

Periodic disclosure for financial products referred to in Article 8, paragraph 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 II ESG Eurozone Government Bond UCITS ETF

**Legal entity identifier:** 2549000GO3T2K1FRUV52

**Environmental and/or social characteristics**

**Did this financial product have a sustainable investment objective?**

**Yes**

**No**

it made **sustainable investments with an environmental objective:** \_\_\_%

**It promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 30.03 % 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

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

with a social objective

It made **sustainable investments with a social objective:** \_\_\_%

It promoted E/S characteristics, but did **not make any sustainable investments**



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

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The financial product promoted environmental and social characteristics and qualified as a financial product subject to Article 8(1) SFDR by tracking the FTSE ESG Select EMU Government Bond Index (the "Reference Index") which included environmental and/or social considerations. The financial product held a portfolio of securities that comprised constituents of the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index was designed to represent the performance of fixed-rate, euro-denominated, investment-grade sovereign debt issued in developed market countries in the European Economic and Monetary Union ("EMU"), excluding countries which did not fulfil specific ESG (environmental, social, and governance) criteria.

The Reference Index included securities issued by EMU countries in the FTSE ESG Select World Government Bond Index – DM (the "Parent Index"). The Parent Index was designed to measure the performance of fixed-rate, local currency, investment-grade sovereign bonds issued in developed market countries included in the FTSE World Government Bond Index – DM (the "Ultimate Parent Index"), excluding countries which do not fulfil specific ESG criteria. Countries excluded from the Parent Index were also excluded from the Reference Index. The Parent Index excluded countries based on the following criteria:

#### ***Country Inclusion Criteria***

The Parent Index applied a country inclusion criteria assessment by ranking countries based on the country ESG scores, which were calculated as set out in the paragraph 'ESG Criteria and Tilting'. Countries that were identified as significant laggards (i.e. ranked in a certain lowest percentile) were removed from the Parent Index. Further information on the exclusion thresholds is available at: FTSE ESG Select Government Bond Index Series (lseg.com).

#### ***Freedom Criteria***

The Parent Index also applied an inclusion criterion based on Freedom House data. Freedom House is a non-profit, non-governmental organisation that conducted research and advocacy on democracy, political freedom, and human rights. Freedom House classified countries as part of its 'Freedom of the World' report as either "Free", "Partially Free" or "Not Free". Only countries designated as "Free" were eligible for inclusion in the Parent Index. Further information is available at: <https://freedomhouse.org>. Further information on the inclusion thresholds is available at: FTSE ESG Select Government Bond Index Series (lseg.com).

#### ***Social Violations***

The Parent Index excluded countries that were subject to social violations as referred to in international treaties and conventions, United Nations principles and, where applicable, national law based on data from Sustainalytics. Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that supported investors around the world with the development and implementation of responsible investment strategies. The Reference Index also excluded countries that were present on the EU list of non-cooperative jurisdictions for tax purposes. For further details on which countries were present on this list, refer to the EU list of non-cooperative jurisdictions for tax purposes at: EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu).

#### ***ESG Criteria and Tilting***

The weights of eligible constituents were adjusted in the Reference Index relative to the EMU subset of the Ultimate Parent Index by overweighting countries with lower ESG risks and underweighting countries with higher ESG risks. The market value weight for each security was "tilted" by its respective country's ESG score such that the weight of each issuer in the Reference Index was a function of the market value weight and the country ESG score (the "Tilted Weight").

Country ESG scores were intended to assess a country's exposure to, and management of, certain ESG risk factors and were sourced from the LSEG Sustainable Sovereign Risk Methodology (2SRM). Further information can be found on: Sustainable Sovereign Risk Methodology (lseg.com).

ESG scores for each country were established by evaluating and scoring each country's ESG risks across each of the following three pillars:

- Environmental risk: considered topics such as energy, climate, and natural capital;
- Social risk: considered topics such as inequality, employment, human capital, health, and societal wellbeing; and

- Governance risk: considered topics such as corruption, government effectiveness, political stability, regulatory quality, rule of law, and voice & accountability.

These pillar scores were then compared on a relative basis against other eligible constituents in the Reference Index with a specified "tilt factor" applied to each pillar score, and combined to derive a single combined ESG score for each country. This single ESG score was then used to determine each issuer's Tilted Weight in the Reference Index.

Further information on the ESG Pillars, Underlying Indicators and ESG Tilting methodology is available at: FTSE ESG Select Government Bond Index Series (Iseg.com) and the LSEG Sustainable Sovereign Risk Methodology (2SRM).

