based targets; Governance: Executive Compensation
SCOUT24 N AG	DE	Communication Services	Governance: Auditor; Executive Compensation
SCSK CORP.	JP	Information Technology	Environmental: Net Zero; Governance: Board Composition; Executive Compensation
SEMEN INDONESIA (PERSERO) TBK PTINDONESIA (REPUBLIC OF)	ID	Materials	Environmental: Net Zero/Science-based targets
SEMPRA ENERGY	US	Utilities	Governance: Shareholder Rights/Proposals; Transparency; Lobbying Disclosure
SHIMAO PROPERTY HOLDINGS LTD	HK	Real Estate	Environmental: Climate Change; Governance: Auditor; Board Composition; Executive Compensation; Succession Planning
SHIN-ETSU CHEMICAL CO., LTD.	JP	Materials	Environmental: Net Zero; Governance: Board Composition; Executive Compensation
SHINHAN FINANCIAL GROUP CO LTD	KP	Financials	Environmental: Net Zero; Governance: Board Composition; ESG Oversight; Executive Compensation; Succession Planning
SIBANYE STILLWATER LTD	ZA	Materials	Environmental: Biodiversity; Social: Health & safety; Governance: Executive Compensation; Overboarding

## Appendix

Company	Country	Sector	Key Areas of engagement
SIEMENS AG	DE	Industrials	Governance: Overboarding; Shareholder Rights/Proposals; Environmental: Net Zero/Science-based targets
SIEMENS ENERGY	DE	Industrials	Environmental: Blue Economy; Net Zero/Science-based targets; Water; Governance: Auditor; Board Composition
SIEMENS GAMESA RENEWABLE ENERGY SA	ES	Industrials	Governance: Overboarding; Transparency
SIEMENS HEALTHINEERS AG	DE	Health Care	Governance: Auditor; Board Composition; Operations & Performance; Strategy; Transparency
SIF HOLDING nv	NL	Industrials	Environmental: Climate; Governance: Auditor; Combined CEO/Chair; ESG Oversight; Executive Compensation
SIG COMBIBLOC GROUP AG	CH	Materials	Governance: Board Composition; Executive Compensation
SIGNIFY nv	NL	Industrials	Governance: Executive Compensation
SILERGY CORP	TW	Information Technology	Governance: Auditor; Board Composition; ESG Disclosure; ESG Oversight; Executive Compensation
SINO LAND CO LTD	HK	Real Estate	Environmental: Climate Change; Board Independence; Executive Compensation; Overboarding
SIXT	DE	Industrials	Governance: Board Composition; Executive Compensation; Succession Planning/Refreshment
SK HYNIX INC	KP	Information Technology	Governance: Auditor; Board Composition; Combined CEO/Chair; Executive Compensation; Overboarding
SK INC	KP	Industrials	Environmental: Net Zero; Governance: Board Composition; Executive Compensation; Succession Planning/Refreshment
SKANDINAVISKA ENSKILDA BANKEN AB	SE	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
SL GREEN REALTY CORP	US	Real Estate	Environmental: Climate Change; Governance: Executive Compensation; Social: Health and Safety
SM InVESTMENTS CORP	PH	Industrials	Environmental: Net Zero; Governance: Auditor; Board Composition; Executive Compensation; Overboarding
SMURFIT KAPPA GROUP PLC	IE	Materials	Governance: Succession Planning/Refreshment
SOFTWARE AG	DE	Information Technology	Governance: Board Independence; Overboarding; Succession Planning/Refreshment
SOLARIA ENERGIA Y MEDIO AMBIENTE S	ES	Utilities	Environmental: Climate Change; Governance: Board Composition; Executive Compensation; Social: Talent management
SOUTH32 LTD	AU	Materials	Environmental: Net Zero/Science-based targets
SOUTHERN COMPANY	US	Utilities	Environmental: Climate Change; Net Zero
SSAB AB	SE	Materials	Environmental: Climate Change; Governance: Disclosure in line with TCFD; ESG Oversight; Social: Health & safety
STANDARD CHARTERED BANK	GB	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
STATE STREET CORP	US	Financials	Governance: Board Composition; Combined CEO/Chair; Executive Compensation
STILLFRONT GROUP AB (PUBL)	SE	Communication Services	Governance: ESG Disclosure; Executive Compensation; Overboarding
STORA ENSO OYJ	FI	Materials	Governance: Dividend Policy; Overboarding
STROEER SE	DE	Communication Services	Governance: Board Independence; Business Ethics; Operations & Performance; Transparency
SUBARU CORP	JP	Consumer Discretionary	Environmental: Net Zero/Science-based targets; Governance: Executive Compensation
SUMITOMO MITSUI FINANCIAL GROUP INC	JP	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
SUN HUNG KAI PROPERTIES LTD	HK	Real Estate	Environmental: Climate Change; Governance: Auditor; Board Composition; Executive Compensation; Overboarding
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	CN	Information Technology	Governance: Auditor; Board Composition; ESG Oversight; Executive Compensation
SURGUTNEFTEGAS PJSC	RU	Energy	Environmental: Climate Change; Net Zero; Governance: Board Independence; Executive Compensation
SVENSKA HANDELSBANKEN AB	SE	Financials	Environmental: Climate Change; Governance: Auditor; Board Independence; Social: Women and Gender Pay Gap
SWEDBANK AB	SE	Financials	Environmental: Climate Change; Net Zero; Governance: ESG Oversight
SWIRE PROPERTIES LTD	HK	Real Estate	Environmental: Net Zero; Governance: Auditor; Board Composition; Executive Compensation

