



# Active Ownership

Engagement and Proxy  
Voting Report 2020

DWS Investment GmbH



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2355 annual general/  
extraordinary meetings voted<sup>1</sup>

86% of equity AuM voted<sup>2</sup>



53 companies received  
our thematic engagement  
letter on climate change



67% of all items voted had at least 1  
vote Against, Withhold or Abstain



Attended the AGM of 2 companies with  
a speech and sent our questions for the  
virtual AGMs of 22 companies



More than 1300 companies received our  
preseason engagement letter 390 companies  
received our post-season letters for votes  
against management



“Smart Integration of ESG”  
introduced as an enhanced step  
of the active investment process



More than 450 one-on-one  
engagements with companies

<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 31.12.2020, ISS Proxy Exchange  
<sup>2</sup> Based on EUR equity exposure per end of December, 2020 for the funds and shares eligible for voting listed above. Source: DWS Investment GmbH.  
 The Smart Integration approach has become effective for all Germany-domiciled DWS actively managed mutual funds on July 1, 2020, SICAV sub-funds will follow in 2021.



## Dear Reader,

What a year 2020 was with the rise of the pandemic that has not only been a threat to the health and well-being of people around the world, but it also dramatically uncovered and demasked shortcomings in our globally connected economic environment. It has shown the vulnerable dependencies along global supply-chains as well as re-affirmed the need for improvements to achieve the targets of the Paris Agreement with sustainable and resilient business models.

This is why we have continued further integrating Environmental, Social and Governance (ESG) aspects into our voting decisions. At DWS<sup>3</sup>, we are fully committed to do our part and take our fiduciary duties as good stewards for the assets of our clients very seriously. We are convinced that governance remains the key element for unlocking the potentials and overseeing the risks arising from the environmental and social-dimensions of sustainability.

In 2020, we accelerated our efforts in active ownership and built on our existing expertise and thought leadership by participating in various industry initiatives but also dynamic discussions with investee companies. We managed to substantially increase the number of engagements over the course of the year. Despite the challenging situation or maybe also because of it the discussions with the companies remained very active and constructive. We were especially focused on board oversight, material sustainability issues as well as executive compensation and capital decisions. Due to the pandemic the key priorities for the companies were to keep employees, customers and the entire value chain safe and the operations intact. Most companies were responsive to our engagements and signaled their commitment on key areas we addressed in terms of ESG matters.

While some companies made important progress, in particular regarding their climate strategies and the disclosures around those, others need more time in preparing for a just transition to a lower carbon economy. We will continue advocating for more ambitious actions in the path to net zero emissions and will hold boards accountable using our voting rights if they fail to adequately address their material ESG issues. With our discussions, we gained important insights to our investees' strategy and planning for the longer term. We will continue interacting with them very closely and monitoring the progress on these aspects.

**We will continue advocating for more ambitious actions in the path to net zero emissions.**

**We are convinced that governance remains the key element for unlocking the potentials and overseeing the risks arising from the environmental and social-dimensions of sustainability.**

Considering the restrictions on public meetings in the context of COVID-19, many of this year's annual general meetings took place online, without the physical presence of shareholders. Therefore, we only managed to attend 2 AGMs in the beginning of 2020 in person and for the remaining 22 we had planned to attend in person we have sent our most important questions to the boards of directors in a written form for their virtual meetings. These were made also available on our website.

We understand that an adequate and legally reliable AGM format is needed to be established due to the extraordinary circumstances, however, that also came with significant constraints for important shareholder rights. Going forward we expect these rights to be fully restored again.

I hope that our report for 2020 gives you a comprehensive overview of our active ownership activities. In 2021, we will continue to remain committed to our active ownership philosophy and strive to further accelerate our engagement and voting efforts without losing sight of our qualitative approach.

Yours sincerely,

**Nicolas Huber**  
Head of Corporate Governance

<sup>3</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)

## ACTIVE OWNERSHIP IS PART OF OUR FIDUCIARY DUTY

At DWS, we believe companies should take more responsibility in the way in which goods are produced, services are provided and resources are used.

We act as a trusting fiduciary for our clients when protecting their investments and perceive corporate boards as our partners who cautiously supervise the companies in which we are invested.

As long-term investors, we expect investee companies to have a sound corporate governance and integrate their environmental and social impacts into their thinking, strategy and remuneration systems, in order to secure sustainable value creation. For us, active ownership is going beyond the fiduciary duties as an investor by actively using your shareholder rights to enhance long-term value **via the means of:**

- \_ Integrating Environmental, Social and Governance (ESG) factors into the investment decision making;
- \_ Monitoring investee companies regularly;
- \_ Engaging with investee companies and exercising of voting rights;
- \_ Engaging with public policy makers and internationally recognized organizations on ESG topics.

Engagement is a key part of our Engagement Policy, our ESG Integration Policy as well as our Corporate Governance and Proxy Voting Policy. Our engagement activities are based on our objective to induce improvement in our investees' behavior on environmental, social and/ or corporate governance aspects with the aim of improving their long-term performance, resulting in a favorable risk return profile of our clients' investments.

We engage regularly with the senior management, whereby, in addition to the fundamentals, strategy and outlook of the company, ESG topics are also discussed. The objective of our engagement policy is to establish a strategic framework for engaging in a two-way dialogue with our investee companies on strategy, financial performance, risk, capital structure and financially relevant corporate governance topics as well as environmental, social and impact topics.

We believe that good governance benefits both debt and equity holders. For example, regulatory and reputational risks are two important factors, which can affect a specific bond issue/issuer, especially e.g. in the financial, energy, utilities sectors. For our active credit portfolios, we regularly meet the management of our portfolio companies and discuss ESG topics, especially in cases of green or sustainable bonds. Our active ownership activities focus also on our passive investments, where it is even more important to engage in terms of governance and encourage positive change through voting, as without the possibility to make active investment decisions, we are effectively "permanently" invested and thus, have the fiduciary duty to foster changes aiming to increase shareholder value in the longer-term.

## Corporate Governance & Proxy Voting Policy Developments in 2020

The foundation of our voting decisions is our stringent voting policy and guidelines, based on our years-long investment experience and voting at general 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 based on our experience.

Our voting policy and guidelines set out our active ownership philosophy and our views on corporate governance and sustainable business practices that support long-term value creation by companies. As in past years, we have reviewed our policy to ensure that our expectations remain robust against market standards and key developments.

### Key changes in our policy addressed:

#### Board Elections/Discharge

We extended our majority independence requirement also to the main board committees and the Audit Committee Chair. In addition, we introduced new guidelines on gender diversity within the board – our expectation is that boards have at least one female representative.

#### Chair of the Remuneration Committee

Starting 2020, we consider holding the Chairs of the remuneration committees accountable when the remuneration system received less than 80% support at the latest general meeting.

#### Japan

We generally consider holding boards in Japan accountable when the company's Return on Assets (ROA) is less than 5%.

#### Environmental Risks and Compliance with Responsible Investment and Sustainability Standards

We expect Boards and Management to adequately assess and address risks and impacts arising from or associated with environmental developments.

We expect companies to 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 accordingly. We also communicated our intention to carefully evaluate these aspects and hold boards accountable in case they fail to address them accordingly and do not act in an environmentally and socially responsible manner.

#### Transparency on Lobbying Expenditure and Political Contributions

In 2020, we elaborated on our expectation towards companies to be transparent about their lobbying activities. This includes transparency about direct and indirect expenditures on lobbying, donations to political parties, memberships in and payments to industry bodies respectively tax-exempt organizations that seek to influence legislative acts, and comparable financial contributions or contributions in kind.



# PROXY VOTING SEASON 2020 IN DETAIL

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

Our voting decisions follow the proprietary policy of the respective legal entity of DWS, which has the discretion to the voting rights, a thorough analysis by the members of the Corporate Governance Center and discussions with the investment professionals. The 2020 proxy voting season experienced a unique challenge amidst global health, social and economic impacts of COVID-19.

As a result, many companies were forced to adapt quickly through managing their business remotely and making changes to their operations, supply chains, customer connectivity as well as annual meeting with shareholders. That being said, as long-term investors we continued to engage with our investee companies on short as well as long-term issues via written communications and virtual meetings.

### 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 their rationale. 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.

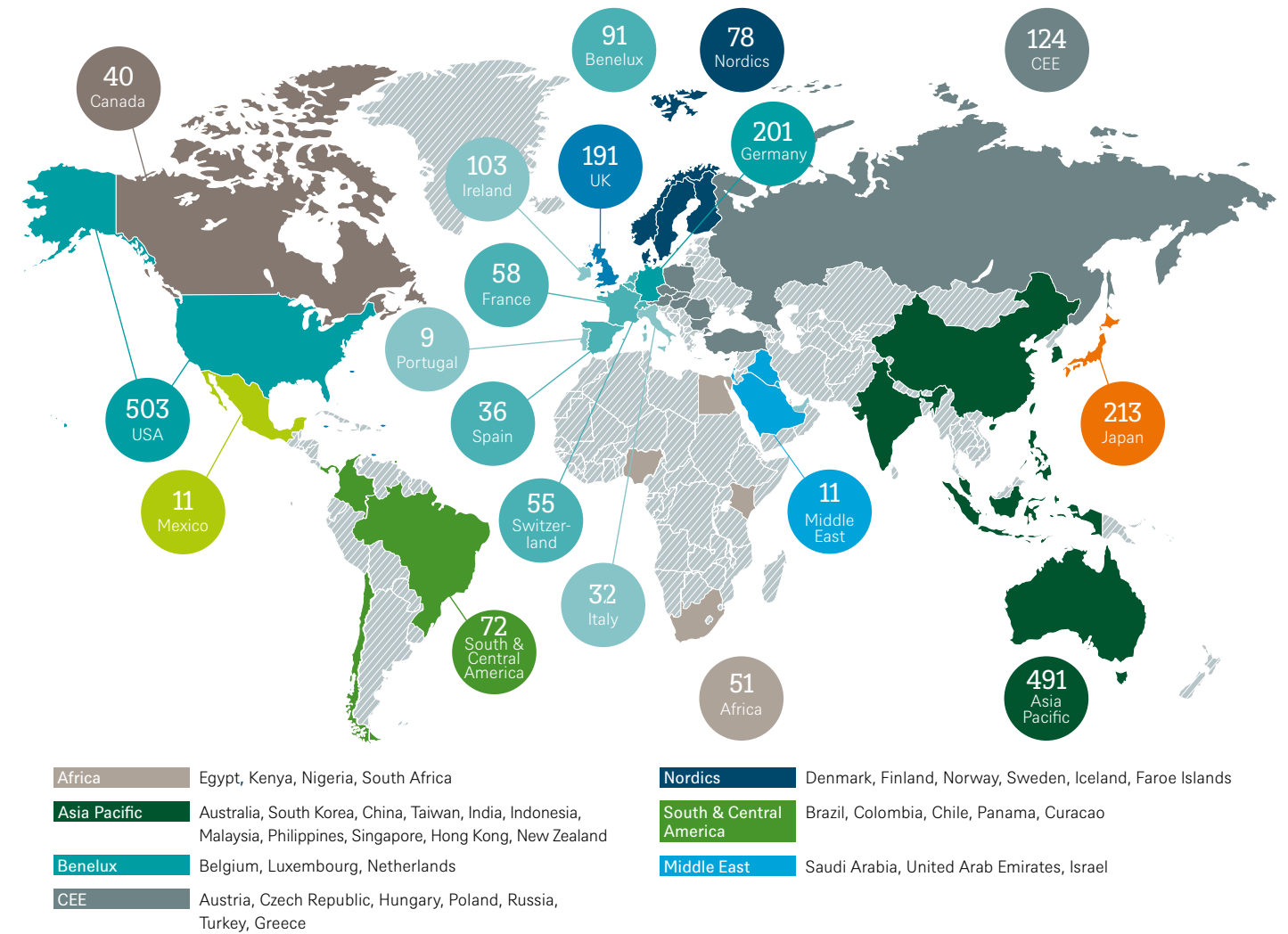


## Proxy Voting Activities in 2020<sup>4</sup>

In 2020, we voted at a total of 2,355 general meetings of more than 1,850 companies in 59 markets of listing. We continued to gradually increase the number of meetings voted per year, making sure not to compromise on the quality of the analysis. These meetings represented

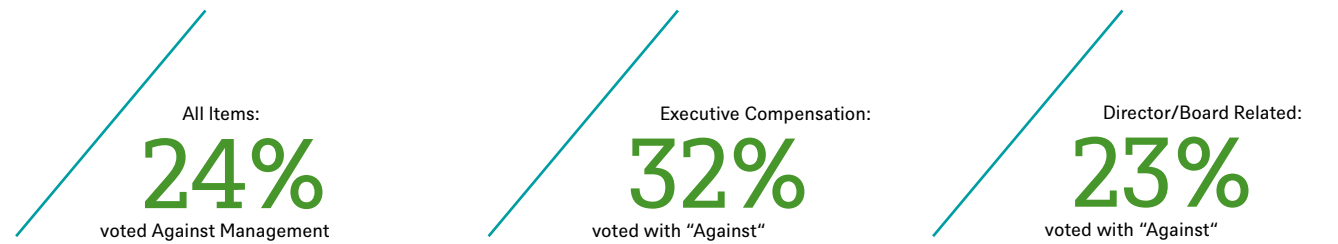
approximately 86% of the equity assets under management (AuM) of our funds domiciled in Europe. The majority of the voted meetings was for companies listed in the United States, followed by Asia-Pacific countries, Japan and Germany.

### MEETINGS VOTED PER MARKET

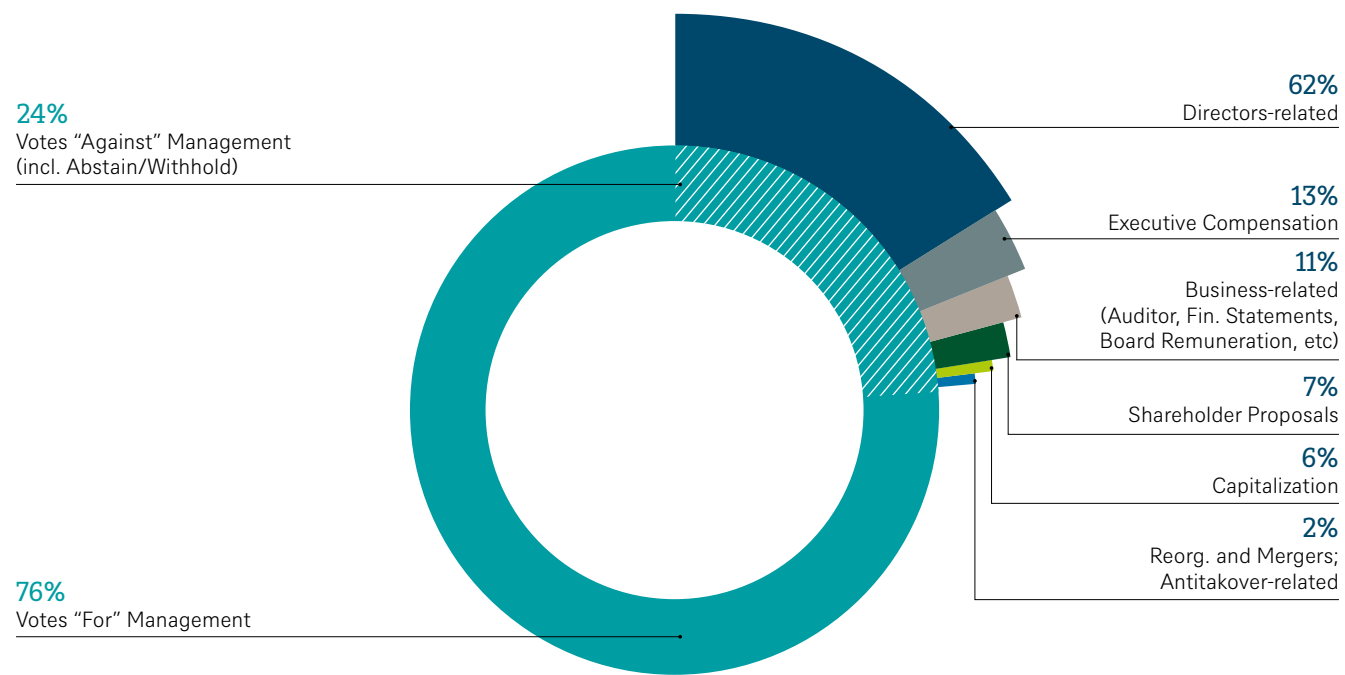


Source: ISS Proxy Exchange; Corporate Governance Center, data as of 12/31/2020

<sup>4</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 12/31/2019

We voted "Against" management recommendations in 24% of the total number of items voted in 2020

The proposals we most commonly opposed were director-related and particularly related to the **election/re-election or discharge of directors** (62%).

