

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:** Digital DPM - Open Arch ETF ESG 1+

**Legal entity identifier:** 52990037OIEQO0EVFH64

31 March 2023

### Environmental and/or social characteristics

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

| <input checked="" type="radio"/> <input checked="" type="radio"/> <input type="radio"/> <b>Yes</b>                       | <input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>  |
|--|---|
| <input type="checkbox"/> it made <b>sustainable investments with an environmental objective</b> : ____%                  | <input checked="" type="checkbox"/> <b>It promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 13.79 % of sustainable investments. |
| <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy        | <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  |
| <input type="checkbox"/> It made <b>sustainable investments with a social objective</b> : ____%                          | <input type="checkbox"/> with a social objective  |
| <input type="checkbox"/>   | <input type="checkbox"/> It promoted E/S characteristics, but did <b>not make any sustainable investments</b>   |



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

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

This financial product promoted environmental and social characteristics in the areas of climate change mitigation, corporate governance, and social norms by investing in target-date funds that avoid the following:

- (1) Issuers with high or excessive climate and transition risks,
- (2) issuers with the highest severity of norm violations (i.e., in terms of compliance with international standards for corporate governance, human and labor rights, customer and environmental safety, and business ethics),

In addition, this financial product invested mainly in target funds that had an Art.8 or Art.9 classification in accordance with the Disclosure Regulation (EU) 2019/2088.

This financial product had not determined a reference value for the achievement of the advertised environmental and/or social characteristics.

No derivatives were used to attain the environmental or social characteristics promoted by the financial product.

How did the sustainability indicators perform?

Please see the section entitled “What actions have been taken to meet the environmental and/or social characteristics during the reference period?” for detailed descriptions of the binding elements of the investment strategy used to select the investments for attaining the environmental and/or social characteristics promoted and the assessment methodology for determining whether and to what extent assets and indicators met the defined ESG standards.

The ESG ratios are calculated based on the valuation prices for the assets, which are recorded in the front office system. This can lead to slight variations from the other market prices presented in the annual report, which are taken from the fund accounting system.

## Digital DPM - Open Arch ETF ESG 1+

| Indicators                               | Description | Performance       |
|--|-------------|-------------------|
| <b>Sustainability indicators</b>         |             |                   |
| Climate and Transition Risk Assessment A |             | 10.23 % of assets |
| Climate and Transition Risk Assessment B |             | 13.89 % of assets |
| Climate and Transition Risk Assessment C |             | 55.9 % of assets  |
| Climate and Transition Risk Assessment D |             | 12.35 % of assets |
| Climate and Transition Risk Assessment E |             | 7.38 % of assets  |
| Climate and Transition Risk Assessment F |             | 0 % of assets     |
| Norm Assessment A                        |             | 18.02 % of assets |
| Norm Assessment B                        |             | 2.98 % of assets  |
| Norm Assessment C                        |             | 78.75 % of assets |
| Norm Assessment D                        |             | 0 % of assets     |
| Norm Assessment E                        |             | 0 % of assets     |
| Norm Assessment F                        |             | 0 % of assets     |
| Share of SFDR Art 8 funds                |             | 81.36 %           |
| Share of SFDR Art 9 funds                |             | 0 %               |

## Principal Adverse Impact

|  |  |                  |
|--|--|------------------|
| PAII - 02. Carbon Footprint - EUR  | The carbon footprint is expressed as tonnes of CO2 emissions per million EUR invested. The CO2 emissions of an issuer are normalised by its enterprise value including cash (EVIC) | 280.8            |
| PAII - 03. Carbon Intensity  | Weighted average carbon intensity scope 1+2+3  | 697.33           |
| PAII - 04. Exposure to companies active in the fossil fuel sector                          | Share of investments in companies active in the fossil fuel sector   | 7.6 %            |
| PAII - 10. Violations of UNGC principles and OECD Guidelines for Multinational Enterprises | Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises                           | 0.08 % of assets |

