

01.01.2023

Publication pursuant to SFDR - Details

Xtrackers II Eurozone Government Green Bond UCITS ETF

This financial product has sustainable investment as its objective and qualifies as product in accordance with article 9 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector

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 significant harm to the sustainable investment objective

This financial product has sustainable investment as its objective.

To ensure those sustainable investments do not cause significant harm to the 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 social violations; 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 includes criteria to exclude securities which are negatively aligned with the following principal adverse indicators:

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

Alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights

N/A - Given the financial product invests solely into sovereign debt, these specific indicators have not been taken into account for the purposes of determining sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2(17) of SFDR.

Sustainable investment objective of the financial product

The financial product has sustainable investment as its objective and qualifies as a financial product subject to Article 9(1) SFDR by tracking the Reference Index (as defined below). The Reference Index is designed to represent the performance of sovereign green bonds that are denominated in EUR. The Reference Index rules aim to offer a broad coverage of the green sovereign bond universe, meeting certain minimum environmental, social and governance ("ESG") criteria. 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 or other eligible assets.

The Reference Index determines its constituents by applying the following ESG selection criteria:

- (1) **Freedom House Global Freedom Status:** The Reference Index 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", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Only sovereign bonds issued by countries designated as "Free" or Partly Free are eligible for inclusion in the Reference Index. Further information surrounding the methodology is available under the header "Reports" at <https://freedomhouse.org>.
- (2) **Sustainalytics Country-Risk Category:** Country-Risk Scores are used to determine the Sustainalytics Country-Risk Category. The Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and, for 95% of cases, a maximum score below 50. Issuers are then grouped into one of five risk categories; negligible (0-10), low (10-20), medium (20-30), high (30-40) and severe (40+). All issuers with a Sustainalytics Country-Risk Category of "severe" will be excluded from the Reference Index. In

the case of category change, the country will be added or removed during monthly rebalancing. Further information on Country-Risk Category can be found on the Sustainalytics website (<https://www.sustainalytics.com/>) under ESG Risk Ratings.

- (3) **Green Bond classification:** The Reference Index leverages external independent data sources for determining any 'green' bond classification. Only those bonds that have been classified by the Climate Bond Initiative ("CBI") as 'Green Bonds' in adherence with the CBI's Climate Bond Taxonomy are eligible. The criteria goes beyond self-labelling conventions, and evaluates the credibility of an asset and its environmental impact. The CBI's Climate Bond Taxonomy determines if each Green Bond's use of generated proceeds will help in the wider effort of transitioning to a low carbon economy. The CBI verifies if any generated greenhouse gas emissions are consistent with the greater goal of achieving the 2-degree global warming target as set by the COP 21 Paris Agreement. The CBI Taxonomy has been developed based on the latest climate science, including research from the Intergovernmental Panel on Climate Change, the International Energy Agency, and has benefited from the input of hundreds of technical experts from around the world.

The Reference Index uses inclusion criteria based on Morningstars Sustainalytics data. 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. In particular, the Reference Index uses the following ESG Products: Sustainalytics ESG Risk Rating Scores, Controversies, Country Ratings, Global Standards Screening, and Product Involvement, Controversial Weapons Involvement. For details on Sustainalytics ESG Research's full suite of ESG products, please refer to: <http://www.sustainalytics.com>.

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 iBoxx EUR Eurozone Sovereigns Green Bonds Capped Index, which is designed to reflect the performance of Sovereign Green bonds that are denominated in EUR. The Reference Index rules aim to offer a broad coverage of the Green sovereign bond universe, meeting certain minimum ESG criteria, whilst upholding minimum standards of investability and liquidity.

Policy to assess Good Governance

Given the financial product invests solely into sovereign debt, there is no policy to assess good governance practices of investee companies. Nonetheless, the investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes countries that are not free (assessing, amongst others, political freedom and human rights) based on Freedom House classifications, and countries that have an ESG Score (which assesses, amongst other things, a country's governance risks) below a certain threshold.