When evaluating the discharge and/or (re)-election of non-executive directors of our investees, **we paid particular attention to:**

- \_ the level of independence of the board and key board committees;
- \_ the level of diversity of the board;
- \_ whether board members had any overboarding situations;
- \_ the level of transparency on the individual directors;
- \_ the board's oversight and management of relevant and material ESG risks.

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 violating such in a repeated manner;
- \_ 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 which did not get our support were around:

- \_ failure to ensure majority independence in the (supervisory) board and the key board committees;
- \_ "overboarding" issues: the extensive number of board seats held by directors;
- \_ combined CEO/Chair with a lead independent director, who was not classified by DWS' expectations as independent;
- \_ failure to adequately address existing material ESG controversies (e.g. climate risk management, human rights violations etc.) and/or violating such in a repeated manner, holding board members accountable for the mismanagement of such issues;
- \_ failure to address relevant diversity issues such as a lack of a female representative at board/supervisory board level.

**Director Accountability for poor ESG Oversight/Involvement in ESG Controversies**

**We voted against the re-election or discharge of over 69 directors who failed to provide an adequate oversight of ESG controversies. Some examples follow:**

**Sector: Industrials (Aviation)**  
**Country: United States**

The company was involved in controversies around alleged poor transparency with both regulators and customers as well as plane crashes. The company is also accused of providing support to a Saudi-led coalition, violating international humanitarian law in Yemen.

**Sector: Technology**  
**Country: United States**

The company was involved in multiple human rights controversies, including alleged failure to prevent social discrimination on its platform, failure to manage right to privacy and cybersecurity, anti-competitive behaviour, emotionally traumatic work and inadequate wages.

**Sector: Materials**  
**Country: South Korea**

The company was involved in controversies around deforestation and loss of biodiversity, allegedly failed to prevent the use of child labor in the cotton supply chain, failing to respect union rights, corruption investigation.

**Sector: Utilities**  
**Country: Italy**

The company failed to prevent oil spill, water pollution and failure to respect the right to an adequate standard of living and wages, failure to respect the right to health.

**Sector: Materials (Mining)**  
**Country: Switzerland**

The company allegedly failed to mitigate climate change impacts, air and water pollution, human rights violations by security forces/providers and bribery incidents, deforestation, child labor, failure to respect the right to just and favourable conditions of work.

**Sector: Materials (Mining)**  
**Country: Brazil**

The company allegedly failed to respect workers' right to health & safety, water pollution, and of failure to properly remediate people affected as the result of dam breaches in Brazil, failure to respect indigenous rights, failed to respect the right to an adequate standard of living.

Source: DWS Investment GmbH; Analysis made based on data provided by external service providers used by DWS Investment GmbH for the ESG analysis. Our voting disclosure is available on our website: <https://www.dws.com/solutions/esg/corporate-governance/>

**BOARD DIVERSITY**

We voted against the re-election of directors or the discharge of the board at 68 companies because none of the board members is female. Following the top ten market breakdown:



Source: DWS Investment GmbH, 12/31/2020

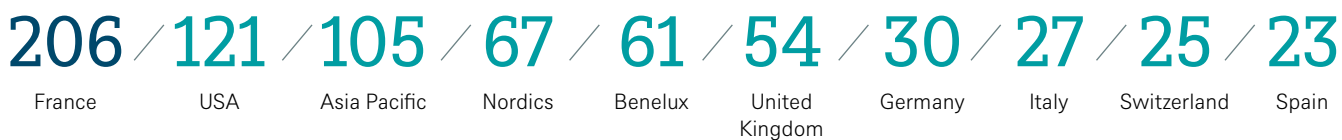
Similar to previous voting seasons, **executive compensation** plans were the second most critical item for us at general meetings in 2020 (13% of votes against management recommendation, a two percentage point increase compared to last year). However, looking at only the executive compensation related proposals, we opposed 32% of all that we voted. Adequate, comprehensible and transparent executive compensation does represent one of our core governance values and thus, we do have stringent standards for assessing these items.

**For the compensation policies that we opposed, we found that:**

- \_ there was 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;
- \_ there was a lack of transparency and comprehensiveness (e.g. on the relevant maximum levels of compensation, key performance indicators and their weighting etc);
- \_ there were no bonus-malus and clawback mechanisms.

**EXECUTIVE COMPENSATION**

We could not support 32% of all the executive compensation items in 2020 with the following top 10 market breakdown:



Source: DWS Investment GmbH, ISS Proxy Exchange, 12/31/2020

Insufficient transparency surrounding the **external auditors** and, in particular, the lead partners/auditors and their internal rotation periods, caused the auditor-related items proposed by our investees to be one of the opposed items in our voting against management (11%). However, it must be noted that we saw a strong improvement in particular on this topic, as the transparency on the external auditor is getting considerably better.

(with and/or without preemptive rights). We do analyze such cases individually, however, we do expect our investees to comply with the best practice standards for each individual market, which, in certain cases, may be stricter than the maximum limits set by law. We see capital measures, i.e. equity issuances and share repurchases are in the interest of shareholders as long as they strengthen the long-term success of the company. However, to be able to evaluate this, we expect that our investees provide adequate information about their financing strategies, especially when they are requesting both a share repurchase and equity issuance at the same general meeting.

We also opposed some of the items related to **capitalization/equity issuances** in the 2020 season (6% of votes against management recommendation) due mainly to an extensive cumulative amount of authorized equity issuance levels

Voting on **shareholder proposals** is an important tool, which allows asset managers to exercise their ownership rights by holding the board accountable and promoting improved disclosure, effective board oversight, and commitments to address company-specific risks and opportunities.

Shareholder proposals can be broadly divided into two categories- those that address standard corporate governance issues and those pertaining to environmental and social topics. The proposals are becoming more complex in nature and it is not always straightforward what topics they want to address from their category. Some governance proposals such as requiring an independent chair to the board could have reasons related to poor oversight of climate risk, for example, and thus fall into both the G and E categories. Therefore, we review all shareholder proposals carefully on a case-by-case basis, but generally support proposals that are reasonable and promote enhanced shareholder rights, improved disclosure of a real risk or opportunity for the company. Shareholder proposals vary widely in terms of feasibility, materiality and rationale and in

some cases they might not be taking into consideration all the previous achievements and progress of the company.

In 2020, we have supported 69% out of all the shareholder proposals. When it comes to specific E&S proposals, we supported 84% of all the shareholder proposals we voted for. When analyzing these proposals, we strived not to undermine the companies' existing practices/efforts as well as our discussions with them. As we are in close engagements with a number of our investee companies, we are able to follow their development in individual aspects or work with them on a commitment to achieve the goals we identify for our engagements. We believe that even though it is challenging to directly link the value of shareholder proposals to company value, these generally address important material topics for company development. Recent research also finds that companies with an enhanced disclosure of material sustainability information display a greater stock price "informativeness", with stronger results for companies with higher exposure to sustainability issues, poorer sustainability ratings and greater institutional and socially responsible investment fund ownership<sup>5</sup>.

**Examples of Key Shareholder Proposals we supported in 2020**

**Sector: Consumer Discretionary (Online Retail)**  
**Country: United States**  
**Proposal: Human Rights Risk Assessment**

**Rationale:** The shareholder proposal requested the company to publish a Human Rights Risk Assessment examining the actual and potential impacts of one or more high-risk products sold by it or its subsidiaries. An Assessment should evaluate human rights impacts throughout the supply chain.

**Sector: Energy // Country: Netherlands**  
**Proposal: Request the Company to Set and Publish Targets for Greenhouse Gas (GHG) Emissions**

**Rationale:** The shareholder proposal called for more ambitious and far-reaching GHG targets in order to reduce GHG emissions to levels compatible with the global consensus specified by the Paris Agreement. Moreover, the current ambitions have not resulted in an adequate change in investments beyond oil and gas.

**Sector: Utilities // Country: Finland**  
**Proposal: Include Paris Agreement 1.5-degree Celsius Target in Articles of Association**

**Rationale:** Shareholders requested the company to publish a scheduled science-based plan for aligning the operations of the company and the group with the Paris Agreement maximum warming limit of 1.5 degrees Celsius. Climate risks, the alignment plan and its implementation shall be reported annual for the first time at the AGM 2021 throughout the supply chain.

**Sector: Consumer Staples // Country: United States**  
**Proposal: Report on Deforestation Impacts in Company's Supply Chain**

**Rationale:** Shareholders requested the company issue a report to investors by July 30, 2020 at reasonable expense and excluding proprietary information, including quantitative data on its global supply chain impacts on deforestation, and assessing if and how the company could increase the scale, pace, and rigor of its efforts to eliminate deforestation from its supply chains.

Source: DWS Investment GmbH, 12/31/2020

# ENGAGEMENT ACTIVITIES IN 2020<sup>6</sup>

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

Our engagement approach follows a detailed step-by-step approach that commences with our annual letter to our investees, part of our Proxy Voting Focus List<sup>7</sup>, where we inform them about our governance expectations and updated Corporate Governance & Proxy Voting Policy. A number of criteria determine which of our investee companies would be prioritized for our engagement approach. **These include:**

- \_ Degree of exposure in terms of holdings
- \_ Significant ownership in the company
- \_ Exposure to ESG risks, including high climate transition risk
- \_ Involvement in norm controversies

Our annual letter is then followed by pro-active one-on-one engagements. During the regular management meetings of our investment professionals, we also raise ESG issues. The next step is the call for extraordinary meetings with Management and the Supervisory Boards. Subsequently, we may send escalation letters directly to the members of both boards. Our direct participation in annual general meetings combined with a speech addressing shareholders and boards publicly is also a very extensive means we apply. Where appropriate, we may also decide to file shareholder proposals. As a last measure, we will use our voting rights and vote against management proposals, in line with our voting policy. Throughout the year we also send escalation letters to the boards' of 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.

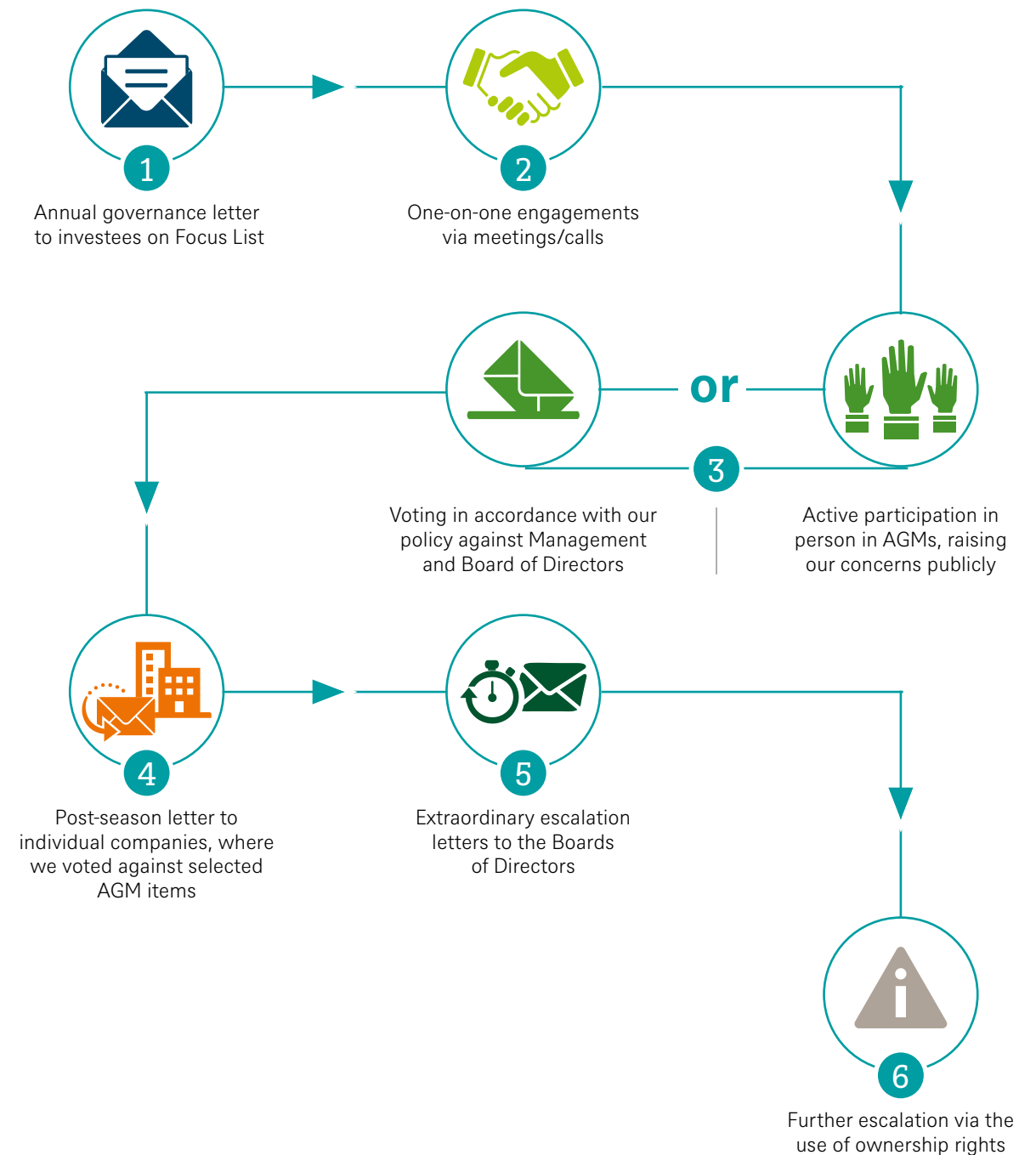
In 2020, we continued our efforts in active ownership and made progress in the companies we could reach for a dialogue, we managed to initiate a number of engagements and follow up on our existing cases, by holding more than 450 one-on-one engagements and sending more than 1450 companies an engagement letter, both as part of our individual and thematic engagements.

Throughout the next sections, we will be sharing examples of our one-on-one engagements with you in form of a case study. During these, we track the engagement status represents the stage of engagement or the outcome, which is tracked with the **following categories:**

- \_ successful/closed – engagement targets were met
- \_ ongoing – engagement continues on all or part of the engagement targets
- \_ in escalation stage – engagement escalation steps initiated
- \_ failed – engagement targets were not met for a continuous amount of engagement escalations

For example, if a company consistently violates, international norms or standards and does not respond to DWS's engagement efforts, DWS will follow certain escalation steps as outlined in the engagement policy and eventually mark the engagement as either "successful/closed" or "failed". In 2020, we have successfully closed some of our ongoing cases, we did not have a failed case, while the majority remained ongoing.

We follow a stringent step-by-step approach in order to engage with our portfolio companies



<sup>6</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>7</sup> Proxy Voting Focus 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.



# Smart Integration

Engagement is also a key part of our new strategic approach of smart integration at DWS. The strategic goal of DWS's ESG smart integration has been to effectively identify and manage risks from ESG factors. In December 2019, the Executive Board approved a proposal for an enhanced investment process known as "Smart Integration of ESG". We have deliberately decided against implementing top-down sector-based exclusions and has introduced enhanced level due diligence, when there is evidence that issuers face excessive climate and transition risks or severe and confirmed violations of international norms.

On 1st July 2020, we formalized this approach with the effective date of fund prospectuses of German domiciled mutual funds. This approach prohibits investments in these corporates and sovereigns in these mutual funds, unless the Committee for Responsible Investments (CRI) performs a due diligence and waives the investment restrictions

conditional upon action items such as intensified engagement or restricts new investments in these issuers. This due diligence process can also lead to a potential exclusion from the investment universe when there is evidence of severe sustainability risks or non-responsiveness from issuers on engagement.

Starting in the fourth quarter 2020, the Committee has been focussing on water risk and opportunities (as part of Climate and Transition Risk Ratings) and severe climate- and transition risks for investments in sovereign bonds. Additional Luxembourg-domiciled mutual funds will sequentially adopt the new smart integration wording in their respective fund prospectuses. As of December 31, 2020, 52 Germany domiciled mutual funds with AuM of € 60 billion were subject to the new smart integration approach. We expect number of funds and AuM covered to more than double in the first half of 2021.



