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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Xtrackers US Equity Enhanced Active UCITS ETF
Legal entity identifier: 254900Z4S13HFP1VHK26

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:** ___%	☒ 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 1% 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 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 through the screening of the portfolio against an ESG database. The financial product specifically promotes, the environmental characteristic of a reduction in oil sands extraction; and the social characteristics of: a reduction in human and labour rights controversy occurrences, a reduction in controversial weapon production, and a reduction in tobacco production. The financial product utilises data from Urgewald and MSCI ESG Research LLC ("MSCI") to apply certain ESG criteria using the following products: Urgewald Global Coal Exit List (GCEL), MSCI ESG Ratings, MSCI ESG Controversies, and MSCI ESG Business Involvement Screening Research.

Companies in the Investment Universe which breach the following ESG standards, among others, will be excluded:

- Are assigned an MSCI ESG Rating of 'CCC';
- Fail to comply with the United Nations Global Compact principles or have a MSCI Controversies Score of 0;

- Have any involvement in controversial, as categorised by MSCI ESG Research;
- Are classified by MSCI as breaching revenue thresholds of up to 5% in civilian firearms;
- Are classified by MSCI as breaching revenue thresholds of up to 5% in controversial activities, including tobacco production, thermal coal mining and power and unconventional oil and gas extraction (oil sands); and
- Are classified by GCEL as having any involvement in coal power expansion projects or coal mining expansion projects.

Please note that companies that are not assessed by MSCI ESG Research in the ESG Controversies and ESG Ratings assessments are also excluded.

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.

Urgewald Global Coal Exit List (GCEL)

The Urgewald Global Coal Exit List aims to give financial institutions a tool to remove coal from their portfolios. The GCEL aims to provide coal-related data for companies within the coverage universe. GCEL covers the entire thermal coal value chain from coal exploration and mining, to coal power production and coal gasification. For full details please refer to www.urgewald.org/english

The portfolio allocation (the "Proposed Allocation") will be provided by DWS International GmbH (the "Discretionary Investment Advisor ") on a scheduled monthly basis (the "Asset Selection Date") or at other times where the Discretionary Investment Advisor wishes to update the Proposed Allocation based on economic and/or other indicators. While the financial product seeks to ensure compliance with the above ESG standards at each Asset Selection Date or review date, between these dates, securities which no longer meet these criteria may remain included in the portfolio of the financial product until it is possible and practicable to divest such positions.

The financial product has not designated a reference benchmark to promote these environmental and/or social characteristics.

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. Typically, such exposure is expected to be 0%.
- **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. Typically, such exposure is expected to be 0%.
- **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. Typically, such exposure is expected to be 0%.
- **Tobacco Production:** The percentage of the financial product's portfolio's market value exposed to companies flagged for involvement in tobacco production with a revenue in this area of more than 0%, as determined by MSCI. Typically, such exposure is expected to be 0%.

- **Oil Sands Extraction:** The percentage of the financial product's portfolio's market value exposed to companies flagged for involvement in oil sands extraction with a revenue in this area of more than, or equal to, 5%, as determined by MSCI. Typically, such exposure is expected to be 0%.

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 1% 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 are 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.

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 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, which harm any of the environmental and/or social objectives identified by their contribution to a UN SDG;
- Violation of international norms (such as the United Nations Global Compact principles) or involvement in very severe controversies (as assessed using MSCI ESG Controversies, amongst others). The MSCI ESG Controversies analysis provides assessments of controversies concerning the negative environmental, social and/or governance impact of company operations, products and services. Identified controversy cases include alleged company violations of existing laws and/or regulations or an alleged company action or event that violates commonly accepted international norms, including global norms and conventions, such as the International Labour Organization ("ILO") Fundamental Conventions. A case can be a single event such as a spill, accident or regulatory action, or a set of closely linked events or allegations such as health and safety fines at the same facility, multiple allegations of anticompetitive behavior related to the same product line, multiple community protests at the same company location or multiple individual lawsuits alleging the same type of discrimination. The categorisation of a controversy case as

being very severe (MSCI ESG Controversies Score of 0) is based on a combination of the assessed severity of the controversy as well as the assessments of the company's alleged role and the status of the case remediation; and

- Violation of certain principal adverse indicator thresholds, as further detailed under the section entitled "How have the indicators for adverse impacts on sustainability factors been taken into account?" below.