Company	Country	Sector	Key Areas of engagement
SWISS RE AG	CH	Financials	Governance: Board Composition; Executive Compensation; Succession Planning/Refreshment
SWISSQUOTE GROUP HOLDING SA	CH	Financials	Governance: Board Composition; Executive Compensation
T&D HOLDINGS, INC.	JP	Financials	Environmental: Net Zero; Governance: Board Composition; ESG Disclosure
TAG IMMOBILIEN AG	DE	Real Estate	Environmental: Climate Change; Governance: Auditor; Board Composition; Succession Planning
TAIWAN CEMENT CORP	TW	Materials	Environmental: Net Zero; Governance: Auditor; Combined CEO/Chair; Executive Compensation; Overboarding
TATNEFT PJSC	RU	Energy	Environmental: Climate Change; Net Zero; Governance: Board Composition; ESG Oversight; Executive Compensation
TC ENERGY CORP	CA	Energy	Environmental: Climate Change; Environmental Footprint of production process and products
TECHEM ENERGY METERING SERVICE	DE	Utilities	Environmental: Net Zero; Governance: Board Composition; Disclosure in line with EU Taxonomy; Executive Compensation
TECHTRONIC INDUSTRIES CO LTD	HK	Industrials	Environmental: Climate Change; Net Zero; Governance: Auditor; Board Composition; Executive Compensation
TECK RESOURCES LTD	CA	Materials	Environmental: Net Zero
TELE COLUMBUS AG	DE	Communication Services	Environmental: Climate Change; Environmental Footprint of production process; Net Zero
TELEFÓNICA DEUTSCHAND HOLDING AG	DE	Communication Services	Governance: Board Composition; ESG Oversight; Executive Compensation; Overboarding
TELEFONICA SA	ES	Communication Services	Board Transparency; Overboarding; Executive Compensation
TELENOR ASA	NO	Communication Services	Governance: M&A; Social: Human Rights
TELEPERFORMANCE	FR	Industrials	Environmental: Climate Change; Governance: Board Composition; Executive Compensation; Social: Labor Rights
TELKOM INDONESIA PERSERO TBK PT	ID	Communication Services	Environmental: Climate Change; Governance: Auditor; Board Composition; Executive Compensation
TESLA INC	US	Consumer Discretionary	Environmental: Hazardous Waste/Toxic Emissions; Social: Labor management
THYSSENKRUPP AG	DE	Materials	Governance: Board Independence; Capital Structure; Environmental: Net Zero/Science-based targets
TITAN MACHINERY INC	US	Industrials	Environmental: Climate Change; Environmental Footprint of products; Governance: ESG Oversight; Social: Health & safety
TOKIO MARINE HOLDINGS INC	JP	Financials	Governance: Board Composition; Cross-Shareholding; Executive Compensation
TOKYO ELECTRIC POWER CO INC	JP	Utilities	Social: Society Relations (regulators, communities, etc.)
TORAY INDUSTRIES INC	JP	Materials	Environmental: Net Zero; Governance: Board Composition
TORONTO-DOMINION BANK/THE	CA	Financials	Environmental: Climate Change; Social: Diversity and Inclusion
TOTAL SA	FR	Energy	Environmental: Climate Change; Net Zero; Governance: Executive Compensation; Social: Supply Chain/Contractors
TOYOTA MOTOR CORP	JP	Consumer Discretionary	Environmental: Net Zero
TRANE TECHNOLOGIES PLC	IE	Industrials	Environmental: Net Zero/Science-based targets
TREND MICRO INC.	JP	Information Technology	Governance: Board Independence; Disclosure in line with TCFD/SASB/EU Taxonomy/ SDGs
TURKIYE PETROL RAFINERILERI AS	TR	Energy	Environmental: Net Zero; Governance: Auditor; Board Independence; ESG Oversight; Executive Compensation
UBS AG	CH	Financials	Governance: Board Composition; Executive Compensation; Overboarding; Succession Planning/Refreshment
UBS GROUP AG	CH	Financials	Governance: Board Composition; Overboarding; Succession Planning/Refreshment; Environmental: Climate Change; Net Zero
UCB SA	BE	Health Care	Social: Equal access to business resources, financial services and economic inclusion; Governance: Board Independence
UGI INTERNATIONAL LLC	US	Utilities	Environmental: Net Zero; Governance: Board Composition; Disclosure in line with EU Taxonomy; Executive Compensation
UNICREDIT SPA	IT	Financials	Environmental: Climate Change; Net Zero; Governance: Executive Compensation; Social: Diversity; Health & safety
UNILEVER PLC	GB	Consumer Staples	Environmental: Climate Change; Governance: Auditor; Board Composition; Succession Planning