Proportion of investments

This financial product invests at least 90% of its net assets in investments that are aligned with the sustainable investments with an environmental or social objective in the sense of article 2(17) SFDR. Up to 10% of the investments are not aligned with these 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 the sustainable investment objective

The Reference Index applies the ESG criteria outlined above. DWS performs a regular assessment of the ESG and sustainable investment 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 sustainable investment objective of the financial product is measured using the following sustainability indicators:

- **Green Bond Exposure:** The percentage of the financial product's portfolio which is exposed to securities identified as "green bonds" as determined by Refinitiv, incorporating data and classifications from the Climate Bond Initiative. In order to be identified as a green bond the asset and issuer must meet the following requirements:
 - (i) CBI Certified Green Bond: These are issued either based on issuer's own green bond principles or CBI

green bond principles and is also certified by CBI as a green.

(ii) Self-Labelled Green Bond: These are labelled as green by the issuers but do not meet CBI criteria.

(iii) CBI Verified Green Bond: These are labelled securities which also meet CBI green bond principles. These issuers issue green bonds based on their own green bond principles.

- **Government ESG Score:** The weighted average of the financial product's portfolio's market value ESG Government score which indicates the overall environmental, social, and governance (ESG) performance of a country/region as determined by either MSCI or Sustainalytics, details on the provider used are available upon request.

Data sources and processing

The Reference Index utilises ESG data from Sustainalytics by Morningstar ("Sustainlytics") and Freedom House.

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. In particular, this index uses the following ESG Products: Sustainalytics ESG Risk Rating Scores, Controversies, Country Ratings, Global Standards Screening, and Product Involvement, Controversial Weapons Involvement. For details on Sustainalytics ESG Research's full suite of ESG products, please refer to: <http://www.sustainalytics.com>.

Freedom House is a non-profit, non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights.

The Reference Index also utilises data from Climate Bond Initiative via the Climate Bonds Taxonomy. The CBI identifies assets and projects which deliver a low carbon economy and provides GHG emissions screening criteria consistent with the 2-degree global warming target set by the COP 21 Paris Agreement.

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 Sub-Fund is subject to the disclosure requirements of a financial product under Article 9(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects has sustainable investment as its objective. The Company is solely relying on the activities conducted by and information provided by the Index Administrator 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 Sub-Fund 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 Sub-Fund accords with their own ESG criteria. Information on how the Reference Index is aligned with the financial product's sustainable investment objective 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 issuers' 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 iBoxx EUR Eurozone Sovereigns Green Bonds Capped Index as the reference benchmark.

Alignment of Sustainability Factors

The Reference Index takes into account sustainability factors in line with the sustainable investment objective by aiming to offer a broad coverage of the Green sovereign bond universe, meeting certain minimum ESG criteria.

The Reference Index only includes those bonds that have been classified by the Climate Bond Initiative ("CBI") as 'Green Bonds' in adherence with the CBI's Climate Bond Taxonomy.

With regards to ESG criteria, the Sustainalytics Country-Risk Category and the Freedom House Global Freedom Status are used to exclude certain countries. All issuers with a Sustainalytics Country-Risk Category of "severe" will be excluded from the Reference Index and only countries designated as "Free" or "Partly Free" are eligible for inclusion in the Reference Index, amongst other things.

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 a 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

Further details regarding the Reference Index (including its constituents) are available on the Index Administrator's website at <https://ihsmarkit.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.

This document is intended for discussion purposes only and does not create any legally binding obligations on the part of DWS Group GmbH & Co. KGaA and/or its affiliates (DWS). Without limitation, this document does not constitute an offer, an invitation to offer or a recommendation to enter into any transaction. When making an investment decision, you should rely solely on the final documentation relating to the transaction and not the summary contained herein. DWS is not acting as your financial adviser or in any other fiduciary capacity in

relation to this transaction. The transaction(s) or product(s) mentioned herein may not be appropriate for all investors and before entering into any transaction you should take steps to ensure that you fully understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You should also consider seeking advice from your own advisers in making this assessment. If you decide to enter into a transaction with DWS, you do so in reliance on your own judgment.

Although information in this document has been obtained from sources believed to be reliable, we do not guarantee its accuracy, completeness or fairness, and it should not be relied upon as such. All opinions and estimates herein, including forecast returns, reflect our judgment on the date of this document and are subject to change without notice and involve a number of assumptions which may not prove valid.