Issuers, which receive a waiver for ongoing investment during the process should be engaged with. Poorly rated companies (by Climate and Transition Risk or norms violation according to our proprietary ESG Engine) which have been selected by our portfolio managers for new investment must be presented to the Committee for approval. The CIO for Responsible Investments chairs this Committee which includes members of the CIO Office for Responsible Investments, Equity and Micro Research,

Investment Risk Management, Compliance, and the Group Sustainability Officer. The CRI reviews existing holdings based on certain criteria and also invites the responsible analyst to present an investment case based on an integrated analysis of financial and non-financial risks and opportunities including financial materiality. Based on internal ESG Engine evidence, third party research and the analysts' assessments the CRI will either recommend the restriction on new investments, waives the investment restriction or requests a full disposal of existing holdings.



# Our Letters of Engagement

Reflecting the developments made in the Corporate Governance and Proxy Voting Policy in 2020 as well as our most eminent governance expectations formed out of the latest proxy voting season, the Corporate Governance Center, representing DWS Investment GmbH, **sent a pre-season letter of engagement to more than 1300 investees**, which were part of the Proxy Voting Focus List for 2020. 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 Focus List companies for a dialogue.

Towards the end of the year, we also sent our **individualized post-season letters to 390 of our investees**, where we had issues with particular items of their agenda and voted against management recommendations. In 2020, our key areas of

focus for the letter were overboarding of board members, combined CEO/Chairman-role, lack of female representation on the board, inadequate board independence as well as companies facing severe ESG controversies.



## Thematic Engagement: Controversial Weapons

Involvement in the manufacturing of controversial weapons, most notably nuclear weapons or depleted uranium remained a key challenge also in 2020. The upcoming treaty on the prohibition of nuclear weapons (TPNW) will further aggravate this controversial business activity. The goal is to negotiate a legally binding treaty to prohibit nuclear weapons leading towards their total elimination.

Addressing our concerns that some of our investees could be involved in manufacturing of these controversial products, we have sent five Aerospace/Defense companies an engagement letter with our expectations on their current involvement, future strategy and possibly necessary measures to accommodate changes arising from the TPNW coming into force 22 January 2021.

## Thematic Engagement: Climate Change

One of the areas we prioritized in 2020 was climate change and the risks arising from it. Corporations and investors, as owners and lenders have a key role to play towards the need for emissions to be reduced in the mutual goal of coping with the impacts of global warming. The changes so far have already had an impact in particular on the energy sector and the effects are expected to be amplified as the continued rise in greenhouse gas emissions results in further changes to the climate. Thus, we expect energy companies to accelerate their efforts in setting ambitious targets and providing enhanced transparency on their long-term strategy to tackle the crisis. Companies that face substantial climate and transition risks or seriously contravene with internationally recognized ESG standards (e.g. the UN Global Compact Principles, core principles of the International Labor Organization and OECD Guidelines for Multinationals) are subject to heightened scrutiny from our side. We have analyzed our investees in

the energy sector and have identified several common E, S and G issues, which are causing or might cause reputational risks and might have material implications if not properly addressed:

- On the environmental side: pollution, oil spills; emissions.
- On the social side: impact on local communities and their heritage; human rights violations.
- On the governance side: bribery, corruption issues; poor oversight

As a result of our analysis, we sent a thematic engagement letter to **53 companies**, facing risks in the above mentioned areas, asking them for specific and ambitious actions and inviting them for an engagement.



**Pre-season letter on governance expectations**

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

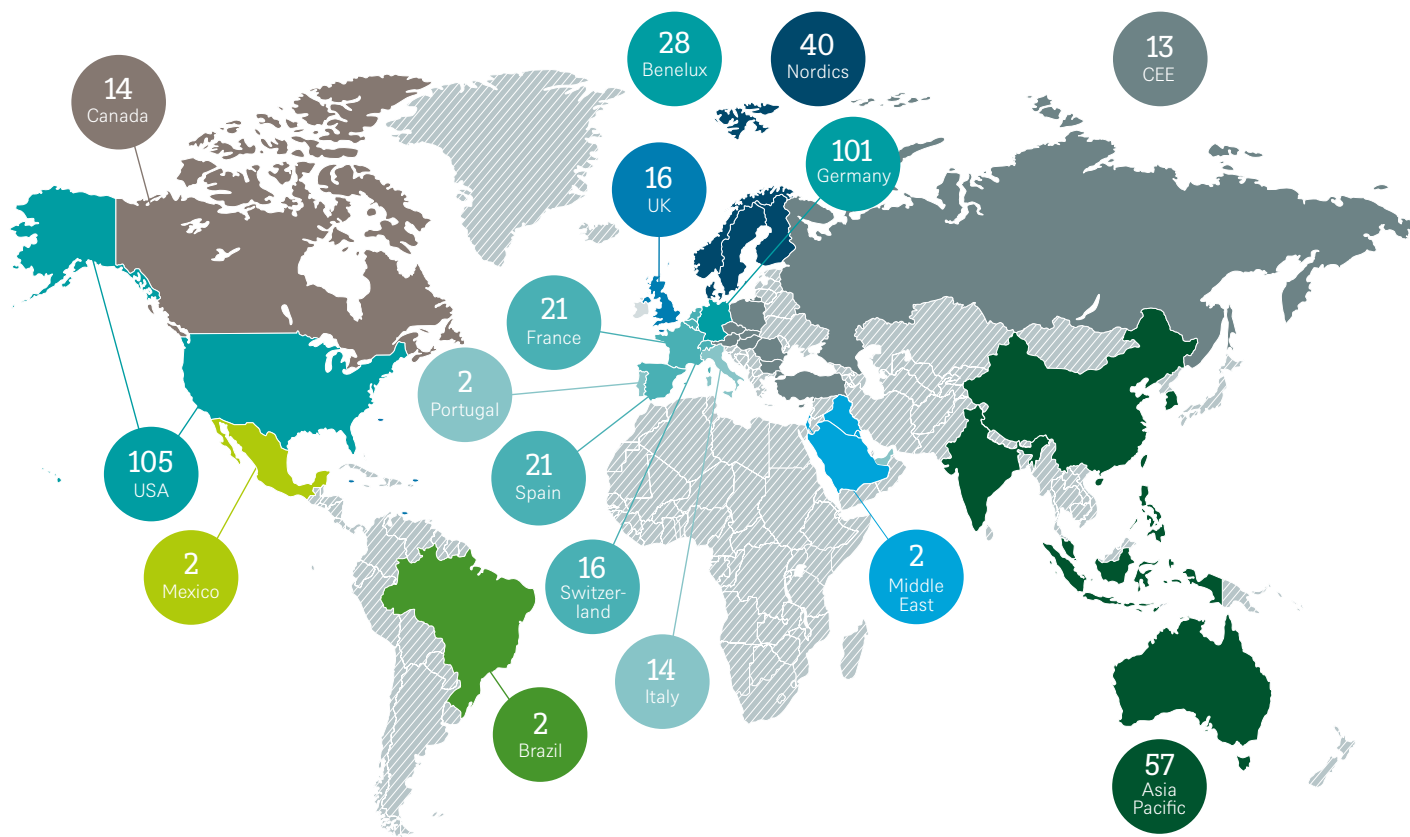
**Thematic Engagement letter on Climate Risk Management**

# One-on-one Engagements on ESG Issues

In 2020, we held 454 engagements with 353 companies, which represented an increase of more than 82% to last year. Most of our engagement were held with US, German or companies in the Asia Pacific region, followed by the

Nordics and Benelux companies. Our engagements in the Asian market continue increasing and we have also enhanced our outreach in certain emerging markets and Middle East regions.

## ESG ENGAGEMENTS PER COUNTRY IN 2020



- Asia Pacific** Australia, South Korea, China, Taiwan, India, Indonesia, Malaysia, Philippines, Singapore, Hong Kong, New Zealand
- Benelux** Belgium, Luxembourg, Netherlands
- CEE** Austria, Czech Republic, Hungary, Poland, Russia, Turkey, Greece
- Nordics** Denmark, Finland, Norway, Sweden, Iceland, Faroe Islands
- Middle East** Saudi Arabia, United Arab Emirates, Israel

Source: DWS Investment GmbH, 12/31/2020

On a sector level, most of the companies we engaged were part of the Industrials, Consumer Discretionary, Health Care and Energy sectors. This is largely due to our increased focus on the commitment of our investee companies to the achievement of the SDGs as well as their commitments and plan for a lower carbon future. Changes in population, age, income, relative prices, technology, lifestyle, regulations and many other aspects of socioeconomic development will have an impact on the supply and demand of economic goods and services. The correlation of the businesses of some of these investees with the delivery on specific SDGs – such as SDG 7 on affordable and clean energy or SDG 12 for responsible consumption and production – is relatively strong.

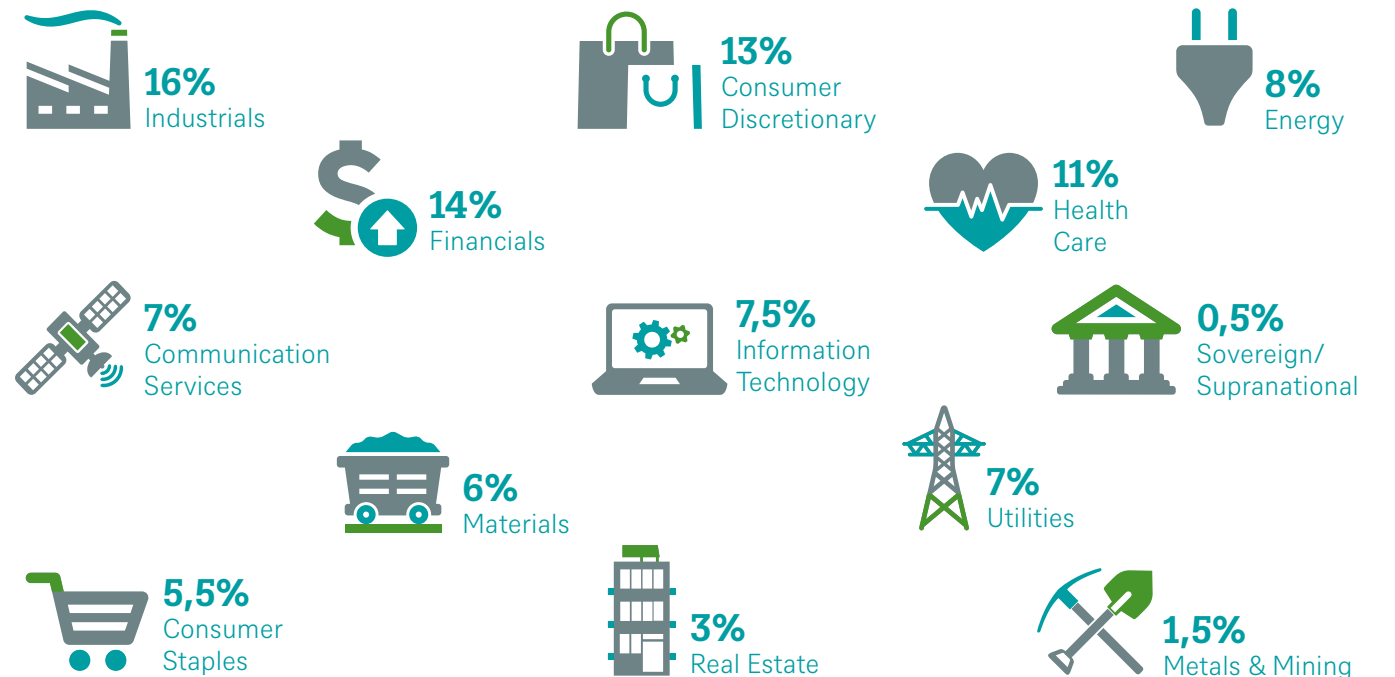
However, with the existing “way-of-doing-things” there are also significant risks to consider such as the extraction and production of raw materials or use of water, energy and waste, which might lead to these sectors’ negative contribution to these SDGs. Thus, it is important to focus our engagements on systemic change and understand how our investees are managing their SDG commitments and are these ambitious and innovative enough for a sustainable contribution to them.

When we look at the spectrum of engagement topics in 2020, executive compensation, board composition, independence as well as disclosure in line with TCFD/SASB/

Impact reporting as well as ESG risks and management related issues were among our most discussed topics.

Our engagements around the ESG risk management and oversight at board level have continued to keep up with our most prominent focus areas on governance aspects. Climate change is undoubtedly the most eminent ESG issue. Assessing the impact of climate change on a company’s business model and competitive position is an integral part of our corporate analysis at DWS. On the environmental side, climate change as well as environmental footprint of products and services as well as green innovation and water risk were among the mostly engaged themes. The ‘S’ of ESG has been more challenging to outline and quantify than ‘E’ and ‘G’ factors. Social issues appear to be less tangible and there is historically less data to demonstrate their impact on financial performance. However, we believe their range has deepened over the past years as the business environment is quickly evolving. The COVID-19 pandemic has also shown unprecedented societal impacts, which made companies re-think their ways to operate and pay increased attention to their employees’ wellbeing. Engagements on social topics represented 13% of our overall discussions and COVID-19 was only one of the factors for this. The Just Transition notion, which calls for the protection of societies’ sources of revenue as we shift to a low-carbon economy, was another focus area.

## SECTOR BREAKDOWN OF ENGAGEMENTS



ENGAGEMENTS PER E, S, G TOPICS

E 16%

Climate Change .....102  
 Environmental Footprint of production process ..... 55  
 Environmental Footprint of products .....48  
 Green innovation .....32  
 Water .....13  
 Hazardous Waste/Toxic Emission .....12

S 13%

Health & Safety (incl. Product/Service Safety) ..... 83  
 Labor Rights .....61  
 Human Rights (incl. Child Labor) ..... 32  
 Supply Chain/Contractors ..... 23  
 Diversity .....20  
 Society Relations (regulators, communities, etc.) .....12

G 71%

Executive Compensation ..... 234  
 Board Composition ..... 168  
 Board Independence ..... 117  
 Disclosure with TCFD/SASB/Impact reporting ..... 116  
 ESG Oversight & Risk Management (incl. Covid-19) ..... 111  
 Overboarding .....95  
 Strategy, Operations & Performance .....75  
 Transparency ..... 73  
 Succession Planning/Refreshment ..... 61  
 Auditor ..... 48  
 Capital Structure ..... 28  
 Business Ethics (Money Laundering/bribery) ..... 23

Source: DWS Investment GmbH, 12/31/2020

ROLES OF COMPANY COUNTERPARTS

Investor Relations	55%	Head of HR	2%
Board Chair	11%	Board Secretary	2%
ESG/Sustainability Team Rep	9%	Lead Independent Director	1%
Legal/Corporate Governance Rep	7%	Executive Director	1%
CEO	7%	Remuneration Committee Chair	1%
CFO	5%	Head of Compensation & Benefits	1%

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, as capital providers to companies, 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 an essential 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. That being said, engagement is limited to a communicated “no investment” decision as we are only debt owners and have no voting rights. In 2020, we held 23 engagements on ESG matters, which were dedicated for our fixed income portfolios.

Case Study

Fixed Income / Sector: Energy / Country: Brazil / Area of Engagement: E, G

Sub-Area of Engagement: Governance – ESG Oversight, Risk Management; Environment – Climate Change; net zero/ science-based targets and disclosure on Climate Change, Resource consumption/ scarcity; Green innovation



Engagement Case:

Due to the business model of the company, which is almost purely focused on the exploration and production of crude oil and natural gas, the company is exposed to high climate transition risk. From a governance perspective, norms and business ethics violations appear structural and ongoing.



Engagement Targets:

Understand the company’s approach towards the management and disclosure of environmental and governance risks and potential financial implications.



Engagement Status: ongoing



Company’s progress so far:

The company outlined its ESG management and reporting structure on the Management and Supervisory Board level as well as the emission-linked remuneration scheme. The company explained its Risk Management framework based on high-frequency dynamic scenario analysis, including carbon transition risk metrics as key factors. The company representatives highlighted management’s strategic focus on effectively preserving asset quality in oil & gas production as well as to increasingly diversify into renewables, bio fuels and electricity generation. A follow-up call on social and further governance aspects is planned as a next step.

Source: DWS Investment GmbH, 12/31/2020.

Case Study

Fixed Income / Sector: Financials / Country: Denmark / Area of Engagement: G

Sub-Area of Engagement: Governance – Business Ethics (Money Laundering)



Engagement Case:

The company got into focus regarding money laundering issues in Eastern Europe. In the past control mechanisms and protection systems for money laundering were too lax.



