

ANNEX

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 Global Infrastructure ESG UCITS ETF
Legal entity identifier: 254900RTC4KIYT715444

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments 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

It will make a minimum of **sustainable investments with a social objective:** ___%

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 10% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

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 holds a portfolio of equity securities that comprises all, or a substantial number of, the securities comprised in the Reference Index. The financial product specifically promotes, amongst others, the environmental characteristics of: a reduction in greenhouse gas ("GHG") intensity; and the social characteristics of: a reduction in human and labour rights controversy occurrences and a reduction in controversial weapon production.

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 listed companies from developed markets that are owners and operators of infrastructure assets, and which meet certain, environmental, social and governance ("ESG") criteria.

The Reference Index is based on the Parent Index (as defined below). The Reference Index seeks to minimize the difference in constituent weights relative to the Parent index, while aligning with certain ESG and climate-related criteria through the use of optimisation constraints (as defined below) and excluding companies which do not fulfil certain ESG criteria.

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 classified by Sustainalytics by Morningstar (“Sustainalytics”) as breaching certain thresholds in controversial activities, including, but not limited to, tobacco, controversial weapons, oil sands extraction, and thermal coal, and conventional weapons;
- Are classified by S&P Trucost Limited (“Trucost”) in their sector revenue dataset as breaching certain thresholds in controversial activities, including, but not limited to, fossil fuel exploration, processing, and generation;
- Fail to comply with the United Nations Global Compact principles; and
- Are assessed by S&P Global, using RepRisk data, to have been involved in certain controversies or ESG risk incidents.

The Reference Index utilises ESG data and research from S&P Global, Trucost, Sustainalytics and RepRisk for the ESG Exclusions.

Sustainalytics

Sustainalytics, a Morningstar company, is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies. Companies without Sustainalytics coverage are ineligible for index inclusion until they receive such coverage. Please refer to <http://www.sustainalytics.com/> for more information.

Trucost

S&P Trucost Limited (a part of S&P Global) is a leader in carbon and environmental data and risk analysis. S&P Trucost Limited assesses risks relating to climate change, natural resource constraints, and broader environmental, social, and governance factors. Companies and financial institutions use Trucost intelligence to understand their exposure to these factors, inform resilience, and identify transformative solutions for a more sustainable global economy. Please refer to <https://www.spglobal.com/> for more information.

Reprisk

RepRisk is a leading data science company, is used for daily filtering, screening, and analysis of ESG risk incidents and controversial activities related to the companies which may result in further exclusions of companies from the Reference Index as determined by the Index Administrator. Please refer to <http://www.reprisk.com/> for more information.

Security Selection and Weighting

Securities from the Parent Index which pass the ESG Exclusions outlined above will constitute the eligible universe (the “**Eligible Universe**”). Securities from the Eligible Universe are selected and weighted following an optimisation-based approach subject to the following two objectives: (i) climate and other ESG objectives and (ii) diversification objectives.

Climate and other ESG Objectives

Securities in the Eligible Universe are subject to climate and other ESG constraints including, but not limited to:

- A minimum improvement in the weighted average S&P DJI ESG Score of the Reference Index relative to the Parent Index;
- A minimum reduction in the weighted average Trucost Total Impact Ratio of the Reference Index relative to the Parent Index;

- A minimum reduction in greenhouse gas (“GHG”), (expressed in CO2 equivalents) emissions intensity of the Reference Index relative to the Parent Index;
- A minimum reduction in the Physical Risk Score of the Reference Index relative to the Parent Index;
- A minimum reduction in Green-to-Brown Revenue Share of the Reference Index relative to the Parent Index; and
- A minimum improvement in the weight of eligible Science Based Target Companies relative to the Parent Index.

The Reference Index utilises ESG data and research from S&P DJI ESG and Trucost for the Climate and other ESG Objectives.

S&P DJI ESG

The S&P DJI ESG Score is built from the S&P Global ‘Corporate Sustainability Assessment’ (CSA), which is derived using either company-provided data, publicly available information. S&P Global uses the CSA results to then calculate the S&P DJI ESG Scores. Please refer to <https://www.spglobal.com/> for more information.

Trucost

Trucost climate data, as defined above, is used for the Climate related Objectives. Additionally, the below two Trucost attributes are utilised in the climate and other ESG constraints:

- Trucost’s Total Impact Ratio is a company level metric representing the sum of all the direct and indirect external environmental damage costs of a company, expressed as a percentage of revenue. Direct costs are those associated with a company’s direct operations, while indirect costs are those that are borne in the company’s supply chain. This includes coverage of the company’s greenhouse gases, water use, waste generated, land, water and air pollutants generated, and natural resources used.
- Trucost’s Green-to-Brown Revenue Share is the weighted average share of revenue derived from Green Sectors (including but not limited to renewable energy generation) over the weighted average share of revenue derived from Brown Sectors (including but not limited to non-renewable energy generation), as defined by Trucost Sectors.