As of: March 31, 2023

The Principal Adverse Impact Indicators (PAII) are calculated on the basis of information available within DWS back-office and front-office systems, that are amongst others based on information sourced from external ESG data vendors. In case individual securities or issuers related to such securities do not have information related to an individual PAII, either through a lack of data availability or through the non-applicability of the PAII to that individual issuer or security, the PAII calculation methodology for individual indicators may consider such securities or issuers with a value of 0. For Target Fund investments, a “look-through” into target fund holdings is performed subject to data availability, amongst others related to reasonable actual information of target fund holdings as well as the related security or issuer information. The calculation methodology for the individual PAII indicators may change in subsequent reporting periods as a consequence of evolving market standards, a change of treatment of securities of specific instrument types (such as derivatives), an increase in data coverage or through regulatory clarifications.

## DWS ESG-Assessment Scale

In the following assessment categories, the assets received one of six possible scores, with “A” being the best score and “F” being the worst score

| Criteria | Involvement in controversial sectors <sup>1</sup> | Involvement in controversial weapons    | Norm Assessment <sup>8</sup>                               | ESG Quality Assessment                     | SDG-Assessment                                | Climate & Transition Risk Assessment      |
|----------|---|---|--|--|---|---|
| <b>A</b> | Non-involvement                                   | Confirmed non-involvement               | Confirmed no issues  | True leader in ESG (≥ 87.5 DWS ESG score)  | True SDG contributor (≥ 87.5 SDG score)       | True climate leader (≥ 87.5 score)        |
| <b>B</b> | Remote involvement                                | Alleged                                 |  | ESG leader (75–87.5 DWS ESG score)         | SDG contributor (75–87.5 SDG score)           | Climate solution provider (75–87.5 score) |
| <b>C</b> | 0% – 5%   | Dual-Purpose <sup>2</sup>               | Violations of lesser degree                                | ESG upper midfield (50–75 DWS ESG score)   | SDG upper midfield (50–75 SDG score)          | Low transition risk (50–75 score)         |
| <b>D</b> | 5% – 10%<br>(coal: 5% -15%)                       | Owning <sup>3</sup> /Owned <sup>4</sup> |  | ESG lower midfield (25–50 DWS ESG score)   | SDG lower midfield (25–50 SDG score)          | Mod. transition risk (25–50 score)        |
| <b>E</b> | 10% – 25%<br>(coal: 15% - 25%)                    | Component <sup>5</sup> producer         | High severity or re-assessed highest severity <sup>7</sup> | ESG laggard (12.5–25 DWS ESG score)        | SDG obstructer (12.5–25 SDG score)            | High transition risk (12.5–25 score)      |
| <b>F</b> | ≥ 25%   | Weapon producer                         | Highest severity/global compact violation <sup>8</sup>     | True laggard in ESG (0–12.5 DWS ESG score) | Significant SDG obstructer (0–12.5 SDG score) | Excessive transition risk (0–12.5 score)  |

(1) Revenue share thresholds as per standard scheme. Sub-Granularity available. Thresholds can be individually set.

(2) Encompasses e.g., weapon-carrying systems such as combat aircraft that carry non-controversial weapons as well as controversial ones

(3) Owning more than 20% equity

(4) Being owned by more than 50% of company involved in grade E or F.

(5) Single purpose key component.

(6) Includes ILO controversies as well as corporate governance and product issues.

(7) In its ongoing assessment, DWS takes into account the violation(s) of international standards – observed via data from ESG data vendors – such as the UN Global Compact, but also possible ESG data vendor errors identified, future expected developments of these violations as well as the willingness of the issuer to engage in dialogue regarding corporate decisions in this regard.

(8) An F-grade can be considered a reconfirmed violation of the United Nations Global Compact rule framework for corporate behavior.

...and compared to previous periods?