Engagement Targets:

The company to achieve improvements on Corporate Governance and control mechanisms



Engagement Status: ongoing



Company’s progress so far:

As a consequence of the money laundering scandal the relevant managers, which were involved in the scandal, were replaced as well as parts of the Supervisory Board. The chief compliance officer is part of the board. The company invested heavily in IT systems and increased the staff working in the anti-financial crime unit significantly improving the anti-money laundering controls. Final implementation of the improved processes is planned for end of Q1 2021, as required from the regulator. Additionally the company closed the involved branches and put the business in run off. The company is in constant dialog with the relevant authorities.

We will continue our constructive dialogue in 2021 and monitor progress on engagement targets.

Source: DWS Investment GmbH, 12/31/2020.



# Governance

## Board Composition in times of a crisis: The Covid-19 implications

The possibility to (re)elect/discharge board directors is a powerful shareholder right, which represents an important tool to express concern-areas to the board and management. In 2020, we also experienced significant market volatility due to the global outbreak of COVID-19, which had extraordinary implications across all sectors of the global economy. These turbulent times are making it abundantly clear just how vulnerable our global capital markets are to unexpected developments.

The current challenging environment and considerations around post-COVID societal trends underlined the importance of board oversight under unprecedented circumstances. We believe an effective board will ensure that its company acts with purpose and serves a broad range of stakeholders, from investors through to customers, employees, suppliers and the community. It will also have board members with the right skill-set and experience to perform the board's governance functions in line with the company's long-term strategy. The topic of board composition was part of the agenda for 81% of all one-on-one engagements in 2020.

### In that regard, four key topics were central in our engagements in terms of governance:

- \_ Do business models need re-defining to be more resilient in the longer-term and in crisis situations?
- \_ What would that mean for board composition going forward – is there a need for new sets of skills and diverse perspectives?
- \_ How will executive compensation plans be affected?
- \_ How can the board allocate time effectively to ensure that both pressing issues and future strategic matters are sufficiently attended to?

### Diversity and Independence

We continued applying our holistic understanding of diversity that encompasses age, gender, qualification, international and sector experience as well as tenure in our engagements.

Diversity is an important dimension for the board composition to ensure a more dynamic, well rounded board, bringing unique perspectives, experience, talents and expertise. In particular when it comes to gender diversity, we expect our investee companies to incorporate this into their composition and refreshment processes, which is critical to effective corporate governance. We welcome any developments that aim to achieve a better gender balance, having in mind that qualifications and expertise remain a decisive factor that needs to be assured as a priority in the considerations. We expect boards to enhance their diversity levels by taking intentional actions to expand the pool of diverse candidates. Also the question of independence within the board is always on top of our priorities in our discussions. In this regard, we want to see that a majority of boards and key board committees comprise of independent directors, including those with good knowledge of the business but also fresh perspectives to ensure a balanced structure exists for effective decision-making and board performance.

### Overboarding

A lot of boards have had an extraordinary number of meetings in 2020- be it due to the COVID-19 situation or the increasing pressure from investors and the general public on the growing importance of sustainability matters. Our expectation for board members is that they commit enough time and availability to fulfill their responsibilities and allow for an 'independence in mind' for strategic guidance and oversight of management – in normal times and more so in crisis times. A well-functioning board allows for a proactive and dynamic discussion and challenges management, while critically assessing its decisions against the company's core purpose and the interests of investors as well as other stakeholders. Thus, it is important for us to express our concerns when directors hold an extensive number of board seats as a risk mechanism, part of our active ownership activities. That being said, we hold directors accountable via our voting decisions when they fail to comply with our standards for overboarding as a signal of our concern on their oversight duties.

## Case Study

Sector: Electric / Country: Hong Kong / Area of Engagement: G

Sub-Area of Engagement: Governance – Board Composition, Independence, Succession Planning/Refreshment



### Engagement Case:

The company has low independence in the board as some directors are not considered independent due to long tenure.

Insufficient disclosure on executive compensation in terms of performance criteria.



### Engagement Targets:

The company to elect more independent directors to the board and appoint independent directors in the key board committees.



### Engagement Status: ongoing

Source: DWS Investment GmbH, 12/31/2020.



### Company's progress so far:

The company is aware about the long tenure and will consider board refreshment in the future. While the company wants to retain a family representative as the board chair in the long run, it will consider having a majority independent representation in the nomination committee. The company has started reporting in compliance with TCFD and would improve its reporting on sustainability. It will take regular feedback from external stakeholders regarding reporting and initiatives and will work on setting up more ESG related targets at group level. We will continue our constructive dialogue in 2021 and monitor the progress on the engagement targets.

## Case Study

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

Sub-Area of Engagement: Governance – Business Ethics (Money Laundering)



### Engagement Case:

The Chairman was up for re-election but due to the extensive number of outside board seats we flagged early that we would not be able to support it due to his extensive number of board seats, not in line with our expectations.



### Engagement Targets:

We aimed to start an in-depth dialogue with the Chairman to understand his commitments and to achieve transparency about his perspective mandates.



### Engagement Status: closed

Source: DWS Investment GmbH, 12/31/2020.



### Company's progress so far:

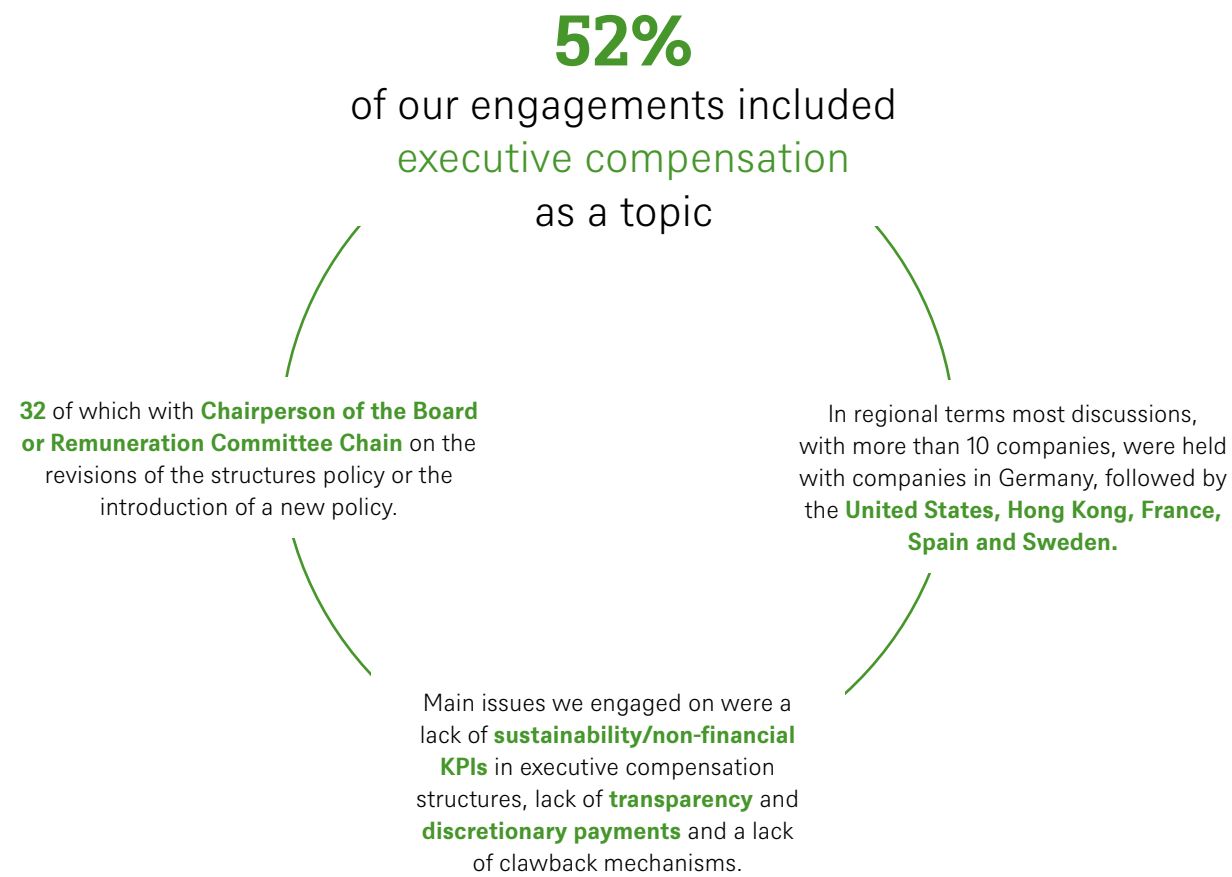
The Chairman explained in one of the calls his intention to reduce the number of his external board mandates in the coming 12 months. We encouraged the company to provide sufficient transparency early enough prior to the AGM so that investors can evaluate this information. Consequently, the Chairman issued a letter to the shareholders one month prior to the AGM, announcing that he would give up two of his external board mandates over the course of the upcoming year.

Additionally, the Chairman announced the mandates he would give up in his AGM-speech.

### Executive compensation and the implications of Covid-19

Executive pay is one of the most important aspects of good corporate governance and a central topic of engagement as it is one of the signals for a well-operated and supervised business. The alignment between the board and management on the appropriateness and transparency of the executive pay structure would generally support that signal. With the second European Shareholder Rights Directive (SRD II) now in effect, we saw increased scrutiny on executive pay in Europe. Among other requirements, the SRD II requires that companies provide shareholders the right to vote on both compensation policies and reports at their general meetings. It aims at building a greater link between pay and performance and to enhance transparency on how executive compensation is being determined.

During our engagements, we communicated our expectation that boards need to ensure that management is paid the adequate amount, the structure of the incentives encourages the achievement of corporate financial, social and environmental objectives, and the amount ultimately granted is in line with performance. In times of crisis, board are expected to provide an adequate balance in their executive pay decisions having in mind both the economic and the societal perspective. Thus, this was one of the key questions of our engagements on executive compensation in 2020.



### Case Study

Sector: Industrials / Country: United States / Area of Engagement: G  
 Sub-Area of Engagement: Executive Compensation / Say-on-Pay



#### Engagement Case:

Following historical concerns over the structure of the executive compensation policy, we met with the company to provide feedback due to low say on pay support in previous years. The annual incentive program had a large discretionary element and the company provided limited details on the payout determinations. The long-term program was predominately time-based, a practice which is increasingly uncommon among large-cap companies.



#### Engagement Status: closed



#### Company's progress so far:

The company committed to providing enhanced disclosures including thresholds, targets and maximum levels for financial goals. They also increased the rigor of the strategic objectives, incorporated ESG oversight responsibility into CEO objectives and implemented a comprehensive clawback structure. As result, we were able to support the say-on-pay for 2020 engagement targets.



#### Engagement Targets:

For the company to achieve improvements to the executive compensation structure in terms of transparency and longer-term sustainable ambition of performance metrics.

Source: DWS Investment GmbH, 12/31/2020.

### Case Study

Sector: Chemicals / Country: China / Area of Engagement: G  
 Sub-Area of Engagement: Governance – Transparency, Executive Compensation



#### Engagement Case:

The company reports top executive remuneration on an individual basis. However, there is a lack of transparency on the key performance indicators and weights assigned to them in the variable pay structure. The company does not have a clawback policy in place. As the company does not put executive remuneration for a vote at the general meeting, we initiated an engagement on these issues.



#### Engagement Status: ongoing



#### Company's progress so far:

The company will consider to report its detailed remuneration structure and would consider to include ESG-related KPIs in the remuneration system. The company has recently hired a consultant on ESG issues and will soon have a board level committee to oversee ESG issues. It also plans to provide regular feedback to rating agencies and set up quantifiable targets around ESG KPIs, which is an important development in terms of increasing transparency to the market.



#### Engagement Targets:

For the company to achieve improvements to the executive compensation structure in terms of performance metrics.

Source: DWS Investment GmbH, 12/31/2020.

## Capital allocation and shareholder rights in the context of Covid-19

In preparation for the 2020 AGM season, we could not anticipate the COVID-19 impact on societies, economies and individual corporates. However, COVID-19 has definitely increased the need for sensibility around the transparency of capital allocations as an important governance matter, particularly as it is creating serious pressures on companies and forcing difficult capital-related decisions. Companies were faced with the challenge to achieve an adequate balance between the needs and sustainability of the company itself, its providers of capital (both shareholders and creditors) and other key stakeholders.

We expect boards to demonstrate critical analysis and carefully scrutiny over share repurchases with regard to the company's specific business and financial risks. They should assess their capital structures and financial solvency to ensure a resilient approach to capital allocation that is robust under different planning scenarios. Beyond financial reserves, there are also other forms of capital such as social and human capital to be considered as critical to long term sustainable value creation. This requires deep consideration about what levels and forms of capital are required, particularly in times of a crisis. We find each company's situation unique in that regard and evaluate their plans on a case by case basis.

Therefore, we expect sufficient transparency and open communication during our engagements with our investees on these aspects. 6% of our discussions captured the topic in 2020 – some on approaches we deemed to be problematic and some to understand their decision-making process brainstorming and the board oversight of the topic.

Shareholders naturally have an interest in receiving dividend payments to enhance total shareholder returns. Thus, our general expectation towards companies is to have efficient dividend policies to guide payouts and the balance between providing returns to shareholders versus retaining capital in the business or rewarding management.

The unprecedented environment of the 2020 season made it clear that the companies' response to dividends will have to be assessed on a case by case basis in line with the company's business risks and financial health. Thus, we had to be prepared to show flexibility to support companies in this period by accepting lower, or delayed dividend payouts where necessary. It is ultimately up to the board to determine the appropriate level of dividends in light of investor needs and the company's own long-term sustainability.

## Case Study

Sector: Industrials / Country: Germany / Area of Engagement: G  
Sub-Area of Engagement: Capital structure



### Engagement Case:

The company proposed equity issuances at their AGM that were exceeding our maximum thresholds in our Corporate Governance and Proxy Voting Policy and we had to vote against those. Ultimately, these proposals did not achieve an AGM approval. The company approached us to solve this matter constructively at an EGM some weeks later.



### Engagement Targets:

We understood the need for the equity issuance given the planned acquisitions and worked on an improved proposal that we were able to at least partially support.



### Engagement Status: closed



### Company's progress so far:

Following the AGM and the missing support for the equity issuance, we engaged constructively with the CFO, the Chairman of the Board as well as the Legal and IR departments to discuss a different structure of the capital measure. Ultimately, an EGM was called shortly after we agreed to split the equity issuance into three smaller packages of which two we were able to support. Amendments included not only proportional reduction of the amount but also a reduction of the duration from five to three years as well as a public acknowledgement by the company to use the approved capital only up to a limit of 40% of the share capital.

Source: DWS Investment GmbH, 12/31/2020.

## Case Study

Fixed Income / Sector: Industrials / Country: Mexico / Area of Engagement: S, G  
Sub-Area of Engagement: Governance – Operations; Risk Management; Capital Structure  
Social – Product/Service Safety; Supply Chain



### Engagement Case:

Management announced a strategic re-profiling of the group's key operating subsidiaries, which might have implications to its ESG profile. We initiated an engagement to gain a more comprehensive understanding and also get an update on the COVID-19 operational resilience as well as the downgrade by S&P to sub-investment grade.



### Engagement Targets:

Receive an update from management on 1H2020 operating, financial and ESG performance, in particular regarding the announced strategic re-profiling of the group's key operating subsidiaries.



### Engagement Status: ongoing



### Company's progress so far:

Management gave us an update on the spin-off of some of its subsidiaries, including the timeline for completion. Proceeds are earmarked to be used for deleveraging via addressing outstanding bank debt as well as potentially shorter-dated bonds in order to approach the long-term leverage target after recent downgrade by S&P. From management's point of view, the target structure makes sense from a strategic perspective as their food-processing entity has proven to be the most resilient operationally and financially during the COVID-19 pandemic due to its focus on non-discretionary consumer products and contribution to food security. On the other hand, the plan would encompass certain divestments, which rank among the most cyclical subsidiaries due to their focus on industrial products, thereby significantly reducing ESG risks related to activities in the petrochemical and auto supplier industry, respectively.

Source: DWS Investment GmbH, 12/31/2020.

# Environmental and Social Responsibility

## Climate Change

Climate change is one of the greatest environmental challenges facing the world, accelerating the rise in the global mean temperature and affecting most other attributes of the climate. Corporations and investors, as owners and lenders have a key role to play towards the need for emissions to be reduced in the mutual goal of coping with the impacts of global warming. The global economic impact of the pandemic also clearly demonstrates the interconnectedness of societal and economic health, strengthening also the case for action on other eminent issues such as climate change.