Diversification and Deviation Objectives

Securities in the Reference Index are subject to diversification constraints to ensure diversification and representativeness of, for example, constituent weightings and liquidity constraints compared to the Parent Index.

The Reference Index is reviewed and rebalanced on a quarterly basis and may also be rebalanced at other times in order to reflect corporate activity such as mergers and acquisitions.

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.

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, including violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as determined by either MSCI, Sustainalytics, or RepRisk. Details on the provider used are available upon request.

- **Greenhouse Gas Intensity:** The financial product's portfolio's weighted average of its holding issuers' GHG Intensity (Scope 1, Scope 2 and estimated Scope 3 GHG emissions/EUR million revenue) , as determined by either MSCI or Trucost. Details on the provider used are available upon request.
- **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 either MSCI, Sustainalytics, or RepRisk. Details on the provider used are available upon request.
- **Tobacco involvement:** The percentage of the financial product's portfolio's market value exposed to companies flagged for involvement in tobacco, and includes all tobacco producers as well as tobacco distributors, suppliers, and retailers with a combined revenue in these areas of more than, or equal to, 5%, as determined by either MSCI or ISS ESG. Details on the provider used are available upon request.
- ***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 10% 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;

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,

- 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:

- Carbon footprint (no. 2);
- GHG intensity of investee companies (no. 3);
- Exposure to companies active in the fossil fuel sector (no. 4);
- 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?*

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.



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

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):

- Carbon footprint (no. 2);
- GHG intensity of investee companies (no. 3);
- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

No



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 Dow Jones Brookfield Global Green Infrastructure Index, which is designed to reflect the performance of the shares of listed companies from developed markets that are owners and operators of infrastructure assets, and which meet certain, environmental, social and governance criteria. The Reference Index is based on the Dow Jones Brookfield Global Plus Index (the "Parent Index"). The Parent Index

is designed to reflect the performance of companies from global developed markets that are owners and operators of infrastructure assets, identified by their cash flows from certain infrastructure sectors, as classified by the Index Administrator. The Reference Index seeks to minimize the difference in constituent weights relative to the Parent index, while aligning with certain ESG and climate-related criteria through the use of optimisation constraints and excluding companies which do not fulfil certain ESG criteria.

● ***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 based on the Parent Index. The Reference Index seeks to minimize the difference in constituent weights relative to the Parent index, while aligning with certain ESG and climate-related criteria through the use of optimisation constraints and excluding companies which do not fulfil certain ESG criteria.

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:

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- Are classified by S&P Trucost Limited (“Trucost”) in their sector revenue dataset as breaching certain thresholds in controversial activities, including, but not limited to, fossil fuel exploration, processing, and generation;
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Security Selection and Weighting

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Climate and other ESG Objectives

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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.

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

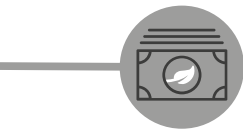
The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes companies which breach certain international norm standards (including governance controversies) using Sustainalytics ESG data. The weighted average S&P DJI ESG rating (which assesses, amongst other things, how well companies manage governance risks and opportunities) of the index must be higher than the rating of the investment universe after eliminating at least 25% of the least well-rated securities.

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

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 10% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

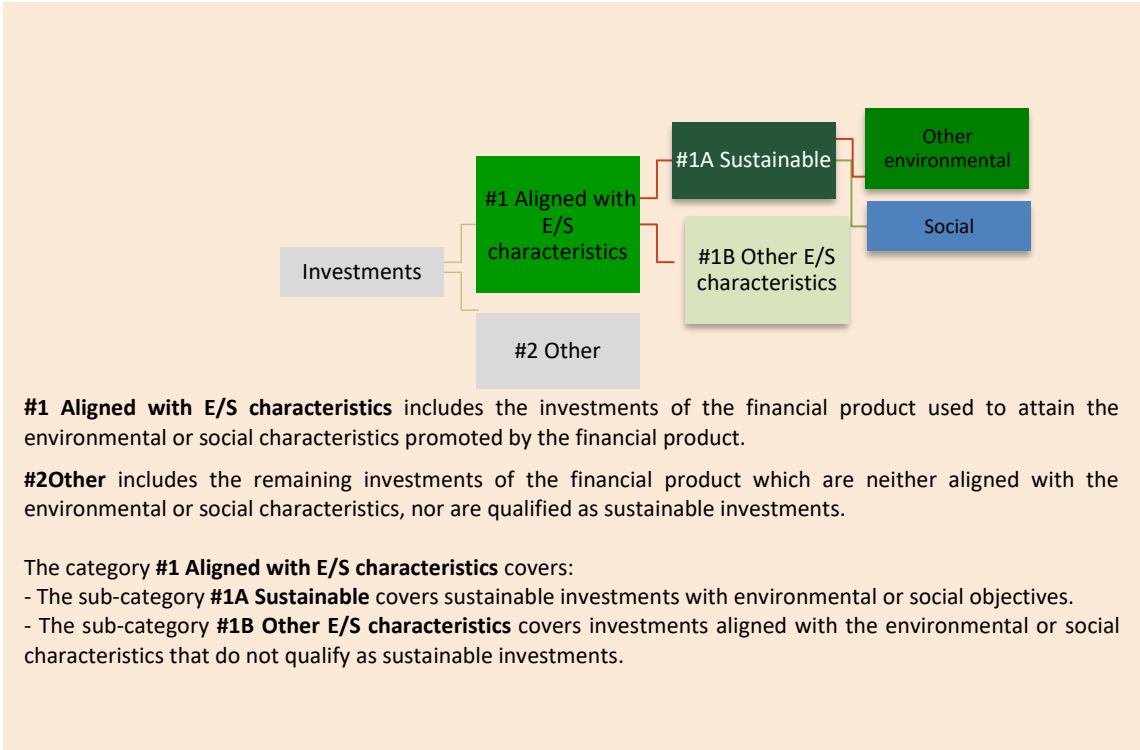
Up to 10% of the investments are not aligned with these characteristics (#2 Other).



