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Publication pursuant to SFDR - Details

Xtrackers EUR High Yield Corporate Bond SRI PAB UCITS ETF

This financial product promotes environmental and social characteristics and qualifies as a financial product in accordance with article 8(1) of Regulation (EU) 2019/2088.

Capitalised terms used in this document shall have the same meaning ascribed to them in the latest version of the prospectus of the Company (the "Prospectus"), unless the context otherwise requires.

No sustainable investment objective

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

The financial product commits to partially invest in sustainable investments. To ensure those sustainable investments do not cause significant harm to any environmental or social sustainable investment objective, the following processes are implemented:

DNSH Assessment

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.

Integration of adverse impacts on sustainability factors

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 (as defined below) 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 emissions (Scope 1, 2, 3 and total) (no. 3);
- Exposure to companies active in the fossil fuel sector (no. 4);

- Share of non-renewable energy consumption and production (no. 5);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

Alignment 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.

Environmental or social characteristics of the 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 which includes environmental and/or social considerations. The financial product specifically promotes the environmental characteristics of: a reduction in GHG emissions, a reduction in fossil fuel extraction; and the social characteristics of: a reduction in human and labour rights controversy occurrences.

In order to promote these characteristics, the financial product holds a portfolio of securities that comprises all or a representation of the securities comprised in the Reference Index or unrelated transferable securities. The Reference Index is designed to reflect the performance of high yield, Euro denominated corporate bonds that meet specific maturity, credit quality, liquidity, and environmental, social and governance ("ESG") criteria.

The Reference Index applies the minimum standards laid out for EU PAB in the PAB Regulation. The Reference Index will set an initial 50% decarbonization of absolute greenhouse gas ("GHG") emissions relative to the Parent

Index (as defined below), followed by an annual 7% decarbonization trajectory of absolute GHG emissions. In addition, the Reference Index will exclude bonds which do not fulfil specific ESG criteria, including those laid out in Article 12(1)(a) to (g) of the PAB regulation (“PAB Exclusions”).

In particular, bonds will be excluded from the Reference Index due to the following ESG considerations:

- Issuers where MSCI does not have reported or estimated absolute GHG emissions data;
- Bonds issued by issuers rated BB or below or that do not have a MSCI ESG rating by MSCI ESG Research LLC. MSCI ESG Ratings are designed to help identify the ESG risks and opportunities of investments. Companies are rated on a 7-point ‘AAA’ to ‘CCC’ scale according to their exposure to industry-specific ESG risks and their ability to manage those risks relative to peers.
- Issuers with a “red” MSCI ESG Controversies score or issuers which breach a MSCI Environmental Controversy score. MSCI ESG Controversies measures a company’s involvement in notable ESG controversies related to the company’s operations and/or products, possible breaches of international norms and principles such as the UN Global Compact, and performance with respect to these norms and principles. Each ESG Controversy is attributed a 0-10 score and a flag colour depending on the severity of its ESG impact.
- Issuers that are classified by MSCI in their MSCI ESG Business Involvement Screening Research (“BISR”) as having any involvement (as determined by MSCI ESG Research LLC) in controversial weapons or with any fossil fuel reserves, as well as issuers breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, oil & gas, nuclear power and weapons, and thermal coal. BISR aims to enable institutional investors to manage ESG standards and restrictions.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC.

If having applied the above ESG exclusion criteria, less than 20% of the total number of issuers in the universe of eligible bonds (the “Relevant Threshold”) are excluded, the remaining issuers are ranked according to MSCI ESG Ratings score and MSCI ESG Controversies score and those with the lowest ranking will be excluded from the Reference Index, until the number of excluded issuers is higher than the Relevant Threshold.

Investment strategy

The investment objective of the financial product is to track the performance before fees and expenses of the “Reference Index”, which is the Bloomberg MSCI Euro High Yield Sustainable and SRI PAB Index, which is de-

signed to reflect the performance of high yield, Euro denominated corporate bonds that meet specific maturity, credit quality, liquidity, and environmental, social and governance (“ESG”) criteria. The Reference Index applies the minimum standards laid out for EU PAB in the PAB Regulation. The Reference Index will set an initial 50% decarbonisation of absolute greenhouse gas (“GHG”) emissions relative to the Bloomberg Euro High Yield 250mn Index (the “Parent Index”), followed by an annual 7% decarbonisation trajectory of absolute GHG emissions. In addition, the Reference Index will exclude bonds which do not fulfil specific ESG criteria, including those laid out in Article 12(1)(a) to (g) of the PAB Regulation (“PAB Exclusions”).

ESG Assessment

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index, which incorporates the ESG characteristics outlined above.

Policy to assess Good Governance

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.

Proportion of investments

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics. Within this category, at least 5% of the financial product’s assets qualify as sustainable investments in the sense of article 2(17) SFDR. Up to 10% of the investments are not aligned with these environmental or social characteristics. A more detailed description of the specific asset allocation of this financial product can be found in the Prospectus.

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.

Monitoring of environmental or social characteristics

The Reference Index applies the ESG criteria outlined above. DWS performs a regular assessment of the ESG alignment of the financial product, incorporating two key elements:

- (i) That the composition of the financial product's portfolio is closely aligned with the ESG standards of the Reference Index (although some deviations may be observable due, amongst other factors, to: efficient portfolio management, portfolio optimisation, cash balances, and/or recent rebalances); and
- (ii) That the Reference Index is correctly applying the stated ESG criteria through an independent verification of the constituents of the Reference Index against an appropriate ESG data source.