## Appendix

Company	Country	Sector	Key Areas of engagement
UNION PACIFIC CORP	US	Industrials	Environmental: Climate Change; Governance: Combined CEO/Chair; Overboarding; Social: Diversity and Inclusion
UNIPOL GRUPPO SPA	IT	Financials	Environmental: Climate Change; Governance: Executive Compensation; Social: Society Relations
UNITED OVERSEAS BANK LTD	SG	Financials	Environmental: Climate Change; Governance: Auditor; Board Composition; ESG Disclosure; Executive Compensation
UNITED TRACTORS TBK PT	ID	Energy	Environmental: Net Zero/Science-based targets
UNITI GROUP INC	US	Real Estate	Governance: Risk Management; Strategy; Social: Client relationships (data security, etc.)
UPM-KYMMENE	FI	Materials	Environmental: Climate Change; Deforestation; Governance: ESG Disclosure; Executive Compensation
VALE SA	BR	Materials	Governance: Board Independence; Social: Health and Safety; Environmental: Climate Change
VALERO ENERGY CORP	US	Energy	Environmental: Climate Change; Governance: Executive Compensation
VENTURE CORP LTD	SG	Information Technology	Environmental: Climate Change; Governance: Board Composition; Executive Compensation; Overboarding
VEOLIA ENVIRONNEMENT SA	FR	Utilities	Governance: Board Composition; Executive Compensation; Overboarding
VERISURE HOLDING AB	SE	Industrials	Environmental: Net Zero; Governance: Board Composition; Disclosure in line with EU Taxonomy; Executive Compensation
VISA INC	US	Information Technology	Governance: Combined CEO/Chair; Overboarding; Social: Diversity and Inclusion
VITERRA FINANCE BV	NL	Consumer Staples	Governance: Capital Structure; M&A; Operations & Performance; Risk Management; Strategy
VIVENDI SA	FR	Communication Services	Governance: Board Composition; Executive Compensation; Environmental: Climate Change
VOLKSWAGEN AG	DE	Consumer Discretionary	Environmental: Climate Change; Governance: Operations & Performance; Strategy; Social: Labor Rights
VOLKSWAGEN INTERNATIONAL FIN nv	NL	Consumer Discretionary	Environmental: Environmental Footprint of production process and products; Governance: Board Independence
VOLVO AB	SE	Industrials	Governance: Executive Compensation; Overboarding; Environmental: Net Zero
VONOVIA SE	DE	Real Estate	Governance: Board Composition; Board Diversity; Executive Compensation; Overboarding
WALMART INC	US	Consumer Staples	Social: Employee Satisfaction; Labor Rights
WALT DISNEY CO	US	Communication Services	Governance: Board Composition; Executive Compensation; Overboarding
Wartsila OYJ Abp	FI	Industrials	Environmental: Blue Economy; Net Zero/Science-based targets; Governance: Auditor; Executive Compensation
WEC ENERGY GROUP INC	US	Utilities	Environmental: Climate Change; Governance: Board Composition; Executive Compensation
WELLS FARGO & COMPANY	US	Financials	Governance: Business Ethics; Financial; Risk Management; Environmental: Climate Change
WENDYS CO THE	US	Consumer Discretionary	Environmental: Net Zero/Science-based targets; Supply chain/ contractors; Social: Gender diversity and equal opportunity
WEPA HYGIENEPRODUKTE GMBH	DE	Materials	Environmental: Net Zero/Science-based targets; Governance: ESG Oversight; Executive Compensation
WESTERN DIGITAL CORP	US	Information Technology	Environmental: Climate Change; Governance: Board Composition; Executive Compensation; Social: Diversity
WEYERHAEUSER COMPANY	US	Real Estate	Environmental: Net Zero
WIENERBERGER AG	AT	Materials	Environmental: Climate Change; Governance: Executive Compensation Social: Health & safety
WORLDCLINE SA	FR	Information Technology	Environmental: Climate; Governance: Business Ethics; Combined CEO/Chair; Executive Compensation; Social: Diversity
WUXI APTEC CO LTD	CN	Health Care	Governance: Auditor; Board Composition; Combined CEO/Chair; ESG Oversight; Executive Compensation
XIAOMI CORP	CN	Information Technology	Governance: Auditor; Board Composition; Executive Compensation; Overboarding; Social: Supply Chain/Contractors
ZALANDO	DE	Consumer Discretionary	Governance: Executive Compensation; Overboarding; Social: Talent management
ZAYO GROUP LLC	US	Communication Services	Governance: M&A; Operations & Performance; Risk Management; Strategy
ZIJIN MINING GROUP CO LTD	CN	Materials	Environmental: Net Zero; Governance: Auditor; Board Composition; Executive Compensation; Social: Human Rights

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