Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Xtrackers MSCI Global Social Fairness Contributors UCITS ETF

Legal entity identifier: 254900OGLQZJKMKIV360

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	X **No**
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	X It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 25% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	X with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	X with a social objective
☐ It will make a minimum of **sustainable investments with a social objective: __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product specifically promotes, amongst others, the environmental characteristics of: a reduction in fossil fuel extraction; and the social characteristics of: a reduction in human and labour rights controversy occurrences, a reduction in controversial weapon production and a positive impact on the UN Sustainable Development Goals (“**SDGs**”).

In order to promote these characteristics, the financial product holds a portfolio of equity securities that comprises all, or a substantial number of, the securities comprised in the Reference Index. The Reference Index is designed to reflect the performance of the shares of companies that are associated with a positive contribution to the following SDGs: SDG 1, SDG 2, SDG 4, SDG 5, SDG 8 and SDG 10 (the “**Social Fairness SDGs**”) of the United Nations 2030 Agenda for Sustainable Development (the “**UN 2030 Agenda**”).

The Reference Index is based on the Parent Index (as defined below). Constituents of the Parent Index which are associated with a positive contribution to the Social Fairness SDGs, and which meet certain ESG criteria are eligible for inclusion in the Reference Index. Information on the 17 SDGs contained in the UN 2030 Agenda is available on: https://sdgs.un.org/.

ESG Exclusions

The Reference Index applies an ESG exclusion approach where all of the companies from the Parent Index which breach the following ESG standards, amongst others, are excluded:
• Are unrated by MSCI ESG Research;
• Are assigned an MSCI ESG Rating of ‘B’ and below;
• Have any tie to controversial weapons;
• Are classified by MSCI in their Business Involvement Screening Research as breaching certain thresholds in controversial activities, including, but not limited to: tobacco, conventional weapons, nuclear weapons, civilian firearms, thermal coal, adult entertainment, alcohol, gambling, genetically modified organisms, nuclear power, fossil fuel reserves ownership, fossil fuel extraction and oil sands, unconventional oil & gas extraction, and power generation;
• Fail to comply with the United Nations Global Compact principles;
• Have an MSCI ESG Controversies score of 0 or those with very severe controversies, or have an insufficient MSCI ESG Controversies score related to certain environmental controversies; and
• Are assessed by MSCI Impact Solutions’ SDG Alignment as ‘Misaligned’ or ‘Strongly Misaligned’ on their net alignment to any of the 17 SDGs.

Such exclusions comprise the requirements as laid out in Article 12(1)(a) to (g) of the Commission Delegated Regulation (EU) 2020/1818 ("PAB Exclusions").

The Reference Index uses company ratings and research provided by MSCI ESG Research. Information on MSCI’s ESG Research products is available on: https://www.msci.com/esg-investing. In particular, the following five components are utilised:

MSCI ESG Ratings
MSCI ESG Ratings provide research, data, analysis, and ratings of how well companies manage environmental, social and governance risks and opportunities. MSCI ESG Ratings provides an overall company ESG rating.

MSCI ESG Controversies

MSCI ESG Controversies provides assessments of controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services.

MSCI ESG Business Involvement Screening Research

MSCI ESG Business Involvement Screening Research (“BISR”) aims to enable institutional investors to manage ESG standards and restrictions.

MSCI Impact Solutions’ SDG Alignment

MSCI Impact Solutions’ SDG Alignment aims to provide a holistic view of companies’ net contribution, both positive and negative, towards addressing each of the 17 SDGs by analysing companies’ operations, products and services, policies, and practices.

MSCI Climate Change Metrics

MSCI Climate Change Metrics provides climate data & tools to support investors integrating climate risk & opportunities into their investment strategy and processes.