## Digital DPM - Open Arch ETF ESG 1+

| Indicators   |             | Performance |            |
|--|-------------|-------------|------------|
|  |             | 31/03/2023  | 30/12/2022 |
| <b>Sustainability indicators</b>   |             |             |            |
| Climate and Transition Risk Assessment A   | % of assets | 10.23       | 9.7        |
| Climate and Transition Risk Assessment B   | % of assets | 13.89       | 2.99       |
| Climate and Transition Risk Assessment C   | % of assets | 55.9        | 67.34      |
| Climate and Transition Risk Assessment D   | % of assets | 12.35       | 12.55      |
| Climate and Transition Risk Assessment E   | % of assets | 7.38        | 7.42       |
| Climate and Transition Risk Assessment F   | % of assets | 0           | 0          |
| Norm Assessment A  | % of assets | 18.02       | 14.3       |
| Norm Assessment B  | % of assets | 2.98        | 6.3        |
| Norm Assessment C  | % of assets | 78.75       | 79.39      |
| Norm Assessment D  | % of assets | 0           | 0          |
| Norm Assessment E  | % of assets | 0           | 0          |
| Norm Assessment F  | % of assets | 0           | 0          |
| Share of SFDR Art 8 funds  | %           | 81.36       | 76.63      |
| Share of SFDR Art 9 funds  | %           | 0           | 0          |
| <b>Principal Adverse Impact</b>  |             |             |            |
| PAII - 02. Carbon Footprint - EUR  |             | 280.8       | 271.13     |
| PAII - 03. Carbon Intensity  |             | 697.33      | 722.05     |
| PAII - 04. Exposure to companies active in the fossil fuel sector                          | %           | 7.6         | 7.3        |
| PAII - 10. Violations of UNGC principles and OECD Guidelines for Multinational Enterprises | % of assets | 0.08        | 0.08       |

As of: March 31, 2023

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

For the Financial Product, the Company invested in target funds partially invested in sustainable investments as defined in Article 2(17) of EU Regulation 2019/2088 on sustainability-related disclosure requirements in the financial services sector ("SFDR").

These sustainable investments contributed to at least one of the UN SDGs (so-called "SDGs") that have environmental and/or social objectives, such as the following (non-exhaustive) list:

- Goal 1: No poverty
- Goal 2: No hunger
- Goal 3: Health and well-being
- Goal 4: Quality education
- Goal 5: Gender equality
- Goal 6: Clean water and sanitation
- Goal 7: Affordable and clean energy
- Goal 10: Reduce inequality
- Goal 11: Sustainable cities and communities
- Goal 12: Sustainable consumption and production
- Goal 13: Climate action
- Goal 14: Life under water
- Goal 15: Life on land

The Company used data from multiple data providers, public sources, and internal assessments (based on a defined assessment methodology) to determine whether an economic activity is a sustainable investment as defined in Article 2(17) of the Disclosure Regulation. Economic activities that contribute positively to the UN SDGs were assessed by revenue, capital expenditures ("CapEx" - Capital Expenditure) and/or operational expenditures ("OpEx" - Operational Expenditure). If a positive contribution was found, the economic activity was considered sustainable if the company scored positively on the DNSH assessment (Do Not Significantly Harm means no significant harm) and successfully passed the minimum protection assessment ("Safeguard Assessment").

The Significant Harm Assessment ("DNSH Assessment") assesses whether an economic activity contributing to a UN SDG significantly harms one or more other environmental or social objectives. If significant impairment is found, the economic activity does not pass the DNSH assessment and thus cannot be considered a sustainable investment.

The Safeguard Assessment examines the extent to which a company is in compliance with international standards. This includes checks for compliance with international standards, such as the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, the principles of the United Nations Global Compact and the standards of the International Labour Organization. Companies found and confirmed to be in serious violation of any of these international standards do not pass the Safeguard assessment and their economic activities cannot be classified as sustainable. The level of contribution to each UN SDG varied depending on the actual investments in the portfolio.

The Company did not seek a minimum percentage of sustainable investments with the Financial Product that were consistent with an environmental objective as defined by the EU taxonomy.

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

The assessment of whether there was significant impairment ("DNSH assessment") was an integral part of the determination of whether there was a sustainable investment under Article 2(17) of the Disclosure Regulation

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

As part of the DNSH assessment, all mandatory indicators for key adverse impacts from Table 1, as well as relevant indicators from Tables 2 and 3, were integrated into Annex I of Commission Delegated Regulation (EU) 2022/1288 supplementing the Disclosure Regulation.