In January 2020, we communicated our intention to increase our scrutiny on the accountability of management and boards when it comes to their companies' compliance with internationally accepted ESG standards, such as UN Global Compact principles, the OECD Guidelines for Multinationals, TCFD recommendations etc. and with regards to their management of climate and other sustainability-related risks. The changes so far have already had an impact in particular on the energy sector and the effects are expected to be amplified as the continued rise in greenhouse gas emissions results in further changes to the climate. Thus, we expect energy companies to accelerate their efforts in setting ambitious targets and providing enhanced transparency on their long-term strategy to tackle the crisis. As a result, we have accelerated our engagements with our investee companies in 2020 on climate change and how they ensure their business models are aligned with a low carbon future.

**Among our expectations, we addressed the following key governance measures in our dialogues, which we would like to see:**

- \_ Formal responsibility/oversight for ESG risks and opportunities at Management as well as Board Level and including all material ESG aspects into your corporate strategy.
- \_ A clear climate transition roadmap with ambitious targets and milestones as well as capital expenditure plans, aligned with the goals of the Paris Agreement and the Sustainable Development Goals (SDG) set by the United Nations.
- \_ Integration of relevant climate and/or other extra-financial metrics into executive compensation plans to ensure alignment with the business strategy.
- \_ Comprehensive procedures and stakeholder engagement for the assessment and the management of the impacts of existing and planned exploration and production projects on biodiversity, the ecosystem and the local communities.
- \_ Support for relevant government climate policies and aligning lobbying activities via memberships in industry associations with the company's climate strategy.
- \_ Enhanced transparency to investors and other stakeholders by using internationally recognized reporting frameworks (e.g. the SASB standards, the TCFD Recommendations).
- \_ Ensuring material climate risks associated with the transition onto a 2050 net zero pathway are fully incorporated into the financial statements (aligning accounts with the targets of the Paris Agreement).



**137**

of our engagements addressed issues of the companies' management of environmental risks, including climate and water risks.

## Case Study

Climate Action 100+

Sector: Utilities

Country: Italy

Area of Engagement: E

Sub-Area of Engagement: Climate risk



**Engagement Case:**

We joined the Climate Action 100+ initiative in 2017, it was launched in 2018. It is a five-year investor-led initiative to engage more the world's largest corporate greenhouse gas emitters to curb emissions, strengthen climate-related financial disclosures and improve governance on climate change risks. Each investor focuses its discussions with one of the companies in scope. Our focus company is part of the utilities sector and is based in Italy.



**Engagement Targets:**

Board: Nomination of an independent director candidate that will enhance the board's expertise on climate related issues.  
Long-term goals for emissions reductions and net zero, while ensuring a just transition for workers in sectors vulnerable to climate disruption.



**Engagement Status:** ongoing



**Company's progress so far:**

We continued our one-on-one engagements and sent our questions to the board before the AGM of the company in 2020. The company nominated a climate expert to the board based on a shareholder proposal by a group of investors.  
In November 2019, the company presented the 2020–2022 Strategic Plan, which, while confirming the strategic direction already set explicitly integrates the SDG objectives into the financial strategy. New targets (certified by Science-Based – Targets initiative, SBTi) disclosed. The company also disclosed Scope 3 figures and link to SDGs as well as emission intensity. Long-term goals for emissions reductions and net zero: the company made a 2050 commitment.

Source: DWS Investment GmbH, 12/31/2020.

## Case Study

Oil & Gas Sector

Country: Global scope

Area of Engagement: E,S

Sub-Area of Engagement: Environment – Climate Change; Social – Stakeholder Relations



**Engagement Case:**

We engaged **28** of the largest **oil & gas** companies globally, ranging from the United States to European as well as emerging market players in the sector to understand how their business models are linked to a just transition to a lower carbon future.



**Engagement Targets:**

Set ambitious Scope 1, 2 and 3 GHG emission reduction targets; establish board oversight of climate risk; link executive compensation to the business relevant climate or other sustainability metrics.



**Progress so far:**

A number of companies already committed or have already set targets for Scope 1 and 2 emission reductions in the long-term, however, the quality on the Scope 3 emission targets is still very weak. There is a big room for improvement in the executive compensation plans.

We expect in particular this group of our investees to integrate relevant climate risk metrics into their remuneration plans to link their long-term strategy to their management's incentives. Furthermore, with regard to stakeholder engagement processes, companies are expected to provide enhanced transparency and accelerate their efforts to avoid future controversies. There are existing controversies regarding local communities or oil-spills that have still not been resolved and we expect companies to step up their policies, monitoring, compliance and auditing processes in that direction. That being said, we will continue our long-term dialogue with these companies in 2021.

Source: DWS Investment GmbH, 12/31/2020.



## Labor Rights/Human Capital Management

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, human (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 companies' stakeholders, the financial success, the shareholders and the sustainable creation of value.

Companies can also affect employees in a positive way by implementing strong policies and procedures when it comes to health, safety, training, compensation, incentives and well-being into their competitive strategy. Integrating human rights and responsible human capital management into the company's strategy is of utmost importance to create sustainable value for multiple stakeholders.

As a result, human rights and human capital management is an integral part of our engagements.

### We expect companies to:

- \_ Identify human rights risks along the value chain and take appropriate measures to ensure compliance with international human rights standards
- \_ Establishing an appropriate culture and procedures to ensure robust management of human rights risks
- \_ Regular audits
- \_ Consistent and transparent disclosure on human rights risks and human capital management
- \_ Strengthening board oversight of human capital and talent
- \_ Regular engagement with all stakeholders
- \_ Employee satisfaction surveys and anonymous whistleblower hotlines



32

of our engagements addressed topics on human rights

## Case Study

Sector: Industrials / Country: France / Area of Engagement: S  
Sub-Area of Engagement: Social – Labor Controversies; COVID-19 Management



### Engagement Case:

UNI Global Union filed a complaint under the OECD Guidelines for Multinational Enterprises regarding the company's COVID-19 response with the National Contact Point in France. The main concerns were over alleged poor working conditions and slow reaction in the time of COVID-19, mainly based on their interviews with workers in the Philippines, Greece and Colombia. As these allegations raise potential reputational, operational and legal risks for the company, we held a call with the Deputy CEO and IR to hear the company's response.



### Engagement Targets:

Appropriate measures taken to address allegations and potential reputational, operational and legal risks.



### Engagement Status: ongoing



### Company's progress so far:

The company mentioned that they were in contact with the UNI Global Union and have been working with them. The Deputy CEO claimed the allegations are based on false information and that they have been putting extensive efforts in dealing with the health, safety and job security of their employees. The company also elaborated on their CSR efforts and programs in terms of employee engagement but also environmental impact aspects. They are publishing an integrated report based on Global Reporting Initiative (GRI). The Executive compensation includes relevant qualitative metrics, among which also Crisis Management as well as Employee Engagement, which is key in linking their long-term strategy to the incentives of Management. We are in close interactions with company Management and will continue monitoring these aspects.

Source: DWS Investment GmbH, 12/31/2020.

## Case Study

Sector: Consumer Discretionary / Country: United States / Area of Engagement: S, G  
Sub-Area of Engagement: Social – Labor Rights; Governance – ESG Oversight



### Engagement Case:

The company experiences employee-related controversies and these remain a key challenge in terms of compliance with international labor norms. These are also a result of the absence of collective bargaining and labor unions. During the COVID-19 pandemic the situation intensified resulting in e.g. alleged unfair termination of employees for protests, alleged poor working conditions and inadequate safety measures. Thus, we initiated a number of engagements and sent a letter with our expectations to the Board.



### Engagement Targets:

We consider the Board to be responsible to take necessary measures to solve the ESG controversies to avoid them becoming more structural and recurring such as: publishing a transparent investment plan for employee and labor management, allowing labor unions and collective bargaining, steering towards a fully transparent supply chain (especially in terms of labor conditions at subcontractors), establishing formal responsibility

to enforce and implement ESG within the board of directors, setting a clear sustainability roadmap with targets and milestones for employee well-being and occupational health and safety plus further linking executive pay to these sustainability targets.



### Engagement Status: ongoing



### Company's progress so far:

We believe that the strong accumulation of allegations of wrongdoing is a result of a gap between policies and actual business as well as management practice. It is currently not visible to what extent the existing policies are enforced. The company has announced cost increases for COVID-19 related expenses for protecting employees but it lacks an overall strategic direction. Without this, it remains exposed to the risk of operational disruptions such as strikes, as employees seek greater protection during the pandemic but more importantly to risks of structurally inflicting social damage. We are working together with the company to get a commitment on the individual engagement targets.

Source: DWS Investment GmbH, 12/31/2020.

## Product safety

The safety of a product is normally given if, when handled responsibly, no hazards arise for the user from that product. For companies that manufacture or produce goods, managing product safety risks is of high importance, starting with the resources they use through the production, engineering, sales and consumption of their products. For some industries product safety is more critical than for others for example consumer goods, especially in the food and beverage business as well as for producers of pharmaceutical or electronic products. Product or service safety issues can have far-reaching consequences and may seriously impact the financial performance of companies. Constant control and robust processes that standardise these controls are essential to avoid far-reaching mistakes, for example in the production of products. Product safety management also includes components that are manufactured within the company's supply chain.

We expect companies to identify potential risks, to implement effective product safety management programs/ processes, and to conduct regular audits as well as to comply with applicable product safety laws and regulations to avoid product recalls and potential accidents. If accidents or injuries have occurred for example due to poor quality management, companies should react as quickly as possible and recall the affected products. In addition, a transparent disclosure is necessary and possible claims for damages by customers should be negotiated.



21

of our engagements addressed questions on product safety.

## Stakeholder engagement and the supply chain

Stakeholder engagement is a process of systemic identification, analysis, involvement and close communication with all individuals or groups that affect or are affected by the company's business. It is of utmost importance that companies ensure and take into consideration the interests of employees, suppliers, customers, as well as the wider community and the environment as part of their strategy. For instance, conflicts often arise because the rights and needs of indigenous people or impairments of biodiversity are not sufficiently taken into account, for example in expansion activities. We expect a transparent and constructive dialogue with all stakeholders involved, as well as respect for the rights of the local population.

One key aspect next to a regular engagement is the close analysis of the supply chain. Multinational companies have become increasingly dependent on global supply chains and maintain complex relationships in global agriculture, extraction, service and manufacturing industries. If a company fails to manage possible direct and indirect negative impacts of their operations along the supply chain, the reputational and financial risk increases significantly. Potential supply chain issues include almost the entire spectrum of ESG related topics, such as: human rights, child labour, modern slavery,

environmental pollution, bribery or negative effects on local communities. A growing number of governments are also recognising the risks within global supply chains and are introducing regulations to make companies accountable. This development shows that a precise knowledge of suppliers and sub-contractors will be indispensable in the future. The more fragmented the supply chain, the more important it is to have clear and comprehensive processes to manage potential risks. We encourage the companies to conduct regular (on-site) audits and training programs, to implement sufficient policies and reporting mechanisms as well as to align the supply chain with internationally recognized social and environmental standards. Existing anonymous whistle-blower hotlines should be extended to the supply chain.



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of our engagements addressed questions on the supply chain.

### Case Study

Sector: Industrials / Country: Japan / Area of Engagement: S  
Sub-Area of Engagement: Product Safety

#### Engagement Case:

In January 2020 the company announced the recall of 500,000 vehicles in the U.S. due to potentially harmful airbag inflators, manufactured by one of its suppliers.

The issue with the airbags is part of a bigger recall, affecting 19 companies whose cars were equipped with the faulty airbags.

#### Engagement Targets:

Appropriate measures taken to avoid similar incidents in the future.

#### Engagement Status: ongoing

#### Company's progress so far:

We initiated an engagement with the company. The company mentioned that they recalled the affected cars and no other accidents emerged after that. They engage with their suppliers on a regular basis and try to identify the risks associated with their products. The company also certified its operations to ISO9001 standard and the company's products perform well in crash tests. We will continue closely monitoring further measures the company should take to avoid future incidents.

Source: DWS Investment GmbH, 12/31/2020.

### Case Study

Sector: Consumer Discretionary / Country: United States / Area of Engagement: S  
Sub-Area of Engagement: Supply Chain

#### Engagement Case:

As the world's largest retailers, the company was facing concerns over the management of labor and supply chain related issues: standards, safety measures, working conditions of its employees and throughout the supply chain. The company is aware of the criticism but is somewhat dismissive due to their size.

#### Engagement Targets:

We expect that the company sets, and reports on, a clear strategy for how they are managing their supply chain and ensuring labor controversies are mitigated with strong supplier policies and commitments for avoiding future complaints.

#### Engagement Status: ongoing

#### Company's progress so far:

We held discussions with the company on these issues, including its initiatives, targets, risks. Given its size as the world's largest retailer, hence largest buyer, there remains work to do, but the company seems to be on the right way and progress is visible (e.g. key examples as sourcing of fish. In December 2020, the company published a Sustainability Report, which sets standards and is more precise in many respects like targets, details, etc. The company is applying a risk based compliance program - trying to identify the areas of greatest risk. We continue monitoring the company and encourage them to increase board oversight as well as risk management of labor controversies.

Source: DWS Investment GmbH, 12/31/2020.

## Public Policy Engagement

The Corporate Governance Center 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 Risk and Sustainability and we started our participation in 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. We also sent our feedback on 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 globally. This aim was also strengthened by our discussions in the virtual Harvard Corporate Governance Roundtable for a second year in a row. Furthermore, in 2020 we supported a collaborative investor engagement, where CDP sent letters to more than 1800 companies on behalf of the investors that signed up, asking them to commit to the Science-Based-Targets initiative and disclose to the CDP.

As a member of the European Fund and Asset Management Association (EFAMA), we have actively participated in the discussions around the development of a new European Union (EU) Regulation on Sustainable Finance. We are furthermore participating in working groups of the UK-fund industry association, the Investment Association (IA), in light of the revised UK Stewardship Code reporting requirements and are providing regular feedback to the UK-regulator, the Financial Reporting Council (FRC) from an investor viewpoint. A member of our Corporate Governance Center has become a board member of the Stewardship Committee of "The Investment Association" (IA). The Stewardship Committee is a high-level committee of the IA and reports

directly into the Board of the IA. We regard this as an opportunity to increase DWS's visibility and involvement in the UK-specific discussion about the future of stewardship, regulatory developments in this field and the implications for us as asset management industry.

In Germany, we participated in the consultation on changes to the German Corporate Governance Code and the implementation of SRD II into national law. We have also participated in the development of the DVFA (German Association for Financial Analysis and Asset Management) Stewardship Guidelines for Germany that will provide guidance for German asset managers on the implementation of stewardship. In their capacity as an active member of the DVFA Commission on Governance & Stewardship, a member of the Corporate Governance Center initiated discussions with the German Federal Financial Supervisory Authority, BaFin, on the topic of collaborative engagement. We have also contributed to the discussions on the consultation by Deutsche Börse/Stoxx on the criteria for listings in German DAX-indices.

Furthermore, in light of the COVID-19 pandemic in 2020, the German government allowed for listed companies to hold their AGMs virtually, which also naturally limited shareholders' questions, meeting participation in person, filing of resolutions and appeals against motions. As a responsible investor, DWS acknowledged the necessity for such emergency legislation, however, we expressed our concerns about the possibility to extend these measures for the full year 2021. In Q3, pressure from CEOs of 60 listed companies led to a prolonging of the aforementioned measures. In corporation with DVFA commission, we started to engage actively with legislators to initiate changes to the legislation to restore certain shareholder rights. This process is still ongoing in 2021.

## OUTLOOK

**In 2021, we will continue our active ownership activities with our investees on material environmental, social and governance factors. The 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 engagement priorities will continue revolving our core values for good corporate governance and environmental and social corporate responsibility:**

- \_ Board composition: sufficiently diverse and independent boards, ensuring a right mixture of qualifications and skills to oversee the resilience of business models
- \_ Executive Compensation: transparent and linked to the sustainable long-term strategy of the company
- \_ Shareholder and Stakeholder Rights: appropriate treatment
- \_ Auditors: transparency and objectivity
- \_ Environmental and social corporate responsibility: Climate Change, Circular Economy, Water consumption, Deforestation as well as Supply Chain Management, Human rights (labor matters/child labor)

Climate change will continue playing a particularly central role in our activities in 2021. We will accelerate our engagements with companies in carbon-intensive sectors in terms

of how they are managing the climate-related risks and opportunities as the world is heading towards a lower carbon economy. We will expect clear and ambitious roadmaps and how the companies' business models align with a lower carbon future and will hold boards and management accountable unless they fail to provide details around these matters.