SDG Impact Selection

Constituents from the Parent Index which pass the ESG exclusions criteria outlined above are assessed by MSCI Impact Solutions' Sustainable Impact Metrics for their exposure to products and services which aim to contribute positively to the Social Fairness SDGs. Companies that meet a certain revenue threshold from business activities associated with the Social Fairness SDGs are selected ("**Social Fairness SDGs Aligned Business Activities**"). Such Social Fairness SDGs Aligned Business Activities may include, but are not limited to:
• Nutrition;
• Major Disease Treatment;
• Sanitation;
• Affordable Real Estate;
• Education;
• Contraceptives;
• Sustainable Agriculture;
• SME finance; and
• Connectivity.

SDG Thematic Selection

Constituents from the Parent Index which (i) pass the ESG exclusions criteria outlined above, but (ii) do not pass the SDG impact selection criteria outlined above, may however still be eligible for inclusion in the Reference Index if (iii) they pass certain SDG thematic selection criteria.

In order to assess constituents' exposure to the theme of helping promote growth, development, and safeguards for employees and communities, MSCI Limited (the "Index Administrator") defines a SDG management universe (the "SDG Management Universe"). The SDG Management Universe is constructed by using management scores of the following MSCI ESG Ratings' key issues: Labour Management, Human Capital Development, Supply Chain Labour Standards, Health & Safety, Community Relations, Controversial Sourcing, Access to Finance, Opportunities in Nutrition & Health, Workforce Diversity Oversight & Programs (the "Key Issue Management Scores"), in order to identify companies that have better management strategies geared towards promoting growth, development, and safeguards of key stakeholders relative to their sector peers.
The Workforce Diversity Oversight & Programs key issue management score is determined by combining two separate indicators - Workforce diversity oversight by management and Programs to increase workforce diversity. These are converted and combined to give a key issue score.

An average management score ("**AMS**") is calculated for all companies in the Parent Index using the relevant Key Issue Management Scores. Constituents which are not assessed on any relevant key issues or do not have exposure above a certain threshold to any relevant key issues are excluded from the SDG Management Universe. A sector-relative management score ("**SRMS**") is then calculated for each company by dividing its AMS by the AMS of the highest scoring company in its Global Industry Classification Standard ("**GICS**") Sector. All companies belonging to GICS Sectors where the AMS of the highest scoring company does not meet a minimum AMS are excluded from the calculation of SRMS. To be eligible for inclusion in the SDG Management Universe, securities must meet a certain SRMS threshold.

Constituents that do not have any revenue that contributes to Social Fairness SDGs and constituents that do not reach a certain threshold on any of the relevant Key Issue Management Scores are excluded from the eligible universe.

Selection and Weighting

The Reference Index excludes securities from the Parent Index, which would otherwise have passed the exclusion and selection criteria outlined above, which are traded on certain local exchanges in a select number of emerging market countries in order to aid replication of the Reference Index and the tradability of eligible securities.

Securities in the Reference Index are weighted according to the following rules:
• Securities which pass the ESG exclusions criteria and the SDG impact selection criteria are weighted

by the product of their percentage of revenue exposure from Social Fairness SDGs Aligned Business Activities and their free float-adjusted market capitalisation. Such securities will then have their weighting in the Reference Index scaled to 50%.
• Securities which pass the ESG exclusions criteria and the SDG thematic selection criteria are weighted according to their free float-adjusted market capitalisation. Such securities will then have their weighting in the Reference Index scaled to 50%.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

• **Exposure to Very Severe Controversies:** The percentage of the financial product’s portfolio's market value exposed to companies facing one or more Very Severe controversies related to the environment, customers, human rights, labour rights and governance as determined by MSCI, including violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.
• **Exposure to Worst-in-Class issuers:** The percentage of the financial product’s portfolio's market value exposed to companies with a rating of “CCC” as determined by MSCI.
• **Controversial Weapons Involvement:** The percentage of the financial product’s portfolio's market value exposed to companies with ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments as determined by MSCI.
• **SDG Impact Rating:** The financial product’s portfolio’s median score of each company’s overall impact on the SDGs, based on the sum of the companies’ highest positive and lowest negative SDG impact rating on a scale of -10 (significant negative impact) to 10 (significant positive impact), as measured by either MSCI or ISS ESG. Details on the provider used are available upon request.
• **Exposure to Fossil Fuels:** The percentage of the financial product’s portfolio’s market value exposed to companies flagged for involvement in fossil fuels as determined by MSCI, and includes companies deriving revenue from thermal coal extraction, unconventional and conventional oil and gas extraction, oil refining, as well as revenue from thermal coal based power generation, liquid fuel based power generation, or natural gas based power generation.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments as defined by Article 2(17) SFDR.