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 the following 14 mandatory principal adverse indicators on sustainability factors applicable to investments in investee companies from Table 1 of Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing SFDR: PAI 1 GHG emissions; PAI 2 carbon footprint; PAI 3 GHG intensity of investee companies; PAI 4 exposure to companies active in the fossil fuel sector; PAI 5 share of non-renewable energy consumption and production; PAI 6 energy consumption intensity per high impact climate sector; PAI 7 activities negatively affecting biodiversity-sensitive areas; PAI 8 emissions to water; PAI 9 hazardous waste and radioactive waste ratio; PAI 10 violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises; PAI 11 lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises; PAI 12 unadjusted gender pay gap; PAI 13 board gender diversity; and PAI 14 exposure to controversial weapons (anti- personnel mines, cluster munitions, chemical weapons and biological weapons). DWS has established quantitative thresholds and/or qualitative values to determine if an issuer significantly harms any of the environmental or social objectives. These values are set based upon various external and interal factors, such as data availability or market developments and may be adapted going forward. For further information on these thresholds, please refer to '5.2. Step 2: Do No Significant Harm – Assessment' of the Procedure Document on ESG Methods, Data Sources and Data Processing available via the following link: https://etf.dws.com/en-lu/AssetDownload/Index/2bf90132-87c2-40f6-91e9-e732407c4562/202403_DWS%20Procedure%20Document_Final.pdf

In addition to the integration of principal adverse indicators in the DNSH assessment, the financial product further takes into consideration principal adverse indicators in its design through the screening of the portfolio against an ESG database. Utilising data from MSCI ESG Research LLC, the financial product identifies and excludes companies in the Investment Universe which breach revenue thresholds in activites which are negatively aligned with specific principal adverse indicators, including:

- Exposure to companies active in the fossil fuel sector (no. 4) - considered through the application of exclusions of companies classified by MSCI as breaching a revenue threshold of up to 5% in oil sands and thermal coal extraction;

- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10) - considered through the application of exclusions of companies that fail to comply with the United Nations Global Compact principles or have an MSCI ESG Controversies score of 0; and

- Exposure to controversial weapons (no. 14) - considered through the application of exclusions of companies that have any involvement in controversial weapons, as categorised by MSCI ESG Research LLC.

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 ineligible for investment by the financial product.

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) through the exclusion of securities from the investment universe:

- Exposure to companies active in the fossil fuel sector (no. 4) - as considered through the application of exclusions of companies classified by MSCI as breaching a revenue thresholds of up to 5% in oil sands and thermal coal extraction;
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10) - as considered through the application of exclusions of companies that fail to comply with the United Nations Global Compact principles or have an MSCI Controversies Score of 0; and
- Exposure to controversial weapons (no. 14) - as considered through the application of exclusions of companies that have any involvement in controversial weapons, as categorised by MSCI ESG Research.

Information relating to the principal adverse impacts considered by the financial product will be made available in its annual financial statements.

☐ No

What investment strategy does this financial product follow?

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

The investment objective of the financial product is to achieve mid to long-term capital appreciation in excess of a benchmark representing the shares of large capitalisation companies in the US. The financial product is managed using an active approach and the Discretionary Investment Advisor will select the Proposed Allocation using a dynamic bottom-up stock selection strategy with the primary aim of generating capital appreciation. In order to achieve the investment objective, the Discretionary Investment Advisor will consider multiple quantitative categories of fundamental and price-driven stock characteristics to determine a scoring model for each of the securities in the Investment Universe. The categories include, but are not limited to: valuation, financial strength, technical indicators, analyst sentiment, and earnings growth. The categories are constantly reviewed for their contribution to overall performance and are dynamically weighted within the scoring model as a result. The scores are implemented in the final allocation using a risk-controlled approach. The Sub-Portfolio Manager will assess the Proposed Allocation with regards to certain liquidity criteria, tradability of securities and portfolio diversification and certain environmental, social and governance criteria as described above.

- ***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 financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR through the screening of the portfolio against an ESG database. The financial product utilises data from Urgewald and MSCI to apply certain ESG criteria using the following products: Urgewald Global Coal Exit List (“GCEL”), MSCI ESG Ratings, MSCI ESG Controversies, and MSCI ESG BISR.

Companies in the Investment Universe which breach the following ESG standards will be excluded:

- Are assigned an MSCI ESG Rating of ‘CCC’;
- Fail to comply with the United Nations Global Compact principles or have an MSCI Controversies Score of 0;
- Have any involvement in controversial weapons, as categorised by MSCI ESG Research;
- Are classified by MSCI as breaching revenue thresholds of up to 5% in civilian firearms;
- Are classified by MSCI as breaching revenue thresholds of up to 5% in controversial activities, including tobacco production, thermal coal mining and power and unconventional oil and gas extraction (oil sands); and
- Are classified by GCEL as having any involvement in coal power expansion projects or coal mining expansion projects.

