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grundbesitz Fokus Deutschland

This financial product promotes environmental and social characteristics and is considered a product within the meaning of Article 8(1) of Regulation (EU) 2019/2088

No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

To achieve the investment objectives of the investment fund, environmental characteristics within the meaning of Article 8 of the Disclosure Regulation are also promoted. In particular, the investment fund considers environmental characteristics by selecting real estate to be acquired and to be sold or by managing the real estate assets. The company pursues the following environmental characteristics for the investment fund:

▪ Reduction of CO2 emissions

For the investment fund, the company aims to gradually reduce the CO2 emissions caused by the investment fund's properties to such an extent by 2050 that the real estate assets of the investment fund's portfolio - measured as a whole across all properties and their CO2 emissions - will be largely climate-neutral.

▪ Reduction of energy efficiency

At the same time, the energy intensity of the properties of the investment fund is to be reduced to the extent that this can be achieved by measures taken by the company and the energy consumption is not the responsibility of the tenant.

Investment strategy

The environmental characteristics to be promoted in the management of the investment fund are part of a number of characteristics, such as occupancy rate and portfolio diversification. The fulfillment of this characteristics is considered as necessary in order to achieve the investment objectives of the investment fund, namely to generate regular income based on incoming rents and interest as well as capital growth and a sustained positive annual return - with stable annual distributions - with as little fluctuation in value as possible.

The company aims to take suitable measures for the investment fund in order to achieve the environmental characteristics to be promoted and monitors these regularly as part of the due diligence process. The results of the due diligence are compared

with any objectives set by the investment fund and - where necessary - appropriate and required actions are derived.

Good governance practices of the investee companies invested in are assessed within the scope of the liquidity investments of the investment fund by excluding investments in shares and bonds issued by companies which have seriously violated the Principles of the United Nations Global Compact and the Guidelines of the Organization for Economic Cooperation and Development (OECD) for Multinational Enterprises

Proportion of investments

The financial product invests - in accordance with the legal regulations and the investment requirements - at least 51% of the investment fund's value in real estate. The entire respective real estate portfolio is aligned with the environmental characteristics to be promoted. The investment portfolio's part that is not invested in real estate falls under "Other investments" and mainly includes the investment fund's liquid assets. These are limited to a maximum of 49% of the investment fund.

Monitoring of environmental or social characteristics

The investment fund's managed real estate portfolio is reviewed at appropriate intervals, but at least once a year, with regard to the promoted environmental characteristics. The data obtained is recorded in a central IT system. Corresponding processes and guidelines have been established.

Methodologies

In managing the real estate portfolio of the investment fund and in selecting the investment properties to be acquired or sold, the company implements the following measures to measure how the promoted environmental characteristics are met:

- The CO2 emissions and energy consumption determined for the investment fund's properties are compared and evaluated with historical data and appropriate reference and comparison benchmarks.
- The results of the above-mentioned determination and assessment of CO2 emissions and energy consumptions of the investment fund's properties are used to identify risks and need for action on a property and portfolio level.

- Energy efficiency and CO2 emissions are taken into account in the investment decision when investing in real estate.
- The data of energy consumption of the real estate portfolio should be regularly recorded and analyzed. As a basis for modern energy management, automated and intelligent measuring systems for recording and transmitting consumption data, so-called smart meters, are increasingly being used.
- To identify, develop and implement energy saving potentials, active energy management systems should be implemented.
- The energy purchases for the real estate investment portfolio, which the company is responsible for and is able to control on behalf of the investment fund, should be made entirely by CO2-neutral supply contracts, for example, including the purchase of renewable energy sources in the form of green electricity and green gas.
- The company aims to conclude agreements with the tenants of the properties of the investment fund for the most efficient management of the respective property. These agreements may, for example, include an obligation on the part of the tenant to purchase CO2-neutral electricity or CO2-neutral gas and to provide energy consumption data.
- The company has also engaged third-party service providers, e.g., property managers, to manage the properties of the investment fund. When compensating these service providers, it will also be considered their contribution to the fulfillment of the environmental characteristics, for instance in the form of performance-related compensation components, insofar as this is economically justifiable and appropriate.
- In modernization or other construction measures in the real estate portfolio, efforts are made to have a positive effect on the energy consumption and CO2 emissions of the property, to the extent they are considered technically feasible and economically viable. In addition, the use of modern heating technologies, such as heat pumps instead of gas condensing boilers, is investigated, for example, in the context of new buildings (project developments).

Data sources and processing

The investment company regularly determines the average CO2 emissions (in kgCO2e/m²/year) and the energy intensity, measured on the basis of the average energy consumption (in kWh/m²/year) of the real estate portfolio of the investment fund. For this purpose, the actual energy consumption of the real estates is used on the basis of the invoices of the energy supply companies. The CO2 emissions allocated to energy consumption are calculated either on the basis of country- and usage type-specific emission factors published by the International Energy Agency (IEA) (location-based approach) or on the basis of specific emission factors, for example, on the basis of information available from energy supply contracts (market-based approach).

Limitations to methodologies and data

The determination to which extent the environmental characteristics are fulfilled depends on the availability of the necessary data, in particular on energy consumptions and in the form of energy performance certificates. At present, this information is not available in its entirety for all properties of the investment fund. For example, information based on European directives (such as energy certificates) is not available, or is only available in limited form, particularly outside Europe. The company intends to obtain this information for all properties of the investment fund and will take all appropriate measures to this end, insofar as this is permitted and reasonable from an economic point of view. The company also promotes the environmental characteristics of those properties of the investment fund for which the required data mentioned above are not available, independent of the availability of data and the resulting restrictions in the measurement of performance, since, for example, a large number of technical measures to promote the environmental characteristics, such as modernization measures for building services, can also be implemented without the knowledge of the aforementioned data.

Due Diligence

The environmental characteristics are an integral part of the investment decision process. As part of the real estate acquisition process, environmental characteristics and sustainability risks are recorded, evaluated and taken into account in the investment decision through due diligence. Criteria identified in this context can lead to the exclusion of the real estate investment or be controlled by the investment decision through appropriate measures.

After the acquisition of an asset, the company regularly monitors the environmental characteristics and sustainability risks identified in the due diligence process. The results of the due diligence are compared with any targets and - where necessary - appropriate action is taken.

Engagement policies

The Company has not adopted a participation policy due to the nature of its business and the investment strategy pursued by the Company.

Designated reference benchmark

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

DWS Grundbesitz GmbH

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

Date	Explanation of changes
1 August 2022	Initial disclosure according to Art. 10 of Regulation (EU) 2019/2088
1 January 2023	Amendments to the structure, content and depth of detail according to the specifications of Art. 26 – 36 of the Commission Delegated Regulation (EU) 2022/1288