### **Weighting and Capping**

The Reference Index applied a 35% issuer market value weight cap. If the Tilted Weight of any country exceeded 35%, its weight was capped and any excess market weight was redistributed on a pro-rata basis across the other countries.

After the application of ESG tilting and issuer capping, the Reference Index was reviewed to ensure at least 20% of the least well-rated securities were eliminated from the Reference Index relative to the EMU subset of the Ultimate Parent Index. If the Reference Index did not exclude 20% by market value of the lowest scoring ESG issuers, additional issuers were removed from the Reference Index until the minimum 20% exclusion was achieved. This may mean the Reference Index could have excluded additional EMU countries compared to the Parent Index.

### **Minimum Green Bond Exposure Criteria**

Following the application of the ESG Criteria and Weighting, a green bond tilt was implemented to each green bond's market value weighting within the Reference Index. This ensured that eligible green bonds met a certain minimum threshold of the Reference Index, while maintaining the country weights previously calculated. The remaining bond weights were then tilted to achieve duration neutrality relative to the index duration of the EMU subset of the Ultimate Parent Index.

Green Bond eligibility was assessed by the Climate Bond Initiative ("CBI") and only bonds classified as either CBI-aligned or CBI-certified were designated as Green Bonds. CBI data was intended to identify eligible Green Bonds whose use of proceeds were in line with the Paris Agreement. The Climate Bond Initiative (CBI) provided independent analysis on green bond use of proceeds and provided opinions on the green credential of the intended proceeds allocation. Further details on the CBI green bond methodology can be found at [cbi-gb-methodology-061020.pdf](https://climatebonds.net/cbi-gb-methodology-061020.pdf) (climatebonds.net).

For full details on the minimum green bond exposure criteria please refer to the FTSE ESG Select World Government Bond Index – DM Ground Rules.

FTSE ESG Select Government Bond Index Series (Iseg.com)

How did the sustainability indicators perform?

## **Xtrackers II ESG Eurozone Government Bond UCITS ETF**

Indicators	Description	Performance December 30, 2024
Country Environment Pillar Score	The weighted average of the financial product's portfolio's market value sovereign environmental risk score, assessing issuers' overall performance on environmental risk factors as measured by MSCI.	6.09
Country Governance Pillar Score	The weighted average of the financial product's portfolio's market value sovereign governance risk score, assessing issuers' overall performance on governance risk factors as measured by MSCI.	7.7
Country Social Pillar Score	The weighted average of the financial product's portfolio's market value sovereign social risk score, assessing issuers' overall performance on social risk factors as measured by MSCI.	7.74
Freedom House Score	The weighted average of the financial product's portfolio's market value score according to Freedom House's "Freedom in the World" classification and scoring process.	92.55

...and compared to previous periods?

## Xtrackers II ESG Eurozone Government Bond UCITS ETF

Indicators Performance	29/12/2023	30/12/2022
Country Environment Pillar Score	4.32	4.49
Country Governance Pillar Score	7.79	7.66
Country Social Pillar Score	7.88	8.26
Freedom House Score	92.81	92.74

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

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

As at 31.12.2024 30.03% of the financial product's net assets were invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2 (17) SFDR by investing in sustainable bonds where the use of proceeds was limited to projects with environmental and/or social benefits ("Use of Proceeds Bonds") which contributed to one or several UN Sustainable Development Goals, which may have included, but were not limited to, (i) Goal 6: Clean water and sanitation, (ii) Goal 7: Affordable and clean energy, (iii) Goal 9: Industry, innovation and infrastructure, (iv) Goal 11: Sustainable cities and communities, (v) Goal 13: Climate action, (vi) Goal 15: Life on Land.

Use of Proceeds Bonds (re)finance projects or activities with a positive environmental and/or social impact. Issuers of Use of Proceeds Bonds invest the proceeds of the bond issue in environmentally and/or socially beneficial projects or activities and as such directly contribute to the sustainable investment that the financial product partially intended to make.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

In accordance with Article 2 (17) SFDR, any such sustainable investments did not significantly harm any environmental or social objectives and such sustainable investment issuers followed good governance practices. Any investment that failed to meet the do no significant harm ("DNSH") thresholds were not considered towards the sustainable investment share of the financial product. Such DNSH thresholds included, but were limited to:

- Involvement in social violations; and
- Violation of certain principal adverse indicator thresholds.

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

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

- Investee countries subject to social violations (no. 16).

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

N/A - The financial product invested solely into sovereign debt.

*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 Union Criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union Criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union 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.

How did this financial product consider principal adverse impacts on sustainability factors?