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.

Methodologies

The attainment of the promoted environmental and social characteristics promoted by the financial product is measured using the following sustainability indicators:

- **Total GHG Emissions:** The financial product's portfolio's weighted average of its issuers' total GHG emissions (Scopes 1, 2 and 3) as determined by MSCI.
- **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.
- **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.

Data sources and processing

Website product disclosure according to Article 10(1) of Regulation (EU) 2019/2088 for financial products referred to in Article 8(1) of Regulation (EU) 2019/2088.

The Reference Index uses data from various products provided by MSCI ESG Research LLC. These products include, MSCI ESG Ratings, MSCI ESG Business Involvement Screening Research ("BISR") and MSCI ESG Controversies Scores.

MSCI ESG Controversies identify companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to the United Nations Global Compact, the Universal Declaration of Human Rights and the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work. The MSCI ESG Ratings are used to remove the worst performers and select the best performing ESG constituents, relative to their industry sector peer group.

MSCI ESG BISR is utilised to identify and exclude companies involved in industries with a high potential for negative environmental, health and/or social impact, such as weapons and tobacco.

Limitations to methodologies and data

The Reference Index's environmental, social and governance standards limit the number of securities eligible for inclusion in the Reference Index. As a result, the Reference Index, and as such the financial product, may be more heavily weighted in securities, industry sectors or countries that underperform the market as a whole or underperform other funds screened for environmental, social and governance standards, or which do not screen for such standards.

Investors should note that the determination that the financial product is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index promotes environmental and social characteristics. The Company is relying on the activities conducted by and information provided by the Index Administrator or other data providers to make this determination. Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the financial product in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the financial product accords with their own ESG criteria. Information on how the Reference Index is consistent with environmental, social and governance characteristics is contained in the Prospectus of the financial product.

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with the ESG 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 Fund until it is possible and practicable to divest such positions.

Investors should note that the Reference Index solely relies on analysis from the Index Administrator or other data providers (as applicable) in relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.

It should also be noted that analysis of companies' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.

ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator or other data providers (as applicable) may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the financial product.

Due diligence

With regards to the selection of any new reference indices for Xtrackers ETFs, DWS will conduct a due diligence process that includes the assessment of sustainability risks, and endeavour to work in conjunction with benchmark providers to embed certain sustainability risks into the construction of new indexes for both new financial products and also reference indexes considered as a potential reference index in case of substitution for an existing financial product. As part of this process, minimum ESG standards will be applied.

Engagement policies

Active engagement with our investee issuers to drive change for the benefit of clients is a key part of DWS Group's approach to sustainable investment. DWS applies the following engagement policies.

Engagement Policy

The Engagement Policy establishes inter alia the engagement framework for DWS on how to engage with its investee issuers in relation to both equity as well as debt investments.

This policy sets out types and methods of engagement, escalation strategies and expectations regarding communication with inter alia DWS as an investor and DWS on behalf of its clients on a number of topics, including ESG.

Designated reference benchmark

The financial product has designated the Bloomberg MSCI Euro High Yield Sustainable and SRI PAB Index as the reference benchmark.

Alignment with environmental and social characteristics

The Reference Index promotes environmental and social characteristics by excluding companies which do not fulfil

the specific ESG criteria outlined above, as of each Reference Index rebalance.

Alignment of the methodology with the Investment Strategy

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 the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

Methodology used for calculation of the designated index

Full information on the Reference Index can be found on the relevant Bloomberg website (<https://www.bloombergindices.com>).

Important Information

Xtrackers, Xtrackers II and Xtrackers (IE) plc are undertakings for collective investment in transferable securities (UCITS) in accordance with the applicable laws and regulations and set up as open-ended investment companies with variable capital and segregated liability between their respective compartments.

Xtrackers and Xtrackers II are incorporated in the Grand Duchy of Luxembourg, are registered with the Luxembourg Trade and Companies' Register under number B-119.899 (Xtrackers) and B-124.284 (Xtrackers II) respectively and have their registered office at 49, avenue J.F. Kennedy, L-1855 Luxembourg. Xtrackers (IE) plc is incorporated in Ireland with registered number 393802 and has its registered office at 78 Sir John Rogerson's Quay, Dublin 2, Ireland.

DWS Investment S.A. acts as the management company of Xtrackers, Xtrackers II and Xtrackers (IE) plc.

The information contained in this document is provided for information purposes only. Any investment decision in relation to an Xtrackers ETF should be based solely on the latest version of the prospectus, the audited annual and, if more recent, un-audited semi-annual reports and the Key Investor Information Document (KIID), all of which are available in English upon request or on www.Xtrackers.com. In the case of any inconsistency with the prospectus, the latest version of the prospectus shall prevail.

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

Date	Explanation of changes
29 November 2024	Changes to the ESG criteria of the Reference Index methodology and of Reference Index name
1 January 2023	Initial disclosure according to Art. 10 of Regulation (EU) 2019/2088 in conjunction with Art. 25 – 36 of the Commission Delegated Regulation (EU) 2022/1288

Website product disclosure according to Article 10(1) of Regulation (EU) 2019/2088 for financial products referred to in Article 8(1) of Regulation (EU) 2019/2088.