At least 25% of the financial product’s net assets will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2 (17) SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices. The sustainability investment assessment uses data from one or multiple data providers and/or public sources to determine if an activity is sustainable. The environmental and/or social objectives are identified by activities that contribute positively to the United Nations Sustainable Development Goals (“UN SDGs”), which may include, but is not limited to, (i) Goal 1: No poverty, (ii) Goal 2: Zero hunger, (iii) Goal 3: Good health and well-being, (iv) Goal 4: Quality education, (v) Goal 5: Gender equality, (vi) Goal 6: Clean water and Sanitation, (vii) Goal 7: Affordable and clean energy, (viii) Goal 10: Reduced inequality, (ix) Goal 11: Sustainable cities and communities, (x) Goal 12: Responsible consumption, (xi) Goal 13: Climate action, (xii) Goal 14: Life below water, and (xiii) Goal 15: Life on land, are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

In accordance with Article 2 (17) SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the do no significant harm (“DNSH”) thresholds will not be considered towards the sustainable investment share of the financial product. Such DNSH thresholds will include, but not be limited to:

• Involvement in harmful business activities;
• Violation of international norms or involvement in very severe controversies; and
• Violation of certain principal adverse indicator thresholds.

How have the indicators for adverse impacts on sustainability factors been taken into account?

As part of the DNSH assessment under article 2(17) SFDR, the sustainable investment assessment integrates certain metrics related to principle adverse indicators and the Reference Index of the financial product includes criteria to reduce exposure to or to exclude securities which are negatively aligned with the following principal adverse indicators:

• Exposure to companies active in the fossil fuel sector (no. 4);
• Activities negatively affecting biodiversity-sensitive areas (no. 7);
• Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
• Exposure to controversial weapons (no.14).

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Any securities violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are excluded by the financial product's Reference Index.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

X Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

• Exposure to companies active in the fossil fuel sector (no. 4);
• Activities negatively affecting biodiversity-sensitive areas (no. 7)
• Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
• Exposure to controversial weapons (no.14).

No

The Investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", which is the MSCI ACWI IMI SDG Social Fairness Select Index, which is designed to reflect the performance of the shares of companies that are associated with a positive contribution to the Social Fairness SDGs, including SDG 1, SDG 2, SDG 4, SDG 5, SDG 8, and SDG 10 of the UN 2030 Agenda. The Reference Index is based on the MSCI ACWI IMI Index (the "**Parent Index**"). The Parent Index includes large, medium, and small-capitalisation companies across developed and emerging markets globally.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index. The Reference Index is designed to reflect the performance of the shares of companies that are associated with a positive contribution to the Social Fairness SDGs of the UN 2030 Agenda.

Constituents of the Parent Index which are associated with a positive contribution to the Social Fairness SDGs of the UN 2030 Agenda, and which meet certain ESG criteria are eligible for inclusion in the Reference Index. Information on the 17 SDGs contained in the UN 2030 Agenda is available on: https://sdgs.un.org/.