We will also observe how our investees are ensuring diversity in their succession planning and board refreshment and reflect it in our voting decisions where we deem the company is not meeting our expectations. We would like to see significant progress in this aspect and encourage companies to accelerate their efforts to ensure well balanced boards for a more effective decision-making process.



# CORPORATE GOVERNANCE

## CENTER

**Nicolas Huber** (nicolas.huber@dws.com)

Head of Corporate Governance

- \_ Joined the Company in 1999 with 8 years of industry experience.
- \_ Prior to his current role, Nicolas served as the Head of ESG Initiatives and in the ESG Head Office. Previously, he was the Head of Green Investments. Before joining, he held a number of senior portfolio management and research roles.
- \_ Bank Training Program ("Bankkaufmann") at Berliner Bank; Investment Analysis Program at DVFA; Business and Environment Programme for Sustainability Leadership at University of Cambridge; Certified Sustainability Investment Manager (Euroforum)

**Nezhla Mehmed** (nezhla-a.mehmed@dws.com)

Corporate Governance Analyst, CESGA;

Main regional focus: Americas and Europe

(excl. Germany, Austria, Switzerland, UK/Ireland)

- \_ Works in the financial industry since 2015
- \_ Nezhla holds a Master of Laws (LL.M.) in European and International Business Law from the University of Vienna
- \_ She is a Certified EFFAS Environmental Social and Governance Analyst (CESGA)

**Kathrin Osterloh** (kathrin.osterloh@dws.com)

Corporate Governance Analyst, CESGA;

Main regional focus: Japan, Emerging Markets and Pacific

- \_ Works in the financial industry since 2016
- \_ Kathrin holds a Master's degree in Economics from University of Passau
- \_ She is a Certified EFFAS Environmental Social and Governance Analyst (CESGA).

**Nicola Pesch** (nicola-a.pesch@dws.com)

Corporate Governance Analyst, CESGA;

Main regional focus: Nordics and Continental Europe

- \_ Works in the financial industry since 2016
- \_ Nicola holds a double-degree Bachelor of Honors in International Business from Anglia Ruskin University in Cambridge and the Berlin School of Economics and Law.
- \_ She is a Certified EFFAS Environmental Social and Governance Analyst (CESGA).

**Salvatore Sansotta** (salvatore.sansotta@dws.com)

Corporate Governance Analyst,

Main regional focus: Americas

- \_ Works in the financial industry since 1998.
- \_ Salvatore holds a Bachelor's degree in Economics from Hunter College
- \_ He served as a risk management specialist for DB Advisors Hedge Fund Group and fiduciary risk manager ("US-Specified Functionary").
- \_ Prior to that, he worked as a trader for quantitative strategies and for DB Cross Markets Funds.

**Hendrik Schmidt** (hendrik.schmidt@dws.com)

Corporate Governance Analyst, CESGA;

Main regional focus: Germany, Austria,

Switzerland and UK/Ireland

- \_ Works in the financial industry since 2010
- \_ Hendrik holds a MSc from HHL Leipzig Graduate School of Management
- \_ He is a Certified EFFAS Environmental Social and Governance Analyst (CESGA)

**Amandeep Singh** (amandeep.singh@dws.com)

Corporate Governance Analyst

Main regional focus: Asia

- \_ Works in the financial industry since 2008
- \_ Amandeep holds a MBA in Finance
- \_ He has worked on various ESG projects and products including ESG Thematic Research, ESG Ratings, Governance research, ESG Controversies, ESG index and Custom ESG Research

# Appendix



## FURTHER LINKS

Corporate Governance and Proxy Voting Policy (Funds in Europe and Japan):	<a href="https://dws.com/en-se/solutions/esg/corporate-governance/">https://dws.com/en-se/solutions/esg/corporate-governance/</a>
Proxy Voting Policy and Guidelines- DWS (Funds in the US):	<a href="https://dws.com/en-us/resources/proxy-voting/">https://dws.com/en-us/resources/proxy-voting/</a>
Engagement Policy:	<a href="https://www.dws.com/en-se/solutions/esg/">https://www.dws.com/en-se/solutions/esg/</a>

## List of our Engagements in 2020

Company	Country	Sector	Key Areas of Engagement
3M Co	US	Industrials	Governance: Risk Management; Social: Client relationships (data security, etc.); Society Relations
Aareal Bank AG	DE	Diversified Finan Serv	Governance: ESG Oversight; Executive Compensation; Disclosure in line with TCFD/SASB/EU Taxonomy/ SDGs
AbbVie Inc (x2)	US	Health Care	COVID-19 Update; Governance: Board Composition; Executive Compensation; Lobbying Disclosure
Abu Dhabi Government	AE	Sovereign	Social: Human Rights; Environment: Resource consumption/scarcity; Governance: Transparency; ESG Oversight
Acerinox SA	ES	Materials	Social: Health and Safety; Governance: Board Composition; Transparency; Executive Compensation
Activision Blizzard Inc	US	Communication Services	Governance: Board Independence; Executive Compensation
adidas AG (x3)	DE	Consumer Discretionary	Governance: Board Composition; Board Independence; Overboarding; Executive Compensation; Strategy
Adyen NV	NL	Information Technology	Social: Society Relations; Environment: Climate Change; Governance: ESG Oversight; Executive Compensation
Airbus SE (x3)	NL	Industrials	Governance: Board Independence; Transparency
Akzo Nobel NV	NL	Materials	Environment: Hazardous Waste; Social: Society Relations; Governance: ESG Oversight; Executive Compensation
Alexion Pharmaceuticals Inc	US	Health Care	Governance: Overboarding; Executive Compensation
Alfa Laval AB	SE	Industrials	Social: Health and Safety, Diversity; Environment: Water; Hazardous Waste/ Toxic Emissions; Green innovation
Alfa SAB de CV	MX	Industrials	Social: Product/Service Safety; Supply Chain; Governance: Dividend Policy; Risk Management; Capital Structure
Alfen Beheer BV	NL	Industrials	Governance: Board Independence; Refreshment; Impact Reporting (Sustainable Development Goals)
Alimentation Couche-Tard	CA	Consumer Staples	Environment: Climate Change; Governance: Board Composition
Allstate CorpThe	US	Financials	Social: Diversity; Governance: Board Structure
Altia Oyj	FI	Consumer Staples	Environment: Climate Change; Governance: Overboarding; Executive Compensation
Altice Financing SA	LU	Communication Services	Governance: M&A; Operations & Performance; Strategy
Amazoncom Inc (x3)	US	Consumer Discretionary	Social: Employee Satisfaction; Labor Rights; Supply Chain; Governance: ESG Oversight; Executive Compensation
American Express Co	US	Financials	Social: Diversity and Inclusion
Ameriprise Financial Inc	US	Financials	Social: Human Capital Management
AMETEK Inc	US	Industrials	Governance: Board Independence; Combined CEO/Chair; Executive Compensation; Environment: Climate Change
Amgen Inc	US	Health Care	Governance: Board Structure, Overboarding; Social: Safety
AMP Ltd	AU	Financials	Social: Labor Rights; Social climate; Environment: Climate Change; Governance: Disclosure in line with TCFD/SASB

Company	Country	Sector	Key Areas of Engagement
Amplifon SpA (x2)	IT	Sovereign	Governance: ESG Oversight; Executive Compensation; Dividend Policy; Social: Social climate; Health&Safety
ams AG	AT	Materials	Governance: M&A; Operations & Performance
Anima Holding SpA	IT	Communication Services	Governance: Executive Compensation; ESG Oversight; Overboarding
APERAM SA	LU	Sovereign	Governance: Board Composition; ESG Oversight; Disclosure in line with TCFD/SDGs; Environment: Climate Change; Water
Applied Materials Inc	US	Materials	Governance: Board Independence; Overboarding; Executive Compensation; Environment: Climate Change
Applus Services SA (x2)	ES	Communication Services	Governance: Executive Compensation; Dividend Policy; Operations & Performance
Arion Banki HF	IS	Consumer Discretionary	Governance: Board Composition; Transparency; Executive Compensation; Disclosure in line with TCFD/SASB
Arkema SA	FR	Information Technology	Governance: Overboarding; Executive Compensation; Capital Structure; Auditor; Environment: Climate Change
Aryzta AG	CH	Industrials	Governance: Board Composition; Succession Planning/Refreshment; EGM-Contest with activists
ASML Holding NV	NL	Materials	Governance: ESG Oversight; Executive Compensation; Social: Employee Satisfaction; Environment: Climate Change
Assicurazioni Generali SpA	IT	Health Care	Governance: Executive Compensation
ATT Inc	US	Industrials	Governance: Board Structure - Oversight of ESG
Atlantia SpA	IT	Industrials	Social: Health and Safety; Environment: Climate Change; Governance: ESG Oversight; Strategy; Risk Management
Atlas Copco AB	SE	Industrials	Governance: Independence; Overboarding; Executive Compensation; Business Ethics ; Social: Supply Chain
Autoliv Inc	SE	Consumer Staples	Governance: ESG Oversight; Executive Compensation
Baloise Holding AG	CH	Financials	Governance: Board Composition; Succession Planning/Refreshment; Executive Compensation; Impact Reporting
Banco Bilbao Vizcaya Argentaria SA	ES	Consumer Staples	Governance: Board Composition & Independence; Executive Compensation; Business Ethics; Environment: Climate Change
Banco Santander SA (x4)	ES	Communication Services	Governance: Board Composition; Executive Compensation
Bangkok Dusit Medical Services PCL	TH	Consumer Discretionary	Governance: Board Composition & Independence; Overboarding; Transparency; ESG Oversight; Succession Planning
Bank of America Corp	US	Financials	Human Capital: Workforce diversity, Health and safety
Bank Rakyat Indonesia Persero Tbk PT	ID	Financials	Governance: Transparency; Disclosure in line with TCFD/SASB/EU Taxonomy/ SDGs; Social: Gender Equality
Barrick Gold Corp	CA	Industrials	Environment: Climate Change; Governance: ESG Oversight
BASF SE (x3)	DE	Health Care	Governance: Board Composition
Bayer AG (x6)	DE	Financials	Social: Health and Safety; Society Relations; Environment: Climate Change; Deforestation; Governance: Risk Management
Bayer AG	DE	Consumer Staples	Governance: Board Composition; ESG Oversight; Risk Management; Environment: Environmental Footprint of Products
BCE Inc	CA	Communication Services	Governance: Board Independence; Overboarding; Executive Compensation
BDO Unibank Inc	PH	Consumer Discretionary	Governance: Board Composition and Independence; Transparency; Refreshment; Executive Compensation
Beiersdorf AG	DE	Financials	Governance: Dividend Policy
Beijing Enterprises Water Group Ltd	HK	Financials	Governance: Board Composition & Independence; Overboarding; Transparency; ESG Oversight; Executive Compensation
BHP Group PLC	GB	Industrials	Social: Human Rights; Shareholder Proposal: Cultural Heritage
BioNTech SE	DE	Health Care	Governance: Board Composition; Board Independence; Overboarding; Transparency; Executive Compensation; Auditor
Bayerische Motoren Werke AG	DE	Financials	Governance: Board Composition; Overboarding; Executive Compensation
BOC Hong Kong Holdings Ltd	HK	Industrials	Governance: Board Composition&Independence; Overboarding; Transparency; ESG Oversight;Executive Compensation
Boliden AB	SE	Health Care	Social: Employee Satisfaction; Health and Safety; Environment: Water; Governance: Overboarding; ESG Oversight; Auditor

Company	Country	Sector	Key Areas of Engagement
boohoo Group PLC (x2)	GB	Consumer Discretionary	Governance: ESG Oversight; Executive Compensation; Social: Labor Rights; Social: Supply Chain/Contractors
Booking Holdings Inc	US	Consumer Discretionary	Governance: Executive Compensation; Shareholder Rights/Proposals; Disclosure in line with TCFD/SASB/SDGs
Boozt AB	SE	Consumer Discretionary	Social: Employee Satisfaction; Labor Rights; Health and Safety; Supply Chain/Contractors; Governance: ESG Oversight
Bouygues SA (x2)	FR	Industrials	Governance: Executive Compensation
BPER Banca	IT	Financials	Environment: Climate Change; Social: Diversity; Governance: Board Composition; ESG Oversight
Canadian Imperial Bank of Commerce	CA	Financials	Governance: Overboarding
Canadian Natural Resources Ltd	CA	Energy	Environment: Environmental Footprint of products
Cargill Inc	US	Industrials	Social: Labor Rights; Child Labor; Human Rights; Supply Chain/Contractors; Environment: Climate Change; Water
Carnival Corp	US	Consumer Discretionary	Financial Liquidity
Carrefour SA	FR	Consumer Staples	Governance: Board Composition; Board Independence; ESG Oversight; Executive Compensation; Strategy
Caterpillar Inc	US	Industrials	Governance: Dividend Policy; M&A; Operations & Performance; Strategy; Capital Structure
Cellnex Telecom SA	ES	Communication Services	Social: Employee Satisfaction; Health and Safety; Environment: Climate Change; Governance: Transparency; ESG Oversight
CF Industries Holdings Inc	US	Materials	Environment: Climate Change
Check Point Software Technologies Ltd	IL	Information Technology	Social: Labor Rights; Child Labor; Supply Chain/Contractors; Governance: Board Independence; ESG Oversight; SDGs
Cheniere Energy Inc	US	Oil & Gas Storage & Transportation	Governance: Executive Compensation
CHEVRON USA INC. (CVX)	US	Energy	Environment: Environmental Footprint of products
China Resources Cement Holdings Ltd	HK	Building Materials	Governance: Board Composition; Board Independence; Overboarding; ESG Oversight; Executive Compensation
Chipotle Mexican Grill Inc	US	Consumer Discretionary	Governance: Oversight of ESG and sustainability; Environment: Climate Change; Water
CLP Holdings Ltd	HK	Utilities	Environment: Climate Change; Governance: Board Independence; Overboarding; Combined CEO/Chair
CNH Industrial NV	GB	Industrials	Covid-19; Social: Health and Safety; Supply Chain; Environment: Environmental Footprint of products; Governance
Coeur Mining Inc	US	Mining	Governance: Board Independence; Overboarding; Executive Compensation; Social: Health and Safety
Coloplast AS (x2)	DK	Health Care	Social: Health and Safety; Governance: Board Independence; Impact Reporting (SDGs); Environment: Climate Change
Commerzbank AG	DE	Banking	Governance: Board Composition; Board Independence; Overboarding; Refreshment; Executive Compensation
CommVault Systems Inc	US	Information Technology	Governance: Board Structure; Social: Data Privacy
Cie de Saint-Gobain	FR	Industrials	Governance: ESG Oversight
Cie de Saint-Gobain	FR	Building Materials	Social: Product/Service Safety; Governance: ESG Oversight
Cie Financiere Richemont SA	CH	Consumer Discretionary	Governance: Board Independence; Overboarding; Succession Planning/Refreshment; Executive Compensation
Compass Group PLC (x3)	GB	Consumer Discretionary	Governance: Executive Compensation
CompuGroup Medical SE Co KgaA (x3)	DE	Health Care	Governance: Board Independence; Overboarding; Strategy; Capital Structure; Shareholder Rights/Proposals
Concho Resources Inc	US	Oil&Gas	Environment: Climate Change; Governance: Board Composition; Executive Compensation
Conduent Inc	US	Information Technology	Governance: Executive Compensation; Social: Human Capital; Data privacy
Construcciones y Auxiliar de Ferrocarriles SA	ES	Industrials	Social: Supply Chain/Contractors; Governance: Board Independence; Combined CEO/Chair; ESG Oversight; Strategy
Corteva Inc	US	Materials	Social: Product Safety; Environment: Climate Change, Water; Governance: Executive Compensation; Risk Management
COSCO SHIPPING Ports Ltd	HK	Industrials	Governance: Board Independence; Overboarding; Transparency; ESG Oversight; Executive Compensation; Auditor