The Reference Index of the financial product included criteria to reduce exposure to or to exclude securities which were negatively aligned with the following principal adverse indicators:

- Investee countries subject to social violations (no. 16).
- Non-cooperative tax jurisdictions (no. 22).



## What were the top investments of this financial product?

### Xtrackers II ESG Eurozone Government Bond UCITS ETF

Largest investments	Breakdown by sector according to NACE Codes	in % of average portfolio volume	Breakdown by country
France O.A.T. 16/25.06.39	O - Public administration and defence; compulsory social security	1.5 %	France
France O.A.T. 11/25.10.27	O - Public administration and defence; compulsory social security	1.2 %	France
France O.A.T. 17/25.05.28	O - Public administration and defence; compulsory social security	1.2 %	France
France 17/25.11.28	O - Public administration and defence; compulsory social security	1.1 %	France
France O.A.T. 14/25.05.30	O - Public administration and defence; compulsory social security	1.1 %	France
France O.A.T 18/25.05.29	O - Public administration and defence; compulsory social security	1.1 %	France
France O.A.T. 15/25.05.26	O - Public administration and defence; compulsory social security	1.0 %	France
France 23/25.02.2029	O - Public administration and defence; compulsory social security	1.0 %	France
France O.A.T. 15/25.05.31	O - Public administration and defence; compulsory social security	1.0 %	France
France (Govt Of) 23/24.09.2026	O - Public administration and defence; compulsory social security	1.0 %	France
France O.A.T. 97/25.04.29	O - Public administration and defence; compulsory social security	1.0 %	France
Frankreich 22/25.02.28 O.A.T.	O - Public administration and defence; compulsory social security	1.0 %	France
France O.A.T. 10/25.04.26	O - Public administration and defence; compulsory social security	0.9 %	France
French Republic 20/25.02.26	O - Public administration and defence; compulsory social security	0.9 %	France
France 18/25.11.2029 S.10Y	O - Public administration and defence; compulsory social security	0.9 %	France

for the period from January 01, 2024, through December 30, 2024

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is:  
for the period from January 01, 2024, through December 31, 2024



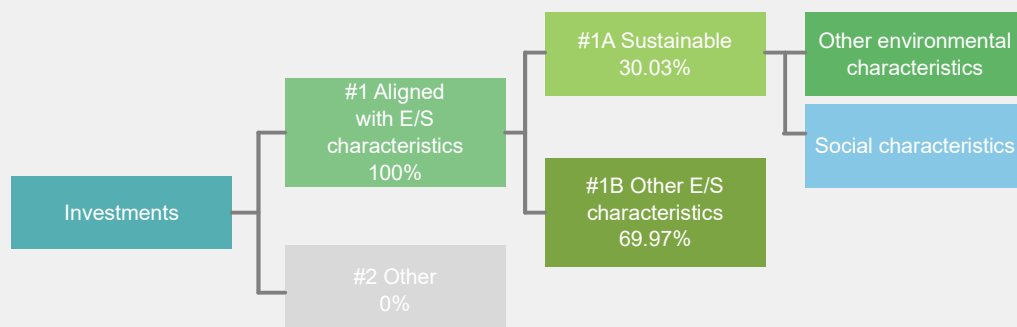
## What was the proportion of sustainability-related investments?

**Asset allocation** describes the share of investments in specific assets.

### What was the asset allocation?

As at 31.12.2024, this financial product invested 100% 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, 30.03% of the financial product's assets qualified as sustainable investments (#1A Sustainable).

0% of the investments were not aligned with these characteristics (#2 Other).



**#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.

In which economic sectors were the investments made?

#### Xtrackers II ESG Eurozone Government Bond UCITS ETF

NACE-Code	Breakdown by sector according to NACE Codes	in % of portfolio volume
O	Public administration and defence; compulsory social security	100.0 %
NA	Other	0.0 %
<b>Exposure to companies active in the fossil fuel sector*</b>		0.0 %

As of: December 30, 2024

*\*The financial product's exposure to companies active in the fossil fuel sector was derived as the aggregate weight of any companies with any revenues from fossil fuel, including secondary activities, and is distinct from the economic sectors defined in accordance with the NACE classification system. The calculation is only applicable to securities classified as corporates. The data is obtained from various data vendors and may result in a divergence, if any, from other disclosures related to fossil fuel exposure as disclosed in this report.*



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

N/A – There was no minimum proportion for sustainable investments with an environmental objective that were consistent with the EU Taxonomy. For this reason, the share of environmentally sustainable investments in accordance with Regulation (EU) 2020/852 (Taxonomy Regulation) is considered to be 0% of the financial product's assets. It may, however, have been the case that some sustainable investments were nevertheless compliant with the environmental objective of the Taxonomy Regulation.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully 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 economic activities for yet low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?