ESG Exclusions

The Reference Index applies an ESG exclusion approach where all of the companies from the Parent Index which breach the following ESG standards, amongst others, are excluded:
• Are unrated by MSCI ESG Research;
• Are assigned an MSCI ESG Rating of 'B' and below;
• Have any tie to controversial weapons;
• Are classified by MSCI in their Business Involvement Screening Research as breaching certain thresholds in controversial activities, including, but not limited to: tobacco, conventional weapons, nuclear weapons, civilian firearms, thermal coal, adult entertainment, alcohol, gambling, genetically modified organisms, nuclear power, fossil fuel reserves ownership, fossil fuel extraction and oil sands, unconventional oil & gas extraction, and power generation;
• Fail to comply with the United Nations Global Compact principles;
• Have an MSCI ESG Controversies score of 0 or those with very severe controversies, or have an insufficient MSCI ESG Controversies score related to certain environmental controversies; and
• Are assessed by MSCI Impact Solutions' SDG Alignment as 'Misaligned' or 'Strongly Misaligned' on their net alignment to any of the 17 SDGs.

Such exclusions comprise the requirements as laid out in Article 12(1)(a) to (g) of the Commission Delegated Regulation (EU) 2020/1818 ("PAB Exclusions").

The Reference Index uses company ratings and research provided by MSCI ESG Research. Information on MSCI's ESG Research products is available on: https://www.msci.com/esg-investing. In particular, the following five components are utilised:

MSCI ESG Ratings
MSCI ESG Ratings provide research, data, analysis, and ratings of how well companies manage environmental, social and governance risks and opportunities. MSCI ESG Ratings provides an overall company ESG rating.

MSCI ESG Controversies
MSCI ESG Controversies provides assessments of controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services.

MSCI ESG Business Involvement Screening Research
MSCI ESG Business Involvement Screening Research ("BISR") aims to enable institutional investors to manage ESG standards and restrictions.

MSCI Impact Solutions' SDG Alignment
MSCI Impact Solutions' SDG Alignment aims to provide a holistic view of companies' net contribution, both positive and negative, towards addressing each of the 17 SDGs by analysing companies' operations, products and services, policies, and practices.

MSCI Climate Change Metrics
MSCI Climate Change Metrics provides climate data & tools to support investors integrating climate risk & opportunities into their investment strategy and processes.

SDG Impact Selection

Constituents from the Parent Index which pass the ESG exclusions criteria outlined above are assessed by MSCI Impact Solutions' Sustainable Impact Metrics for their exposure to products and services which aim to contribute positively to the Social Fairness SDGs. Companies that meet a certain revenue threshold Social Fairness SDGs Aligned Business Activities are selected. Such Social Fairness SDGs Aligned Business Activities may include, but are not limited to:
• Nutrition;
• Major Disease Treatment;
• Sanitation;
• Affordable Real Estate;
• Education;
• Contraceptives;
• Sustainable Agriculture;
• SME finance; and
• Connectivity.

SDG Thematic Selection

Constituents from the Parent Index which (i) pass the ESG exclusions criteria outlined above, but (ii) do not pass the SDG impact selection criteria outlined above, may however still be eligible for inclusion in the Reference Index if (iii) they pass certain SDG thematic selection criteria.

In order to assess constituents' exposure to the theme of helping promote growth, development, and safeguards for employees and communities, the Index Administrator defines a SDG management universe (the "SDG Management Universe"). The SDG Management Universe is constructed by using management scores of the following MSCI ESG Ratings' key issues: Labour Management, Human Capital Development, Supply Chain Labour Standards, Health & Safety, Community Relations, Controversial Sourcing, Access to Finance, Opportunities in Nutrition & Health, Workforce Diversity Oversight & Programs (the "Key Issue Management Scores"), in order to identify companies that have better management strategies geared towards promoting growth, development, and safeguards of key stakeholders relative to their sector peers.
The Workforce Diversity Oversight & Programs key issue management score is determined by combining two separate indicators - Workforce diversity oversight by management and Programs to increase workforce diversity. These are converted and combined to give a key issue score.

