

ESG INVESTMENTS PAY OFF

PARIS CLIMATE AGREEMENT 2015

Keep the increase in global average temperature to well below 2 °C by 2030



EU ACTION PLAN 2018 to meet the Paris Agreement goals and foster a sustainable finance system

More measures of the EU Action Plan

More measures of the EU Action Plan

Corporates



More investments in sustainable projects.
Implementation of sustainability along the entire value chain.

Institutional investors, asset managers, insurance companies



Investment decisions must consider ESG criteria in the future.

Investment Advisor

Starting in 2020, investment advisors must ask their clients if they want to consider ESG for their investments.



Below the surface it gets interesting

Without ESG data

- _ Revenues
- _ Profitability
- _ Dividends
- _ Evaluation

With ESG data

ENVIRONMENTAL

- _ Water management
- _ CO² emissions
- _ Air quality
- _ Energy management
- _ Bio diversity
- _ Product packaging

GOVERNANCE

- _ Risk management
- _ Corporate ethics
- _ Incentive structures
- _ Corruption
- _ Competitive behaviour
- _ Reports and audits

SOCIAL

- _ Consumer protection
- _ Labour conditions
- _ Diversity and integration
- _ Data security
- _ Value chains
- _ Compensation and performance

Source: Sustainability Accounting Standards Board 2018

Why ESG investing makes sense



180bn USD per year needs to be invested **by 2030** to achieve the Paris Agreement goals.¹



Considering **ESG does not cost performance**; with successful active fund management there is a **chance for better performance** while volatility remains at the same or lower level.²

MSCI World vs. MSCI World ESG Leaders

MSCI World **+10.5% p.a.** | MSCI World ESG Leaders **+10.4% p.a.** | Annual performance as of 31/01/2019 over the last 10 years

MSCI World **11.7%** | MSCI World ESG Leaders **11.7%** | Annual volatility as of 31/01/2019 over the last 10 years

	1 Year	2 Years	3 Years	4 Years	5 Years
MSCI World	-0.62%	3.24%	7.13%	4.49%	8.40%
MSCI World ESG Leaders	0.09%	3.01%	6.70%	4.09%	8.11%

DWS – ESG investments across all asset classes, mandates and retail funds



DWS ESG Engine

Individual ESG mandates

ESG- and theme funds
i.e. SDG, Green Bonds

ETF strategies in ESG

Real estate funds with ESG management component

Illiquid impact funds



¹ Source: United Nations Organisation, January 2019. ² Source: Metastudy on ESG Performance by Friede, Busch and Bassen, University of Hamburg, December 2015. This marketing communication is intended for professional clients only. DWS is the brand name under which DWS Group GmbH & Co. KGaA and its subsidiaries operate their business activities. Clients will be provided DWS products or services by one or more legal entities that will be identified to clients pursuant to the contracts, agreements, offering materials or other documentation relevant to such products or services. The information contained in this document does not constitute investment advice. All statements of opinion reflect the current assessment of DWS Investment GmbH and are subject to change without notice. Forecasts are not a reliable indicator of future performance. Forecasts are based on assumptions, estimates, opinions and hypothetical performance analysis, therefore actual results may vary, perhaps materially, from the results contained here. Past performance, [actual or simulated], is not a reliable indication of future performance. According to the information in the sales prospectus distribution of the products mentioned in this document is subject to restrictions of the relevant jurisdictions. This document and the information contained herein may only be distributed and published in jurisdictions in which such distribution and publication is permissible in accordance with applicable law in those jurisdictions. Direct or indirect distribution of this document is prohibited in the USA as well as to or for the account of US persons and persons residing in the USA. DWS Investment GmbH. As of: 22/03/2019, CRC 066084_11