Please note that companies that are not assessed by MSCI ESG Research in the ESG Controversies and ESG Ratings assessments are also excluded.

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 BISR

MSCI ESG BISR aims to enable institutional investors to manage ESG standards and restrictions.

Urgewald Global Coal Exit List (GCEL)

The Urgewald Global Coal Exit List aims to give financial institutions a tool to remove coal from their portfolios. The GCEL aims to provide coal-related data for companies within the coverage universe. GCEL covers the entire thermal coal value chain from coal exploration and mining, to coal power production and coal gasification. For full details please refer to www.urgewald.org/english

The Proposed Allocation will be provided by the Discretionary Investment Advisor on each Asset Allocation Date or at other times where the Discretionary Investment Advisor wishes to update the Proposed Allocation based on economic and/or other indicators. While the financial product seeks to ensure compliance with the above ESG standards at each Asset Selection Date or review date, between these dates, securities which no longer meet these criteria may remain included in 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 policy of the financial product is to assess good governance practices of investee companies using MSCI ESG Ratings and MSCI ESG Controversies data.

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. The inclusion of governance criteria in the MSCI ESG Rating ensures that any securities which pass the ESG criteria implemented by the financial product, by having an MSCI ESG Rating above 'CCC', have been assessed to not breach key issues including: board composition, pay, ownership, accounting, business ethics, and tax transparency.

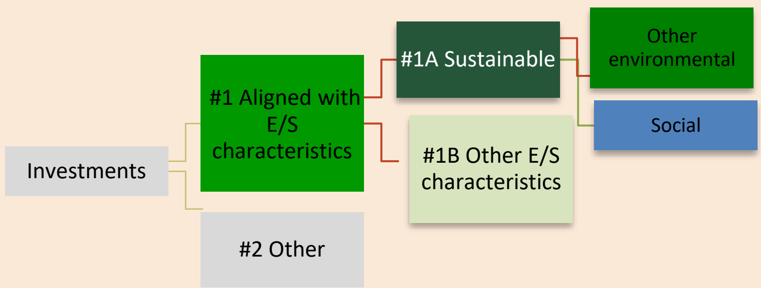
MSCI ESG Controversies provides assessments of controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services. The financial product will utilise MSCI ESG Controversies to exclude companies with an MSCI Controversies Score of 0 which are companies which have very severe controversies, including governance controversies such as: bribery and fraud, governance structures, and controversial investments.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

This financial product invests at least 80% 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 1% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 20% of the investments are 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.

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.

- ***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

operational expenditure (OpEx) reflecting green operational activities of investee companies.

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 portfolio rebalance to gain market exposure. 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 this financial product 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 waster 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. As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

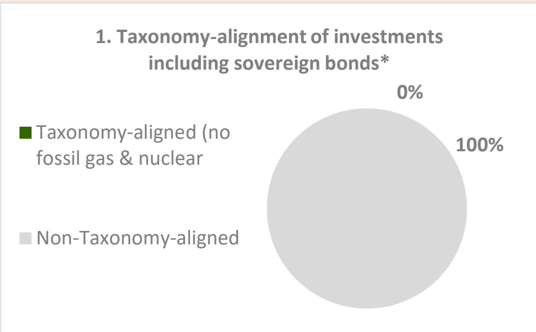
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[2]?

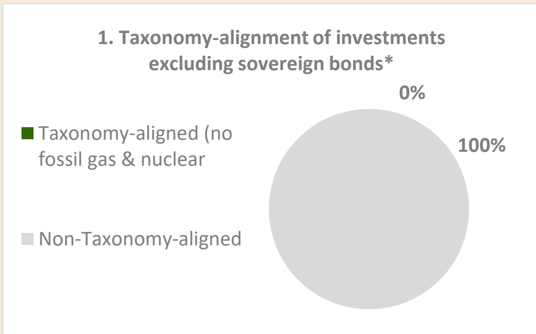
☐ Yes:

☐ 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.

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.*





This graph represents 100% of the total investments

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

[2] ***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 1%.

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 1%.

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.

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?

This financial product has not designated a reference benchmark to determine whether it 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.

Where can I find more product specific information online?

More product-specific information can be found on the website

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