Yes:

In fossil gas

In nuclear energy

No

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<sup>1</sup> 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 no significant harm to 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.

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 the green operational activities of investee companies.

The graphs below show in green the percentage of investments that were 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 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 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 was the share of investments made in transitional and enabling activities?

N/A – There was no minimum proportion for sustainable investments with an environmental objective that were consistent with the EU Taxonomy. For this reason, the share of investments in transitional and enabling activities in accordance with Regulation (EU) 2020/852 (Taxonomy Regulation) is considered to be 0% of the financial product's assets. It may, however, have been the case that some sustainable investments were in transitional and enabling activities.

How did the percentage of investments that are aligned with the EU Taxonomy compare with previous reference periods?

N/A



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The financial product did not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective. However, as at 31.12.2024 the share of environmentally and socially sustainable investments was 30.03% in total.



What was the share of socially sustainable investments?

The financial product did not intend to make a minimum allocation to sustainable economic activities that contribute to a social objective. However, as at 31.12.2024 the share of environmentally and socially sustainable investments was 30.03% in total.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

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

Those investments included under “#2 Other”, included any ancillary liquid assets for the purpose of efficient portfolio management, including any secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursued a money market or cash strategy, or financial derivative instruments. It also included (i) any securities which have been recently downgraded by the relevant ESG data provider used in the construction of the Reference Index but could not be removed from the Reference Index until the next Reference Index rebalance and could therefore not be removed from the portfolio until that time and (ii) any securities for which the relevant ESG data provider (a) did not provide a rating or (b) provided a rating that diverged from the Reference Index ESG data provider.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Reference Index promoted environmental and social characteristics by excluding or reweighting issuers from the EMU subset of the Ultimate Parent Index by applying certain ESG criteria derived from the FTSE ESG Government Bond Index series, as of each Reference Index rebalance. The Parent Index applied certain inclusion criteria to the Ultimate Parent Index constituents. Countries excluded from the Parent Index were also excluded from the Reference Index. Constituent weightings were adjusted in the Reference Index relative to the EMU subset of the Ultimate Parent Index by overweighting countries with lower ESG risks and underweighting countries with higher ESG risks. The market value weight for each security was "tilted" by its respective country's ESG score such that the weight of each issuer in the Reference Index was a function of the market value weight and the country ESG score as outlined above. In order to seek to achieve the investment objective, the financial product adopted a "Direct Investment Policy" which means that the financial product aimed 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 were typically similar to the securities comprised in the Reference Index.

Active engagement with investee issuers to drive change for the benefit of clients is a key part of DWS Group's approach to sustainable investment. DWS applied an Engagement Policy, which 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.



## How did this financial product perform compared to the reference sustainable benchmark?

The financial product has designated the FTSE ESG Select EMU Government Bond Index as the reference benchmark. Please see below for the performance comparison between the financial product and the reference benchmark.

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

## How did the reference benchmark differ from a broad market index?

The Reference Index is based on the Parent Index, which is designed to measure the performance of fixed-rate, local currency, investment-grade sovereign bonds issued in developed market countries included in the Ultimate Parent Index, excluding countries which do not fulfil specific ESG criteria. Countries excluded from the Parent Index will also be excluded from the Reference Index. The Parent Index excludes countries based on the following criteria:

### ***Country Inclusion Criteria***

The Parent Index applies a country inclusion criteria assessment by ranking countries based on the country ESG scores, which are calculated as set out in the paragraph 'ESG Criteria and Tilting'. Countries that are identified as significant laggards (i.e. ranked in a certain lowest percentile) are removed from the Parent Index. Further information on the exclusion thresholds is available at: FTSE ESG Select Government Bond Index Series (lseg.com).

### ***Freedom Criteria***

The Parent Index also applies an inclusion criterion based on Freedom House data. Freedom House is a non-profit, non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partially Free" or "Not Free". Only countries designated as "Free" are eligible for inclusion in the Parent Index. Further information is available at: <https://freedomhouse.org>. Further information on the inclusion thresholds is available at: FTSE ESG Select Government Bond Index Series (lseg.com).

### ***Social Violations***

The Parent Index excludes countries that are subject to social violations as referred to in international treaties and conventions, United Nations principles and, where applicable, national law based on data from Sustainalytics. Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. The Reference Index also excludes countries that are present on the EU list of non-cooperative jurisdictions for tax purposes. For further details on which countries are present on this list, refer to the EU list of non-cooperative jurisdictions for tax purposes at: EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu).