Company	Country	Sector	Key Areas of Engagement
Coty Inc	US	Consumer Staples	Governance: Executive Compensation, Diversity
Covanta Holding Corp	US	Industrials	Governance: Board Independence; Overboarding; Executive Compensation; Environment: Climate Change
Covestro AG	DE	Materials	Governance: Board Composition; Overboarding; Executive Compensation; Capital Structure
Credit Agricole SA	FR	Banking	Governance: Board Independence; Succession Planning/Refreshment; Executive Compensation; ESG Oversight
CSPC Pharmaceutical Group Ltd	CN	Pharmaceuticals	Governance: Board Independence; Overboarding; Transparency; ESG Oversight; Executive Compensation
CVS Health Corp	US	Health Care	Governance: Executive Compensation; Social: Diversity and Inclusion
DR Horton Inc	US	Consumer Discretionary	Environment: Environmental Footprint; Green innovation; Governance: Board Independence; Executive Compensation
Daimler AG (x2)	DE	Consumer Discretionary	Governance: Overboarding; Succession Planning/Refreshment; Operations & Performance; Capital Structure; Auditor
Daimler International Finance BV	NL	Automotive	Environment: Environmental Footprint of production process and products; Green innovation
Danaher Corp	US	Health Care	Governance: Board Independence; Risk Management
Danone SA	FR	Consumer Staples	Governance: Board Independence; Executive Compensation; Strategy; Auditor
DANSKE BANK A/S (DANBNK)	DK	Banking	Governance: Business Ethics (Money Laundering/Bribery/Corruption etc)
Darling Ingredients Inc	US	Consumer Staples	Environment: Climate Change; Governance: Combined CEO/Chair; ESG Oversight; Executive Compensation
Dassault Aviation SA	FR	Aerospace/Defense	Social: Employee Satisfaction; Environment: Climate Change; Governance: Board Independence; Transparency
DaVita Inc	US	Health Care	Governance: Executive Compensation
Delivery Hero SE	DE	Consumer Discretionary	Governance: Capital Structure
Detsky Mir PJSC	RU	Consumer Discretionary	Governance: Board Independence; ESG Oversight
Deutsche Boerse AG (x3)	DE	Financials	Governance: Board Composition; Executive Compensation; M&A
Deutsche Lufthansa AG	DE	Industrials	Governance: Board Composition
Deutsche Pfandbriefbank AG (x4)	DE	Financials	Governance: Board Composition; Board Independence; Overboarding; Executive Compensation
Deutsche Post AG (x2)	DE	Industrials	Social: Human Rights; Governance: Board Composition; Board Independence; Overboarding; Executive Compensation
Deutsche Telekom AG (x5)	DE	Communication Services	Governance: Board Composition
Discover Financial Services	US	Financials	Governance: Board Independence, Executive Compensation; Social: Human Capital, Diversity
Dollar General Corp	US	Consumer Discretionary	Environment: Climate Change
Dollarama Inc	CA	Consumer Discretionary	Governance: Board Independence
Dominion Energy Inc (x2)	US	Utilities	Environment: Environmental Footprint of production process; Water; Governance: Combined CEO/Chair
Dover Corp (x2)	US	Industrials	Governance: Executive Compensation
DTE Energy Co	US	Utilities	Governance: Disclosure of political contributions; Social: Health and safety; Environment: Climate
EON SE (x4)	DE	Utilities	Social: Health and Safety; Environment: Climate Change; Governance: Overboarding; ESG Oversight; Capital Structure
ESun Financial Holding Co Ltd	TW	Diversified Finan Serv	Governance: Transparency; Executive Compensation
Ecolab Inc	US	Materials	Governance: Overboarding; Executive Compensation; Social: Product/Service Safety; Environment: Climate Change; Water
EDP - Energias de Portugal SA	PT	Utilities	Governance: Impact Reporting (Sustainable Development Goals); Business Ethics
eDreams ODIGEO SA	LU	Consumer Discretionary	Financial Liquidity
Enagas SA	ES	Utilities	Governance: Board Composition; Executive Compensation; Disclosure in line with TCFD/SASB/EU Taxonomy/ SDGs

Company	Country	Sector	Key Areas of Engagement
Enbridge Inc (x2)	CA	Energy	Social: Human Rights; Environment: Climate Change
Enel SpA	IT	Utilities	Governance: Board Composition; Executive Compensation; Lobbying Disclosure; Environment: Climate Change
Eni SpA (x2)	IT	Oil&Gas	Governance: Executive Compensation
ENN Energy Holdings Ltd	CN	Natural Gas	Governance: Board Independence; Overboarding; Social: Health & Safety; Environment: Climate Change
Epiroc AB	SE	Industrials	Governance: ESG Oversight; Impact Reporting (SDGs); Social: Employee Satisfaction; Diversity; Environment: Climate Change
Equinix Inc	US	Real Estate	Governance: Board Independence; Impact Reporting; Social: Human Rights; Diversity; Environment: Climate Change
Equinor ASA	NO	Energy	Governance: Executive Compensation; Impact Reporting
ESSITY AB PUBL	SE	Consumer Staples	Governance: Overboarding; Executive Compensation; Impact Reporting (Sustainable Development Goals)
European Investment Bank	LU	Supranational	Environment: Green/ Sustainable Bond Framework
Evercore Inc	US	Financials	Governance: Executive Compensation
Evergy Kansas Central Inc	US	Utilities	Governance: Board Independence; Overboarding; Environment: Climate Change
Farmland Partners Inc	US	Real Estate	Governance: Board Diversity
FBL Financial Group Inc	US	Financials	Governance: Board Diversity
Ferrari NV	IT	Auto Manufacturers	Governance: Overboarding; Executive Compensation; Environment: Environmental Footprint of products
FirstEnergy Corp	US	Utilities	Governance: Board Independence; Overboarding; Executive Compensation; Environment: Climate Change
Freeport-McMoRan Inc	US	Metals	Social: Human Rights, Health and Safety; Environment: Environment impact
Fresenius SE Co KGaA	DE	Health Care	Governance: Board Composition; Overboarding; Succession Planning/ Refreshment; Executive Compensation
Frigoglass Finance BV	GB	Industrials	Social: Labor Rights; Product/Service Safety; Talent management; Child Labor; Governance: Strategy; Business Ethics
Fubon Financial Holding Co Ltd	TW	Diversified Finan Serv	Governance: Board Composition; Board Independence; Overboarding; Transparency; Executive Compensation
GAMENET	IT	Consumer Discretionary	Financial Liquidity
Gazprom PJSC (x2)	RU	Oil&Gas	Governance: Board Composition; Board Independence; ESG Oversight; Auditor; Environment: Climate Change
Gecina SA	FR	Real Estate	Governance: Executive Compensation; Impact Reporting (Sustainable Development Goals); Board Committees
General Dynamics Corp (x2)	US	Aerospace/Defense	Environment: Climate Change; Social: Data security and consumer privacy
Genie Energy Ltd	US	Utilities	Governance: Board Composition; Social:Society Relations; Environment: Environmental Footprint of production process
Genmab AS	DK	Biotechnology	Governance: Overboarding; Executive Compensation; Shareholder Rights/ Proposals; Disclosure in line with TCFD/SASB
Gilead Sciences Inc	US	Health Care	Governance: Board Structure; Social: Human Capital
Gjensidige Forsikring ASA	NO	Financials	Governance: ESG Oversight; Voting; Social: Health and Safety; Society Relations; Environment: Climate Change
Grifols SA	ES	Health Care	Governance: Board Composition; Transparency; Executive Compensation
Grupo Catalana Occidente SA	ES	Financials	Governance: Board Independence; Transparency
GVC Holdings PLC	IM	Consumer Discretionary	Governance: Overboarding; Executive Compensation; Social: Health and Safety
Hana Financial Group Inc	KR	Diversified Finan Serv	Governance: Transparency; ESG Oversight; Executive Compensation; Auditor
Hang Lung Properties Ltd	HK	Real Estate	Governance:Board Independence; Transparency; ESG Oversight; Succession Planning; Executive Compensation; Auditor
Hera SpA (x2)	IT	Utilities	Governance: Executive Compensation; Operations & Performance; Impact Reporting (Sustainable Development Goals)
Hexagon AB (x2)	SE	Information Technology	Governance: Board Independence; ESG Oversight; Environment: Environmental Footprint of production process

Company	Country	Sector	Key Areas of Engagement
Home Depot IncThe	US	Consumer Discretionary	Governance: Executive Compensation
Hon Hai Precision Industry Co Ltd	TW	Information Technology	Governance: Board Composition; Overboarding; Transparency; Combined CEO/Chair; Social: Labor Rights
Honeywell International Inc (x2)	US	Industrials	Governance: Strategy; Business Ethics; Social: Product/Service Safety Nuclear Weapon Production
Hong Kong China Gas Co Ltd	HK	Gas	Governance: Board Composition & Independence; Overboarding; Succession Planning; Executive Compensation; Auditor
Hong Kong Exchanges Clearing Ltd	HK	Diversified Finan Serv	Governance: Board Independence; Transparency; ESG Oversight; Succession Planning; Executive Compensation; Auditor
Hongkong Land Holdings Ltd	BM	Real Estate	Governance: Board Independence; Overboarding; Transparency; Executive Compensation; Environment: Green innovation
HP Inc	US	Information Technology	Governance: Board Composition; Board Independence; Executive Compensation; Shareholder Rights/Proposals
Adler Pelzer Holding GmbH	DE	Automotive	Governance: Transparency; Auditor
Huntington Bancshares IncOH	US	Banking	Social: Diversity; Environment: Reporting
Hurtigruten Group AS	GB	Consumer Discretionary	Financial Liquidity
Iberdrola SA (x2)	ES	Utilities	Governance: Board Composition; Executive Compensation; Others: AGM Preparation
Imperial Brands PLC (x2)	GB	Consumer Staples	Governance: ESG Oversight; Executive Compensation; Social: Child Labor; Social: Supply Chain/Contractors; Biodiversity
ING Groep NV	NL	Financials	Governance: Business Ethics (Money Laundering/Bribery/Corruption etc);
Traffic Systems SE	DE	Information Technology	Governance: Board Independence; Auditor; Social: Employee Satisfaction
Intel Corp (x2)	US	Information Technology	Governance: Executive Compensation; Social:Median Pay Gap
Intelligent Systems Corp	US	Information Technology	Governance: Board Diversity
Itron Inc	US	Information Technology	Governance: ESG Oversight; Social: Health and Safety; Environment: Climate Change; Environmental Footprint of products
Japan Tobacco Inc	JP	Consumer Staples	Governance: Board Independence; Business Ethics; Social: Child Labor; Human Rights; Environment: Water
JD Sports Fashion PLC	GB	Consumer Discretionary	Governance: Combined CEO/Chair; Executive Compensation; Shareholder Rights/Proposals
Jenoptik AG (x2)	DE	Information Technology	Governance: ESG Oversight; Executive Compensation; Environment: Climate Change
Jerónimo Martins SGPS SA	PT	Consumer Staples	Governance: Impact Reporting (Sustainable Development Goals)
JM AB (x2)	SE	Consumer Discretionary	Governance: ESG Oversight; Executive Compensation; Strategy; Impact Reporting (Sustainable Development Goals)
John Laing Group PLC	GB	Industrials	Social: Employee Satisfaction; Diversity; Environment: Environmental Footprint; Governance: ESG Oversight
JPMorgan Chase Co	US	Financials	Governance: Board Independence; Overboarding; Combined CEO/Chair; Succession Planning/Refreshment;
KS AG (x2)	DE	Materials	Governance: Executive Compensation
Kansai Electric Power Co IncThe	JP	Utilities	Governance: Executive Compensation; Business Ethics; Social: Health and Safety;
Kapla Holding SAS	FR	Industrials	Environment: Environmental Footprint of production process; Green innovation
Karnov Group AB	SE	Communication Services	Governance: ESG Oversight; Executive Compensation; Social: Employee Satisfaction; Environment: Environmental Footprint
KBC Group NV	BE	Financials	Governance: Board Independence; Impact Reporting (Sustainable Development Goals); Auditor
KOC Holding AS	TR	Industrials	Governance: Overboarding; Transparency; Executive Compensation; Auditor
Kone Oyj	FI	Industrials	Governance: Board Independence; Overboarding; Executive Compensation
Koninklijke KPN NV (x2)	NL	Communication Services	Governance: Succession Planning/Refreshment; Executive Compensation
Koninklijke Philips NV	NL	Health Care	Governance: Executive Compensation; Strategy; ESG strategy
Korea Electric Power Corp	KR	Utilities	Governance: Board Composition; Transparency; Executive Compensation; Auditor; Environment: Climate Change



Company	Country	Sector	Key Areas of Engagement
Kyushu Railway Co (x2)	JP	Industrials	Governance: Board Composition; Shareholder Rights/Proposals; Disclosure in line with TCFD/SASB/EU Taxonomy/ SDGs
Laboratory Corp of America Holdings	US	Health Care	Governance: Executive Compensation; Social: Human Capital; Data privacy
Lagardere SCA	FR	Communication Services	Governance: Operations & Performance; Strategy
Land Houses PCL	TH	Real Estate	Governance: Board Independence; Overboarding; Transparency; Succession Planning; Executive Compensation; Auditor
LandisGyr Group AG	CH	Industrials	Governance: Board Composition
LANXESS AG (x3)	DE	Materials	Governance: Executive Compensation
Laredo Petroleum Inc	US	Oil & Gas Exploration & Production	Governance: Executive Compensation
Leoni AG	DE	Consumer Discretionary	Governance: Board Composition; Operations & Performance; Risk Management; Capital Structure
LHMC Finco 2 Sarl	LU	Consumer Discretionary	Governance: Capital Structure; Liquidity
Liberbank SA	ES	Banking	Social: Product/Service Safety; Environment: Climate Change; Governance: Transparency; ESG Oversight
Lockheed Martin Corp	US	Aerospace/Defense	Social: Diversity and Inclusion; Environment: Climate Change
Lockheed Martin Corp	US	Aerospace/Defense	Governance: Strategy; Business Ethics; Social: Product/Service Safety; Diversity and Inclusion; Environment: Sustainability
Logitech International SA	CH	Information Technology	Governance: Executive Compensation; COVID-19 Updates
Lonza Group AG	CH	Health Care	Governance: Board Composition; Overboarding; Succession Planning/Refreshment; Executive Compensation
Mack-Cali Realty Corp	US	Real Estate	Governance: Board Composition
Marathon Petroleum Corp (x2)	US	Oil & Gas Refining & Marketing	Environment: Climate; Social: Human Rights
Martin Marietta Materials Inc	US	Building Materials	Governance: Board Independence; Combined CEO/Chair
Masmovil Ibercom SA (x2)	ES	Communication Services	Governance: Board Independence; Transparency; ESG Oversight; Executive Compensation; M&A; Strategy
McDonalds Corp	US	Consumer Discretionary	Governance: Executive Compensation; Board Composition; Environment: Climate
McKesson Corp	US	Pharmaceuticals	Governance: Executive Compensation; Social: Disclosure of political contributions
MediaTek Inc	TW	Information Technology	Governance: Board Independence; Succession Planning/Refreshment; Executive Compensation; Disclosure
Merck KGaA	DE	Pharmaceuticals	Governance: Executive Compensation
METRO AG (x2)	DE	Consumer Discretionary	Governance: Strategy
Metro Pacific Investments Corp	PH	Financials	Governance: Board Independence; Overboarding; Transparency; ESG Oversight; Executive Compensation
Neles Oyj	FI	Industrials	Governance: Executive Compensation; Auditor; Social: Health and Safety
MISUMI Group Inc	JP	Industrials	Governance: Board Independence; ESG Oversight; Disclosure in line with TCFD/SASB/EU Taxonomy/ SDGs
Mitsubishi Corp	JP	Industrials	Governance: Board Independence; Executive Compensation; Disclosure in line with TCFD/SASB; Social: Supply Chain
MMC Norilsk Nickel PJSC (x2)	RU	Mining	Environment: Hazardous Waste/Toxic Emissions
Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen (x3)	DE	Financials	Environment: Green innovation; New Green Bond Tier2 debt issue Governance: Executive Compensation; Capital Structure
National Beverage Corp	US	Consumer Staples	Governance: Board Diversity; Environment: Climate Transition Risk
NBN CO LTD (NBNAUS)	#N/A	Telecommunications	Governance: Transparency; Dividend Policy; Capital Structure; Business Ethics; Social: Client relationships
NEL ASA	NO	Energy	Governance: Overboarding; Transparency; Executive Compensation; Impact Reporting (Sustainable Development Goals)
Neles Oyj	FI	Industrials	Governance: Executive Compensation; Auditor; Social: Product/Service Safety; Supply Chain; Environment: Green innovation
Nestle SA	CH	Consumer Staples	Governance: ESG Oversight