Taking into account these adverse impacts, the Company established quantitative thresholds and/or qualitative values to determine whether an installation significantly impacted environmental or social objectives. These values were determined based on various external and internal factors, such as data availability, policy objectives or market developments.

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

The Safeguard assessment was an integral part of the determination of whether a sustainable investment existed in accordance with Art. 2(17) Disclosure Regulation. As part of the Safeguard Assessment, the Company determined whether companies were in compliance with the OECD Guidelines and UN Guiding Principles.

*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.*



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

**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.

Portfolio management, which primarily invested in target funds for this financial product, considered the following main adverse impacts on sustainability factors from Annex I of Commission Delegated Regulation (EU) 2022/1288 supplementing the SFDR:

- Carbon footprint (No. 2);
- GHG intensity of investee companies (No. 3);
- Exposure to fossil fuel companies (No. 4);
- Violation of the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises (No. 10);

The above main adverse impacts were taken into account at the product level by excluding target funds that met the environmental and social characteristics after applying the proprietary ESG assessment methodology, as further described in the section "What actions were taken during the reference period to meet the environmental and/or social characteristics?".

In addition, for sustainable investments, the main adverse impacts were also considered in the DNSH assessment, as detailed in the above section "How were the indicators of adverse impacts considered on the sustainability factors?".



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

### Digital DPM - Open Arch ETF ESG 1+

| Largest investments                                | Breakdown by sector / issuer | in % of average portfolio volume | Breakdown by country |
|--|------------------------------|----------------------------------|----------------------|
| Xtr II EUR Corp Bd Short Dur SRI PAB UCITS ETF 1C  | Bonds funds                  | 26.1 %                           | Luxembourg           |
| Xtr USD Corp Bd Sh Dur SRI PAB UCITS ETF 2C-EUR Hd | Bonds funds                  | 11.6 %                           | Ireland              |
| Xtrackers II US Treasuries UCITS ETF 2D - EUR Hed. | Bonds funds                  | 9.5 %                            | Luxembourg           |
| Xtrackers II Eurozone Gov. Bond 1-3 UCITS ETF 1D   | Financial Services           | 9.1 %                            | Luxembourg           |
| Xtr ESG USD High Yield Corp Bond UCITS ETF 1C      | Equity funds                 | 7.3 %                            | Ireland              |
| Xtrackers MSCI Europe ESG UCITS ETF 1C             | Equity funds                 | 7.1 %                            | Ireland              |
| DWS ESG Euro Money Market Fund                     | Money market funds           | 6.0 %                            | Luxembourg           |
| UBS(L)FS-MSCI USA S. R. UCITS ETF (H.to EUR)A Dis. | Equity funds                 | 5.0 %                            | Luxembourg           |
| Lyxor Index Fund- Euro High Yield UCITS ETF EUR    | Bonds funds                  | 4.5 %                            | Luxembourg           |
| Xtra. ESG USD EM Bd.Quality W. UCITS ETF 2D-EUR H. | Bonds funds                  | 3.4 %                            | Ireland              |
| Xtr II EUR Corporate Bond SRI PAB UCITS ETF 1D     | Bonds funds                  | 3.0 %                            | Luxembourg           |
| iSh. IV-Sust. MSCI Em. Markets SRI UCITS ETF USD   | Financial Services           | 3.0 %                            | Ireland              |
| Xtrackers MSCI USA ESG UCITS ETF 1C                | Equity funds                 | 2.9 %                            | Ireland              |
| Xtrackers MSCI Japan ESG UCITS ETF 1C              | Equity funds                 | 1.5 %                            | Ireland              |

for the period from December 30, 2022, through March 31, 2023

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 December 30, 2022, through March 31, 2023



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

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

### What was the asset allocation?

The asset allocation planned the environmental and/or social characteristics promoted by the financial product in accordance with the binding elements of the investment strategy, as elaborated above. The following shares were met:

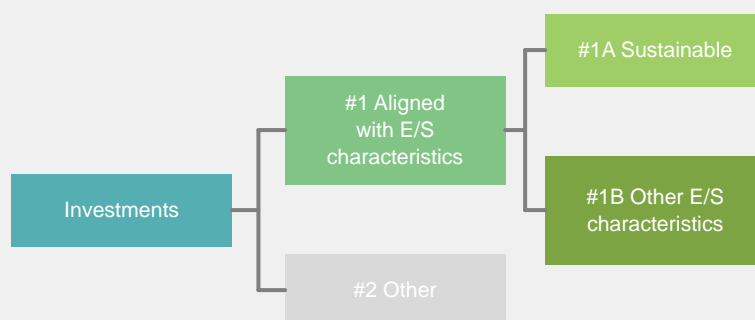
99.75% of the investments were aligned with environmental and social characteristics (“#1 Aligned with E/S characteristics”), of which:

- 13.79% were sustainable investments (“#1A Sustainable”)
- 85.96% were other environmental and social characteristics (“#1B Other E/S characteristics”).

0.25% of the investments were not aligned with these characteristics (#2 Other).

The asset allocation structure is depicted in the following:





**#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?

**Digital DPM - Open Arch ETF ESG 1+**

| Breakdown by sector / issuer - Stoxx                          | in % of portfolio volume |
|---|--------------------------|
| Others  | 87.9 %                   |
| Financial Services  | 11.9 %                   |
| Not classified  | 0.1 %                    |
| <b>Exposure to companies active in the fossil fuel sector</b> | <b>7.6 %</b>             |

**Digital DPM - Open Arch ETF ESG 1+**

| Breakdown by sector / issuer - Barclays | in % of portfolio volume |
|---|--------------------------|
| Not classified                          | 100.0 %                  |



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

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:

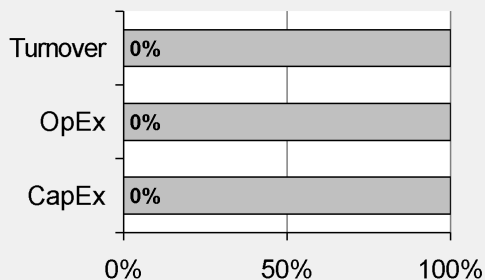
- **turnover** reflecting the share of revenue from green activities of investee companies.

- **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.

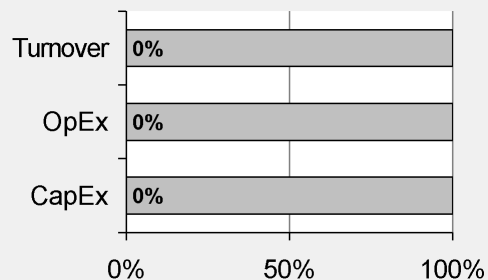
The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product 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 0.00%  
 ■ Non Taxonomy-aligned 100.00%

2. Taxonomy-alignment of investments excluding sovereign bonds\*



■ Taxonomy-aligned 0.00%  
 ■ Non Taxonomy-aligned 100.00%

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

Due to the specifications of the financial product, the financial product did not commit to invest a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the percentage of environmentally sustainable investments aligned with the EU Taxonomy was 0% of the financial product's net assets. However, it may have occurred that part of the investments' underlying economic activities were aligned with the EU Taxonomy.

What was the share of investments made in transitional and enabling activities?

The financial product did not have a minimum share of investments in transitional and enabling activities, as it did not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

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

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 environmentally or socially sustainable investments pursuant to Article 2(17) SFDR. The total share of environmentally and socially sustainable investments was 13.79% of the net assets of the financial product.



What was the share of socially sustainable investments?

The financial product had not defined a minimum percentage for environmentally or socially sustainable investments in accordance with article 2 (17) SFDR. As a separation in the assessment of sustainable investments is not possible, the total share of environmentally and socially sustainable investments shall therefore amount to 13.79% of the net assets of the financial product.



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

This financial product advertised a predominant asset allocation in investments that are consistent with environmental or social characteristics, or a combination of both (#1 Aligned with Environmental or Social Characteristics). In addition, this financial product made complementary investments in investments that were considered to be non-compliant with the advertised characteristics (#2 Other Investments).