An AMS is calculated for all companies in the Parent Index using the relevant Key Issue Management Scores. Constituents which are not assessed on any relevant key issues or do not have exposure above a certain threshold to any relevant key issues are excluded from the SDG Management Universe. A SRMS is then calculated for each company by dividing its AMS by the AMS of the highest scoring company in its GICS Sector. All companies belonging to GICS Sectors where the AMS of the highest scoring company does not meet a minimum AMS are excluded from the calculation of SRMS. To be eligible for inclusion in the SDG Management Universe, securities must meet a certain SRMS threshold.

Constituents that do not have any revenue that contributes to Social Fairness SDGs and constituents that do not reach a certain threshold on any of the relevant Key Issue Management Scores are excluded from the eligible universe.

Selection and Weighting

The Reference Index excludes securities from the Parent Index, which would otherwise have passed the exclusion and selection criteria outlined above, which are traded on certain local exchanges in a select number of emerging market countries in order to aid replication of the Reference Index and the tradability of eligible securities.

Securities in the Reference Index are weighted according to the following rules:
• Securities which pass the ESG exclusions criteria and the SDG impact selection criteria are weighted by the product of their percentage of revenue exposure from Social Fairness SDGs Aligned Business Activities and their free float-adjusted market capitalisation. Such securities will then have their weighting in the Reference Index scaled to 50%.
• Securities which pass the ESG exclusions criteria and the SDG thematic selection criteria are weighted according to their free float-adjusted market capitalisation. Such securities will then have their weighting in the Reference Index scaled to 50%.

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes companies with very severe controversies (including governance controversies) using the MSCI ESG Controversies data, and companies that have an MSCI ESG Rating (which assesses, amongst other things, how well companies manage governance risks and opportunities) below a certain threshold or do not have an MSCI ESG Rating.

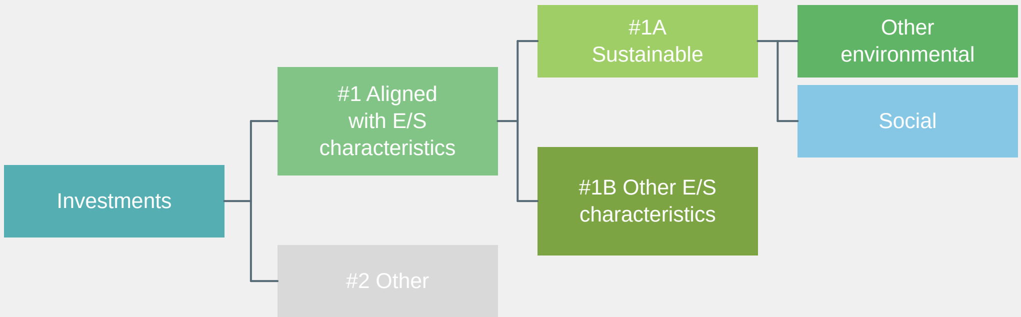
What is the asset allocation planned for this financial product?

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 25% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Financial derivative instruments ("**FDIs**") may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index or would fall within the quoted percentage of the investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation (the only two of the six environmental objectives under the EU Taxonomy Regulation for which technical screening criteria have been defined through delegated acts). As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

Does the financial product invest in fossil gas and/or nuclear energy[1] related activities that comply with the EU Taxonomy?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

However, there is a lack of reliable data in relation to fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy. On this basis, although it is considered that no relevant investments are made, it is possible the financial product may make some investments in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

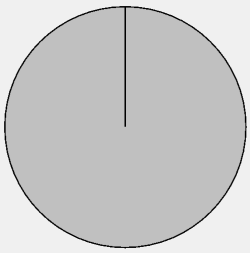
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

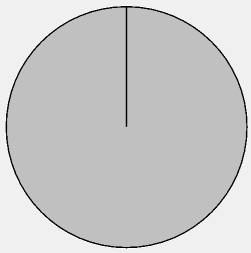
The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



Taxonomy-aligned: Fossil gas	0.00%
Taxonomy-aligned: Nuclear	0.00%
Taxonomy-aligned (no fossil gas and nuclear)	0.00%
Taxonomy-aligned	0.00%
Non Taxonomy-aligned	100.00%

2. Taxonomy-alignment of investments **excluding sovereign bonds***



Taxonomy-aligned: Fossil gas	0.00%
Taxonomy-aligned: Nuclear	0.00%
Taxonomy-aligned (no fossil gas and nuclear)	0.00%
Taxonomy-aligned	0.00%
Non Taxonomy-aligned	100.00%

This graph represents 100% of the total investments.