Company	Country	Sector	Key Areas of Engagement
Neurocrine Biosciences Inc	US	Health Care	Governance: Board Independence; Overboarding; Executive Compensation; Disclosure in line with SDGs
NextEra Energy Inc (x2)	US	Utilities	Governance: Board Independence, Lobbying Disclosures related to political contributions
NH Hotel Group SA	ES	Consumer Discretionary	Governance: Capital Structure; Financial Liquidity
Nippon Steel Corp	JP	Materials	Governance: Board Independence; Transparency; Executive Compensation; Social: Supply Chain; Environment: Water
Nordex SE (x3)	DE	Industrials	Governance: Capital Structure
Northrop Grumman Corp	US	Industrials	Governance: Strategy; Business Ethics (Money Laundering/Bribery/Corruption etc); Social: Product/Service Safety
Novartis AG (x5)	CH	Health Care	Governance: Board Composition; ESG Oversight; Executive Compensation; Social: Health and Safety; Supply Chain
Novatek PJSC	RU	Oil&Gas	Governance: Board Independence; Disclosure in line with TCFD/SASB/EU Taxonomy/ SDGs
Novo Nordisk AS	DK	Health Care	Governance: Board Composition; Impact Reporting (Sustainable Development Goals); Auditor
Oesterreichische Post AG	AT	Industrials	Governance: Board Composition
Omnicom Group Inc	US	Communication Services	Governance: Board Composition; Board Independence; Combined CEO/Chair; Executive Compensation
ONEOK Inc	US	Oil&Gas	Governance: Board Independence; Executive Compensation; Environment: Climate Change
Ontex Group NV	BE	Consumer Discretionary	Governance: Overboarding; Executive Compensation
Oracle Corp	US	Information Technology	Governance: Executive Compensation
Orkla ASA	NO	Consumer Staples	Governance: Board Composition; Board Independence; Overboarding
Pembina Pipeline Corp	CA	Energy	Environment: Environmental Footprint of production process and products
PepsiCo Inc	US	Consumer Staples	Social: Health and safety; Governance: Board Refreshment, Executive Compensation
Per Aarsleff Holding AS	DK	Industrials	Governance: Board Composition; ESG Oversight; Executive Compensation; Auditor; Environment: Climate Change
Perusahaan Perseroan Persero PT Perusahaan Listrik Negara	ID	Utilities	Governance: ESG Oversight; Executive Compensation; Environment: Environmental Footprint of production process
PetroChina Co Ltd (x2)	CN	Oil&Gas	Governance: Board Composition; Overboarding; ESG Oversight; Auditor; Environment: Climate Change
Petroleo Brasileiro SA (x2)	BR	Energy	Governance: ESG Oversight; Executive Compensation; Environment: Climate; Specifically net zero/science-based targets
Petroleos Mexicanos	MX	Integrated Oil & Gas	Environment: Climate Change; Hazardous Waste/Emissions; Footprint of production & products; Social: Health and Safety
Pfizer Inc	US	Health Care	Governance: Board Independence; Overboarding; Lobbying Disclosure
Phillips 66 (x2)	US	Oil & Gas Refining & Marketing	Environment: Sustainability
Power Assets Holdings Ltd	HK	Utilities	Governance: Board Composition; Board Independence; ESG Oversight; Succession Planning; Executive Compensation
PRINCESS PRIVATE EQUITY HOLDING LTD	GG	Financials	Governance: Overboarding
ProSiebenSat1 Media SE	DE	Communication Services	Governance: Succession Planning/Refreshment; Operations & Performance
Regions Financial Corp	US	Banking	Governance: Practices and disclosures; Social: Human Capital; Diversity
Repsol SA	ES	Oil&Gas	Social: Human Rights; Environment: Climate Change
Restaurant Brands International Inc	CA	Consumer Discretionary	Environment: Climate Change; Social: Human Capital, Diversity
Rexel SA (x2)	FR	Industrials	Governance: Board Composition; Disclosure in line with TCFD/SASB, etc.; Environment: Green innovation
Rosneft Oil Co PJSC	RU	Oil&Gas	Governance: Board Independence; Social: Health and Safety; Supply Chain/Contractors; Environment: Climate Change
Royal Dutch Shell PLC	NL	Energy	Governance: ESG Oversight; Disclosure in line with TCFD/SASB/EU Taxonomy/ SDGs; Environment: Climate Change
RWE AG (x2)	DE	Utilities	Governance: Board Composition; Overboarding; Executive Compensation; Capital Structure; Environment: Climate Change



Company	Country	Sector	Key Areas of Engagement
Sacyr SA	ES	Industrials	Governance: Board Independence; ESG Oversight; Succession Planning; Disclosure in line with TCFD/SASB, etc.
SAFARI VERWALTUNGS GMBH (LPLAYG)	#N/A	Consumer Discretionary	Financial Liquidity
Sampo Oyj	FI	Financials	Governance: Auditor; Social: Product Safety; Diversity; Environment: Climate Change; Green innovation
Samsung SDI Co Ltd	KR	Telecommunications	Governance: Board Composition; Combined CEO/Chair; ESG Oversight; Executive Compensation; Dividend Policy
Sanofi	FR	Health Care	Governance: Board Composition; Executive Compensation; Auditor; Social: Product/Service Safety
SAP SE (x3)	DE	Information Technology	Governance: Board Composition; Board Independence; Overboarding; Succession Planning; Executive Compensation
Sberbank of Russia PJSC	RU	Financials	Governance: Board Independence; Transparency; Succession Planning; Executive Compensation; Impact Reporting (SDGs)
Scandinavian Tobacco Group AS	DK	Consumer Staples	Governance: Overboarding; ESG Oversight; Auditor; Disclosure in line with TCFD/SASB/EU Taxonomy/ SDGs
Scatec Solar ASA	NO	Utilities	Governance: Overboarding; Executive Compensation; Disclosure in line with TCFD/SASB/EU Taxonomy/ SDGs
Scout24 AG (x2)	DE	Communication Services	Governance: Board related, Executive Compensation; Capital management
Sekisui House Ltd	JP	Consumer Discretionary	Governance: Board Independence; Executive Compensation; Shareholder Rights/Proposals
Sempra Energy	US	Natural Gas	Environment: Climate Change
Severstal PAO	RU	Materials	Environment: Footprint of production; Governance: Transparency; Exec.Compensation; Auditor; Social: Health and Safety
SFC Energy AG	DE	Industrials	Governance: Board Composition
Shimao Group Holdings Ltd	HK	Real Estate	Governance: Board Composition; Board Independence; Transparency; Succession Planning/Refreshment; Auditor
Shop Apotheke Europe NV	NL	Consumer Discretionary	Governance: Executive Compensation; Social: Product/Service Safety; Environment: Footprint of production process
Siemens AG	DE	Industrials	Governance: Board Composition; Overboarding; Succession Planning/Refreshment; Auditor
Siemens Energy AG	DE	Industrials	Governance: Board Composition; Board Independence; Overboarding; Succession Planning; Executive Compensation
Siemens Healthineers AG (x4)	DE	Health Care	Governance: Board Composition; Executive Compensation; Transparency; Disclosure in line with TCFD/SASB, etc.
Siltronic AG (x2)	DE	Information Technology	Governance: Executive Compensation
SimCorp AS	DK	Information Technology	Governance: Impact Reporting (SDGs); Business Ethics; Social: Labor Rights; Environment: Footprint of production process
Sinclair Broadcast Group Inc	US	Communication Services	Governance: Board Diversity
Sino Land Co Ltd	HK	Real Estate	Governance: Board Composition; Board Independence; Overboarding; Succession Planning; Executive Compensation
SinoPac Financial Holdings Co Ltd	TW	Diversified Finan Serv	Governance: Board Composition; Board Independence; Transparency; Executive Compensation; Auditor
Sinopharm Group Co Ltd	CN	Health Care	Governance: Board Composition; Board Independence; Overboarding; Succession Planning; Executive Compensation
Sixt SE (x3)	DE	Industrials	Governance: Board Composition; Board Independence; Transparency; Capital Structure
SK Hynix Inc	KR	Information Technology	Governance: Board Composition; Board Independence; Executive Compensation; Dividend Policy
Skanska AB	SE	Industrials	Environment: Climate Change; Footprint of products; Green innovation; Social: HR Efficiency/ Social climate; Diversity;
SM Investments Corp	PH	Consumer Discretionary	Governance: Board Composition; Board Independence; Overboarding; ESG Oversight; Executive Compensation
Snam SpA	IT	Utilities	Governance: Executive Compensation; ESG Oversight; Auditor
SoftBank Group Corp	JP	Telecommunications	Governance: Board Independence; Transparency; Auditor; Disclosure in line with TCFD/SASB/EU Taxonomy/ SDGs;
Spectrum Pharmaceuticals Inc	US	Pharmaceuticals	Environment: Climate Change
Stillfront Group AB	SE	Communication Services	Governance: Disclosure in line with TCFD/SASB/ SDGs; Social: Health and Safety; Environment: Climate Change

Company	Country	Sector	Key Areas of Engagement
Stora Enso Oyj	FI	Materials	Governance: Board Composition; Succession Planning; Impact Reporting (SDGs); Environment: Climate Change
Stroeer SE Co KGaA	DE	Communication Services	Governance: Board Composition; Succession Planning; Capital Structure; Auditor; Social: Client relationships
Subaru Corp	JP	Auto Manufacturers	Governance: Board Independence; Environment: Climate Change; Footprint of production process; Footprint of products
Sumitomo Mitsui Financial Group Inc	JP	Banking	Governance: Board Independence; Social: Supply Chain/Contractors
Sun Hung Kai Properties Ltd	HK	Real Estate	Governance: Board Composition; Board Independence; ESG Oversight; Executive Compensation; Auditor
Sunrun Inc	US	Industrials	Governance: Board Composition
Swedbank AB	SE	Financials	Governance: Dividend Policy; Business Ethics (Money Laundering/ Bribery/Corruption etc)
Swire Properties Ltd	HK	Real Estate	Governance: Board Composition; Board Independence; Transparency; Executive Compensation
Swiss Re AG (x2)	CH	Insurance	Governance: Board Composition; Succession Planning/ Refreshment; Executive Compensation
Symrise AG (x2)	DE	Materials	Governance: Board Composition; Board Independence; Overboarding; Transparency; Executive Compensation; Auditor
Synopsys Inc	US	Information Technology	Governance: Board Composition and Diversity
T-Mobile US Inc	US	Communication Services	Governance: Board Composition and Diversity; Social: Human Capital
Takko Luxembourg 2 SCA	LU	Consumer Discretionary	Governance: Board Independence; Capital Structure; Shareholder Rights/Proposals
TeamViewer AG (x2)	DE	Information Technology	Governance: Board Composition
Techtronic Industries Co Ltd	HK	Industrials	Governance: Board Composition; Board Independence; ESG Oversight; Succession Planning; Executive Compensation
Tele Columbus AG	DE	Communication Services	Governance: Operations & Performance; Strategy
Teleperformance	FR	Industrials	Social: Employee Satisfaction; Social: Labor Rights
thyssenkrupp AG (x3)	DE	Materials	Governance: Board Composition, Executive Compensation; Environment: Footprint of production process
Tokyo Electric Power Co Holdings Inc	JP	Utilities	Environment: Water; Hazardous Waste/Toxic Emissions; Governance: Board Composition; Social: Labor Rights
Toronto-Dominion BankThe	CA	Financials	Environment: Climate Change
TOTAL SA	FR	Energy	Governance: Shareholder Rights/Proposals; Environment: Climate Change
TransCanada PipeLines Ltd	CA	Energy	Environment: Environmental Footprint of production process and products
Trend Micro IncJapan	JP	Information Technology	Governance: Board Composition; Board Independence; Auditor; Disclosure in line with TCFD/SASB/EU Taxonomy/ SDGs
TUI AG	DE	Consumer Discretionary	Governance: Strategy
Tupras Turkiye Petrol Rafinerileri AS	TR	Energy	Governance: Board Composition; Overboarding; Impact Reporting (SDGs)
UBS AG (x2)	CH	Financials	Governance: Board Composition; Overboarding; Executive Compensation; Dividend Policy
UCB SA	BE	Pharmaceuticals	Governance: Executive Compensation; Impact Reporting (SDGs); Environment: Climate Change; Water
Ulta Salon Cosmetics Fragrance Inc	US	Consumer Discretionary	Governance: Overboarding; Executive Compensation; Environment: Climate Change; Footprint of production process
Unibail-Rodamco-Westfield SE (x2)	FR	Real Estate	Governance: Executive Compensation; COVID-19 Update
Unilever NV (x2)	NL	Consumer Staples	Environment: Resource consumption/ scarcity; Governance: Executive Compensation; Social: Health and Safety
Unipol Gruppo SpA	IT	Insurance	Governance: Executive Compensation
United Overseas Bank Ltd	SG	Banking	Governance: Board Composition; Overboarding; Disclosure in line with TCFD/SASB/EU Taxonomy/ SDGs
Universal Robina Corp	PH	Consumer Staples	Governance: Board Composition; Board Independence; ESG Oversight; Executive Compensation; Auditor
UOL Group Ltd	SG	Real Estate	Governance: Board Composition; ESG Oversight; Executive Compensation; Environment: Climate Change; Green innovation

Company	Country	Sector	Key Areas of Engagement
UPM-Kymmene Oyj	FI	Materials	Governance: Overboarding; Succession Planning; Impact Reporting (SDGs); Environment: Climate Change
Valero Energy Corp	US	Oil & Gas Refining & Marketing	Governance: Combined CEO/Chairperson; Environment: Climate Change
Valmet Oyj	FI	Industrials	Environment: Climate Change; Environmental Footprint of production process; Social: Human Rights; Supply Chain
Veolia Environnement SA	FR	Utilities	Governance: Overboarding; Compensation; Social: Labor Rights; Environment: Hazardous Waste/Toxic Emissions;
Verizon Communications Inc	US	Communication Services	Governance: Board Composition; Executive Compensation; Social: Client relationships (data security, etc.)
Vivendi SA	FR	Communication Services	Governance: Board Composition; Executive Compensation; Environment: Environmental Footprint of products
Vodafone Group PLC	GB	Telecommunications	Financial Liquidity
Volkswagen AG	DE	Consumer Discretionary	Social: Supply Chain/Contractors
VOLKSWAGEN INTERNATIONAL FIN NV (VW)	DE	Automotive	Environment: Environmental Footprint of production process and products; Green innovation
Volvo AB	SE	Auto Manufacturers	Governance: Overboarding; Executive Compensation; Impact Reporting (Sustainable Development Goals)
Wacker Chemie AG	DE	Materials	Governance: Transparency
Walmart Inc (x3)	US	Consumer Staples	Social: Talent Management; Labor rights; Employee Satisfaction; Human Rights; Health and Safety
WEC Energy Group Inc	US	Utilities	Governance: Board Independence; Overboarding; Executive Compensation; Disclosure in line with TCFD/SASB, etc
Weir Group PLCThe	GB	Industrials	Governance: Overboarding
Wells Fargo Co (x2)	US	Financials	Environment: Climate; Social: Diversity; Society Relations; Governance: Business Ethics
Wendys CoThe (x2)	US	Consumer Discretionary	Environment: Sustainability; Social: Human Capital, Diversity
Williams Cos IncThe	US	Pipelines	Governance: Executive Compensation; Shareholder Rights/Proposals; Environment: Climate Change
Wilmar International Ltd	SG	Consumer Staples	Governance: Board Independence; Overboarding; Auditor
Wirecard AG (x2)	DE	Information Technology	Governance: ESG Oversight; Operations & Performance; Auditor; Business Ethics
Wolters Kluwer NV	NL	Industrials	Governance: Executive Compensation
Yamana Gold Inc	CA	Mining	Governance: Board Independence; Overboarding; Auditor; Environment: Environmental Footprint of production process
Yara International ASA	NO	Materials	Governance: Overboarding; Executive Compensation; Auditor
Zalando SE (x2)	DE	Consumer Discretionary	Governance: Executive Compensation; Financial Liquidity
Zijin Mining Group Co Ltd	CN	Mining	Social: Labor Rights; Child Labor; Governance: Board Composition; Board Independence; Executive Compensation
ZOZO Inc	JP	Consumer Discretionary	Social: Labor Rights; Health and Safety; Environment: Green innovation; Governance: Board Independence;

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