These other investments could include any of the asset classes provided for in the respective investment policy for purposes such as hedging, liquidity management, and portfolio diversification.

In addition, other investments fell under this category due to the lack of available ESG data.

This financial product did not consider any minimum environmental or social safeguards in its other investments.



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

The multi-asset model portfolio has been allocated to actively managed funds and ETFs of both DWS and third Party Funds, which are predominantly categorised as Article 8 Funds or Article 9 Funds as defined in the Disclosure Regulation (EU) 2019/2088.

The financial portfolio management aimed to achieve the advertised environmental and social characteristics through the following non-exhaustive elements of the sustainability strategy:

- Exclusions, as further described in the section "What are the mandatory elements of the investment strategy used to select investments to achieve the environmental or social characteristics promoted by this financial product?".

The financial product's assets were invested primarily in investments that met the defined standards for the advertised environmental or social characteristics, as outlined in the following sections. The financial product's strategy with respect to the advertised environmental or social characteristics was an integral part of the ESG assessment methodology, which is stored in the ESG database and monitored on an ongoing basis as part of the financial product's investment process.

### **ESG Valuation Methodology**

The portfolio management of this model portfolio sought to achieve the advertised environmental and social characteristics by evaluating potential investments using a proprietary ESG valuation methodology, regardless of their likelihood of economic success. This methodology was based on the ESG database, which used data from multiple ESG data providers, public sources, and internal assessments (based on a defined scoring and classification methodology) to achieve derived overall scores. The ESG database was therefore based on data and figures on the one hand, and on internal judgments on the other, which took into account factors beyond the figures and data processed, such as future expected ESG developments, plausibility of the data with regard to past or future events, willingness to engage in dialogue on ESG issues, and corporate decisions of the issuer.

As described in more detail below, the ESG database derived coded ratings within different valuation approaches using the letters "A" through "F." Within individual valuation approaches, issuers were assigned one of six possible ratings, with "A" being the highest rating and "F" being the lowest rating. If an issuer's rating was deemed insufficient according to one rating approach, portfolio management was prohibited from investing in that issuer, even if it would have been investable in principle according to the other rating approaches. In this sense, each valuation in a category was considered individually and could lead to the exclusion of an issuer.

In the case that the financial product invested in target funds, a review of the target funds was performed for the underlying issuers and a rating of "A" to "F" was attributed to the target fund, taking into account the aforementioned ESG assessment methodology and the respective exposure in the portfolio in terms of climate and transition risk and violations of recognized norms.

The ESG database used the following assessment approaches to assess whether the advertised environmental and/or social characteristics were present in target funds:

### **DWS Climate and Transition Risk Assessment**

The DWS Climate and Transition Risk Assessment assessed the specific target fund in the context of climate change and environmental change, for example, in terms of greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes, or that are less exposed to these risks, were rated better.

Target funds with an excessive climate risk profile (i.e., an "F" rating) were excluded as investments.

### **DWS Norm Rating**

The DWS Norm Rating assessed the target fund with reference to principles of the United Nations Global Compact, standards of the International Labor Organization, and behavior within the framework of generally accepted international norms and principles. For example, the Norm Assessment examined human rights abuses, violations of workers' rights, child or forced labor, adverse environmental impacts, and business ethics.

Target funds with the highest severity of standard infringements (i.e. an "F" assessment) were excluded as investments.

### **EU-SFDR Article 8/9**

This data point was obtained from the data provider MSCI. Regulation (EU) No. 2019/2088 Disclosure Regulation contains requirements for financial market participants that advertise environmental and/or social features with a financial product (Article 8) or that have sustainable investment as an investment objective (Article 9). The underlying financial product in this case was only allowed to invest in target funds that are based on a sustainability strategy that is disclosed in accordance with Art. 8 and/or Art. 9.

The applied ESG investment strategy did not pursue a committed minimum reduction of the scope of the investments.

The procedure to assess the good governance practices of the investee companies was based on the DWS Norm Assessment. Accordingly, the assessed investee companies followed good governance practices.



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

This financial product had not designated a reference benchmark to determine whether it was aligned with the environmental and/or social characteristics that it promoted.

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