**For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective. However, the share of environmentally and socially sustainable investments will in total be at least 25%.

What is the minimum share of socially sustainable investments?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to a social objective. However, the share of environmentally and socially sustainable investments will in total be at least 25%.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under “#2 Other”, may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Yes. The financial product has designated the MSCI ACWI IMI SDG Social Fairness Select Index as the reference benchmark.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

The Reference Index promotes environmental and social characteristics by excluding companies from the Parent Index which do not fulfil the specific ESG criteria and applying SDG impact selection and SDG thematic selection criteria outlined above, as of each Reference Index rebalance.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

In order to seek to achieve the investment objective, the financial product will adopt a “Direct Investment Policy” which means that the financial product will aim to replicate or track, before fees and expenses, the performance of the Reference Index by holding a portfolio of equity securities that comprises all, or a substantial number of, the securities comprised in the Reference Index.

How does the designated index differ from a relevant broad market index?

The Reference Index is based on the Parent Index, which is designed to reflect the performance of large, medium, and small-capitalisation companies across developed and emerging markets globally. The Reference Index is designed to reflect the performance of the shares of companies that are associated with a positive contribution to the Social Fairness SDGs of the UN 2030 Agenda.

Constituents of the Parent Index which are associated with a positive contribution to the Social Fairness SDGs of the UN 2030 Agenda, and which meet certain ESG criteria are eligible for inclusion in the Reference Index. Information on the 17 SDGs contained in the UN 2030 Agenda is available on: https://sdgs.un.org/.

ESG Exclusions

The Reference Index applies an ESG exclusion approach where all of the companies from the Parent Index which breach the following ESG standards, amongst others, are excluded:
• Are unrated by MSCI ESG Research;
• Are assigned an MSCI ESG Rating of ‘B’ and below;
• Have any tie to controversial weapons;
• Are classified by MSCI in their Business Involvement Screening Research as breaching certain thresholds in controversial activities, including, but not limited to: tobacco, conventional weapons, nuclear weapons, civilian firearms, thermal coal, adult entertainment, alcohol, gambling, genetically modified organisms, nuclear power, fossil fuel reserves ownership, fossil fuel extraction and oil sands, unconventional oil & gas extraction, and power generation;
• Fail to comply with the United Nations Global Compact principles;
• Have an MSCI ESG Controversies score of 0 or those with very severe controversies, or have an insufficient MSCI ESG Controversies score related to certain environmental controversies; and
• Are assessed by MSCI Impact Solutions’ SDG Alignment as ‘Misaligned’ or ‘Strongly Misaligned’ on their net alignment to any of the 17 SDGs.

Such exclusions comprise the requirements as laid out in Article 12(1)(a) to (g) of the Commission Delegated Regulation (EU) 2020/1818 ("PAB Exclusions").

The Reference Index uses company ratings and research provided by MSCI ESG Research. Information on MSCI’s ESG Research products is available on: https://www.msci.com/esg-investing. In particular, the following five components are utilised:

MSCI ESG Ratings
MSCI ESG Ratings provide research, data, analysis, and ratings of how well companies manage environmental, social and governance risks and opportunities. MSCI ESG Ratings provides an overall company ESG rating.

MSCI ESG Controversies
MSCI ESG Controversies provides assessments of controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services.

MSCI ESG Business Involvement Screening Research
MSCI ESG Business Involvement Screening Research (“BISR”) aims to enable institutional investors to manage ESG standards and restrictions.