Any opinions expressed herein may differ from the opinions expressed by Deutsche Bank AG and/or any other of its affiliates (DB). DB may engage in transactions in a manner inconsistent with the views discussed herein. DB trades or may trade as principal in the instruments (or related derivatives), and may have proprietary positions in the instruments (or related derivatives) discussed herein. DB may make a market in the instruments (or related derivatives) discussed herein.

DWS SPECIFICALLY DISCLAIMS ALL LIABILITY FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL OR OTHER LOSSES OR DAMAGES INCLUDING LOSS OF PROFITS INCURRED BY YOU OR ANY THIRD PARTY THAT MAY ARISE FROM ANY RELIANCE ON THIS DOCUMENT OR FOR THE RELIABILITY, ACCURACY, COMPLETENESS OR TIMELINESS THEREOF.

This document has been prepared without consideration of the investment needs, objectives or financial circumstances of any investor. Before making an investment decision, investors need to consider, with or without the assistance of an investment adviser, whether the investments and strategies described or provided by DWS, are appropriate, in light of their particular investment needs, objectives and financial circumstances. Furthermore, this document is for information/discussion purposes only and does not constitute an offer, recommendation or solicitation to conclude a transaction and should not be treated as giving investment advice.

DWS does not give tax or legal advice. Investors should seek advice from their own tax experts and lawyers, in considering investments and strategies suggested by DWS. Investments with DWS are not guaranteed, unless specified.

Investments are subject to various risks, including market fluctuations, regulatory change, counterparty risk, possible delays in repayment and loss of income and principal invested. The value of investments can fall as well as rise and you may not recover the amount originally invested at any point in time. Furthermore, substantial fluctuations of the value of the investment are possible even over short periods of time.

This document contains forward looking statements. Forward looking statements include, but are not limited to assumptions, estimates, projections, opinions, models and hypothetical performance analysis. The forward-looking statements expressed constitute the author's judgment as of the date of this material. Forward looking statements involve significant elements of subjective judgments and analyses and changes thereto and/or consideration of different or additional factors could have a material impact on the results indicated. Therefore, actual results may vary, perhaps materially, from the results contained herein. No representation or warranty is made by DWS as to the reasonableness or completeness of such forward looking statements or to any other financial information contained herein. The terms of any investment will be exclusively subject to the detailed provisions, including risk considerations, contained in the offering documents.

This document may not be reproduced or circulated without our written authority. The manner of circulation and distribution of this document may be restricted by law or regulation in certain countries, including the United States. This document is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, including the United States, where such distribution, publication, availability or use would be contrary to law or regulation or which would subject DWS to any registration or licensing requirement within such jurisdiction not currently met within such jurisdiction. Persons into whose possession this document may come are required to inform themselves of, and to observe, such restrictions.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

The Xtrackers II Eurozone Government Green Bond UCITS ETF (the "Fund") has been developed solely by DWS. The Fund is not in any way connected to or sponsored, endorsed, sold by IHS Markit. Markit and iBoxx are trademarks of IHS Markit and have been licensed by Markit Indices Limited, part of Markit (together "Markit") for use by Xtrackers II. Markit does not approve, endorse or recommend Xtrackers II or iBoxx EUR Eurozone Sovereigns Green Bonds Capped Index, (each a "Markit Index", and together the "Markit Indices"). The Markit Indices are derived from a source considered reliable, but Markit and its employees, suppliers, subcontractors and agents (together "Markit Associates") do not guarantee the veracity, completeness or accuracy of the Markit Indices or other information furnished in connection with the Markit Indices. No representation, warranty or condition, express or implied, statutory or otherwise, as to condition, satisfactory quality, performance, or fitness for purpose are given or assumed by Markit or any of the Markit Associates in respect of the Markit Indices or any data included in it or the use by any person or entity of the Markit Indices or that data, and all those representations, warranties and conditions are excluded save to the extent that such exclusion is prohibited by law. Markit and the Markit Associates shall have no liability or responsibility to any person or entity for any loss, damages, costs, charges, expenses or other liabilities whether caused by the negligence of Markit or any of the Markit Associates or otherwise, arising in connection with the use of the Markit Indices.

© DWS Investments UK Limited 2023.