### ***ESG Criteria and Tilting***

The weights of eligible constituents are adjusted in the Reference Index relative to the EMU subset of the Ultimate Parent Index by overweighting countries with lower ESG risks and underweighting countries with higher ESG risks. The market value weight for each security is "tilted" by its respective country's ESG score such that the weight of each issuer in the Reference Index is a function of the market value weight and the country ESG score (the "Tilted Weight").

Country ESG scores are intended to assess a country's exposure to, and management of, certain ESG risk factors and are sourced from the LSEG Sustainable Sovereign Risk Methodology (2SRM). Further information can be found on: Sustainable Sovereign Risk Methodology (lseg.com).

ESG scores for each country are established by evaluating and scoring each country's ESG risks across each of the following three pillars:

- Environmental risk: considers topics such as energy, climate, and natural capital;
- Social risk: considers topics such as inequality, employment, human capital, health, and societal wellbeing; and
- Governance risk: considers topics such as corruption, government effectiveness, political stability, regulatory quality, rule of law, and voice & accountability.

These pillar scores are then compared on a relative basis against other eligible constituents in the Reference Index with a specified "tilt factor" applied to each pillar score, and combined to derive a single combined ESG score for each country. This single ESG score is then used to determine each

issuer's Tilted Weight in the Reference Index.

Further information on the ESG Pillars, Underlying Indicators and ESG Tilting methodology is available at: FTSE ESG Select Government Bond Index Series (lseg.com) and the LSEG Sustainable Sovereign Risk Methodology (2SRM).

### **Weighting and Capping**

The Reference Index applies a 35% issuer market value weight cap. If the Tilted Weight of any country exceeds 35%, its weight is capped and any excess market weight is redistributed on a pro-rata basis across the other countries.

After the application of ESG tilting and issuer capping, the Reference Index is reviewed to ensure at least 20% of the least well-rated securities are eliminated from the Reference Index relative to the EMU subset of the Ultimate Parent Index. If the Reference Index does not exclude 20% by market value of the lowest scoring ESG issuers, additional issuers will be removed from the Reference Index until the minimum 20% exclusion is achieved. This may mean the Reference Index could exclude additional EMU countries compared to the Parent Index.

### **Minimum Green Bond Exposure Criteria**

Following the application of the ESG Criteria and Weighting, a green bond tilt is implemented to each green bond's market value weighting within the Reference Index. This ensures that eligible green bonds meet a certain minimum threshold of the Reference Index, while maintaining the country weights previously calculated. The remaining bond weights are then tilted to achieve duration neutrality relative to the index duration of the EMU subset of the Ultimate Parent Index.

Green Bond eligibility is assessed by the Climate Bond Initiative ("CBI") and only bonds classified as either CBI-aligned or CBI-certified are designated as Green Bonds. CBI data is intended to identify eligible Green Bonds whose use of proceeds are in line with the Paris Agreement. The Climate Bond Initiative (CBI) provides independent analysis on green bond use of proceeds and provides opinions on the green credential of the intended proceeds allocation. Further details on the CBI green bond methodology can be found at [cbi-gb-methodology-061020.pdf](#) (climatebonds.net).

For full details on the minimum green bond exposure criteria please refer to the FTSE ESG Select World Government Bond Index – DM Ground Rules.  
FTSE ESG Select Government Bond Index Series (lseg.com)

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

## **Xtrackers II ESG Eurozone Government Bond UCITS ETF**

Indicators	Performance	Performance
	Financial Product Xtrackers II ESG Eurozone Government Bond UCITS ETF	FTSE ESG Select EMU Government Bond Index
Country Environment Pillar Score	6.09	6.09
Country Governance Pillar Score	7.7	7.7
Country Social Pillar Score	7.74	7.74
Freedom House Score	92.55	92.55

How did this financial product perform compared with the reference benchmark?

Reference benchmark comparison	Financial Product	Benchmark
	Xtrackers II ESG Eurozone Government Bond UCITS ETF	FTSE ESG Select EMU Government Bond Index
Performance	0.37%	0.53%

Performance (during the period January 01, 2024 , through December 31, 2024)

How did this financial product perform compared with the broad market index?

Broad market index comparison	Financial Product	Broad market index
	Xtrackers II ESG Eurozone Government Bond UCITS ETF	FTSE World Government Bond Index – DM
Performance	0.37%	2.91%

Performance (during the period January 01, 2024 , through December 31, 2024)