MSCI Impact Solutions’ SDG Alignment
MSCI Impact Solutions’ SDG Alignment aims to provide a holistic view of companies’ net contribution, both positive and negative, towards addressing each of the 17 SDGs by analysing companies’ operations, products and services, policies, and practices.

MSCI Climate Change Metrics
MSCI Climate Change Metrics provides climate data & tools to support investors integrating climate risk & opportunities into their investment strategy and processes.

SDG Impact Selection

Constituents from the Parent Index which pass the ESG exclusions criteria outlined above are assessed by MSCI Impact Solutions’ Sustainable Impact Metrics for their exposure to products and services which aim to contribute positively to the Social Fairness SDGs. Companies that meet a certain revenue threshold from Social Fairness SDGs Aligned Business Activities are selected. Such Social Fairness SDGs Aligned Business Activities may include, but are not limited to:
• Nutrition;
• Major Disease Treatment;

• Sanitation;
• Affordable Real Estate;
• Education;
• Contraceptives;
• Sustainable Agriculture;
• SME finance; and
• Connectivity.

SDG Thematic Selection

Constituents from the Parent Index which (i) pass the ESG exclusions criteria outlined above, but (ii) do not pass the SDG impact selection criteria outlined above, may however still be eligible for inclusion in the Reference Index if (iii) they pass certain SDG thematic selection criteria.

In order to assess constituents' exposure to the theme of helping promote growth, development, and safeguards for employees and communities, the Index Administrator defines a SDG management universe (the "**SDG Management Universe**"). The SDG Management Universe is constructed by using management scores of the following MSCI ESG Ratings' key issues: Labour Management, Human Capital Development, Supply Chain Labour Standards, Health & Safety, Community Relations, Controversial Sourcing, Access to Finance, Opportunities in Nutrition & Health, Workforce Diversity Oversight & Programs (the "**Key Issue Management Scores**"), in order to identify companies that have better management strategies geared towards promoting growth, development, and safeguards of key stakeholders relative to their sector peers.
The Workforce Diversity Oversight & Programs key issue management score is determined by combining two separate indicators - Workforce diversity oversight by management and Programs to increase workforce diversity. These are converted and combined to give a key issue score.

An AMS is calculated for all companies in the Parent Index using the relevant Key Issue Management Scores. Constituents which are not assessed on any relevant key issues or do not have exposure above a certain threshold to any relevant key issues are excluded from the SDG Management Universe. A SRMS is then calculated for each company by dividing its AMS by the AMS of the highest scoring company in its GICS Sector. All companies belonging to GICS Sectors where the AMS of the highest scoring company does not meet a minimum AMS are excluded from the calculation of SRMS. To be eligible for inclusion in the SDG Management Universe, securities must meet a certain SRMS threshold.

Constituents that do not have any revenue that contributes to Social Fairness SDGs and constituents that do not reach a certain threshold on any of the relevant Key Issue Management Scores are excluded from the eligible universe.

Selection and Weighting

The Reference Index excludes securities from the Parent Index, which would otherwise have passed the exclusion and selection criteria outlined above, which are traded on certain local exchanges in a select number of emerging market countries in order to aid replication of the Reference Index and the tradability of eligible securities.

Securities in the Reference Index are weighted according to the following rules:
• Securities which pass the ESG exclusions criteria and the SDG impact selection criteria are weighted by the product of their percentage of revenue exposure from Social Fairness SDGs Aligned Business Activities and their free float-adjusted market capitalisation. Such securities will then have their weighting in the Reference Index scaled to 50%.
• Securities which pass the ESG exclusions criteria and the SDG thematic selection criteria are weighted according to their free float-adjusted market capitalisation. Such securities will then have their weighting in the Reference Index scaled to 50%.

Where can the methodology used for the calculation of the designated index be found?

Additional information on the Reference Index, its composition, ESG criteria, calculation and rules for periodical review and re-balancing and on the general methodology behind the MSCI indices can be found on http://www.msci.com.

Where can I find more product specific information online?

More product-specific information can be found on the website: www.xtrackers.com as well as on your local country website.