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.

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 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.



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

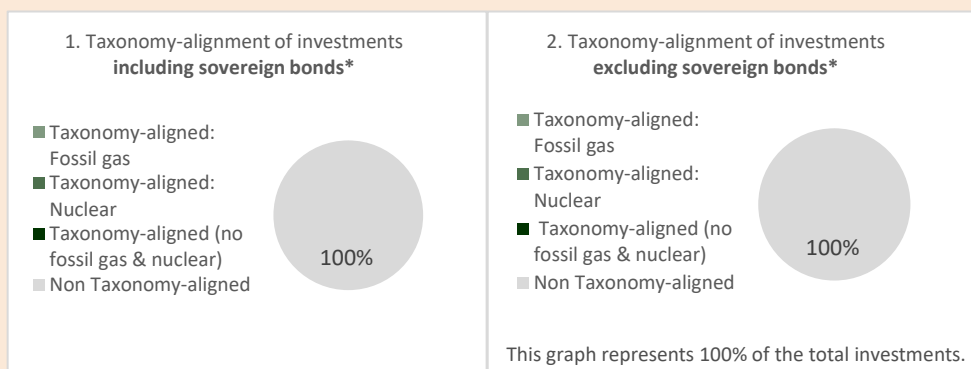
While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation (the only 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 related activities that comply with the EU Taxonomy¹?

Yes: In fossil gas In nuclear energy

No. 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.

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.



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

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.

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 10%.



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 10%.



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?

Yes. The financial product has designated the Dow Jones Brookfield Global Green Infrastructure Index as the reference benchmark.

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

- ***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 selecting and weighting eligible securities following an optimisation-based approach subject to certain climate and ESG objectives 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. The Reference Index seeks to minimize the difference in constituent weights relative to the Parent index, while aligning with certain ESG and

climate-related criteria through the use of optimisation constraints and excluding companies which do not fulfil certain ESG criteria.

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 classified by Sustainalytics by Morningstar (“Sustainalytics”) as breaching certain thresholds in controversial activities, including, but not limited to, tobacco, controversial weapons, oil sands extraction, and thermal coal, and conventional weapons;
- Are classified by S&P Trucost Limited (“Trucost”) in their sector revenue dataset as breaching certain thresholds in controversial activities, including, but not limited to, fossil fuel exploration, processing, and generation;
- Fail to comply with the United Nations Global Compact principles; and
- Are assessed by S&P Global, using RepRisk data, to have been involved in certain controversies or ESG risk incidents.

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Security Selection and Weighting

Securities from the Parent Index which pass the ESG Exclusions outlined above will constitute the eligible universe (the “Eligible Universe”). Securities from the Eligible Universe are selected and weighted following an optimisation-based approach subject to the following two objectives: (i) climate and other ESG objectives and (ii) diversification objectives.

Climate and other ESG Objectives

Securities in the Eligible Universe are subject to climate and other ESG constraints including, but not limited to:

- A minimum improvement in the weighted average S&P DJI ESG Score of the Reference Index

- relative to the Parent Index;
- A minimum reduction in the weighted average Trucost Total Impact Ratio of the Reference Index relative to the Parent Index;
- A minimum reduction in greenhouse gas (“GHG”), (expressed in CO2 equivalents) emissions intensity of the Reference Index relative to the Parent Index;
- A minimum reduction in the Physical Risk Score of the Reference Index relative to the Parent Index;
- A minimum reduction in Green-to-Brown Revenue Share of the Reference Index relative to the Parent Index; and
- A minimum improvement in the weight of eligible Science Based Target Companies relative to the Parent Index.

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Diversification and Deviation Objectives

Securities in the Reference Index are subject to diversification constraints to ensure diversification and representativeness of, for example, constituent weightings and liquidity constraints compared to the Parent Index.

The Reference Index is reviewed and rebalanced on a quarterly basis and may also be rebalanced at other times in order to reflect corporate activity such as mergers and acquisitions.

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.

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

Additional information on the Reference Index, its composition, calculation and rules for periodical review and rebalancing and on the general methodology behind the S&P indices can be found on <https://www.spglobal.com/>



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