

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 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:** DB Growth SAA (EUR)

**Legal entity identifier:** 254900OKG5DDDN6SKQ26

**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: \_\_%**

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

It will make a minimum of **sustainable investments with a social 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 \_\_% of sustainable investments

with an environmental objective in economic activities that 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 promotes E/S characteristics, but will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

Environmental and social characteristics are promoted by investing at least 80% of the sub-fund's net assets in investments (e.g., investment funds, equities or bonds) that have at least an MSCI ESG Rating of BBB. MSCI assigns an ESG rating from AAA (highest score) to CCC (lowest score). MSCI analyses various environmental and social criteria in order to assign a certain ESG rating. This MSCI ESG rating is intended to make ESG criteria more understandable and measurable. The attainment of the promoted environmental and social characteristics is assessed via the application of MSCI ESG data as further described in the section headed "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?".

In addition to the MSCI ESG minimum rating, the investment advisor and the sub-fund manager apply exclusion criteria, based on data provided by MSCI. For clarification these exclusion criteria do not apply to deposits with credit institutions, cash equivalents and derivatives.

- The sub-fund excludes direct investments into financial instruments issued by companies that are in violation of the UN Global Compact principles (UNGC) and/or the Organisation for Economic Cooperation and Development (OECD) Guidelines for multinational enterprises and it also excludes investment funds investing into financial instruments issued by companies that are in violation of the UNGC principles and/or the OECD Guidelines for multinational enterprises.
- The sub-fund excludes investments into investment funds that, according to MSCI data, are invested in controversial business sectors that generate revenues exceeding certain thresholds. For purposes of this exclusion assessment only relevant fund holdings as available to MSCI are assessed, this may therefore mean that the sub-fund invests in investment funds with holdings where MSCI has no data available. For the avoidance of doubt, the above exclusion criteria do not apply to investment funds that invest predominantly in instruments issued by sovereigns.
- The sub-fund excludes investments into debt instruments issued by sovereigns where the respective countries according to MSCI data are labelled as "not free" by Freedom House.
- The sub-fund excludes direct investments into financial instruments issued by companies that generate revenues exceeding the thresholds specified in the section headed "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".

Details regarding the methodology to assess the aforementioned characteristics are further described in the section headed "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?"

**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?

The attainment of the promoted environmental and social characteristics is assessed via the application of MSCI ESG data. The methodology applies a variety of different sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- %-share of the sub-fund's net assets that are invested in investment funds and financial instruments of issuers that possess at least a MSCI ESG Rating of BBB.
- %-share of the sub-fund's net assets that are issued by companies that are in violation of the UNGC principles or the OECD Guidelines for multinational enterprises
- %-share of the sub-fund's net assets that are invested into investment funds that are in violation of the UNGC principles and/or the OECD Guidelines for multinational enterprises.
- %-share of the sub-fund's net assets that are invested into investment funds investing into controversial business sectors that generate revenues exceeding a predefined revenue threshold, with the exception of investment funds that invest predominantly in investment instruments issued by sovereigns.
- %-share of the sub-fund's net assets that are direct investments in instruments issued by companies (if applicable) from controversial business sectors that generate revenues exceeding a predefined revenue threshold.
- %-share of the sub-fund's net assets that are invested into debt instruments issued by sovereigns where the respective countries are labelled as "not free" by Freedom House.

Details regarding the methodology to assess the attainment of each of the environmental or social characteristics promoted by this financial product are further described in the section headed "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 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.*



**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.

Does this financial product consider principal adverse impacts on sustainability factors?

Yes, the sub-fund management considers the following principle adverse impacts on sustainability factors from Table 1 in Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation:

- Carbon footprint (no. 2);
- GHG intensity of investee companies (no. 3);
- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

Principal adverse impacts are considered for the sub-funds' assets by selecting investments that exclude (i) issuers active in the fossil fuel sector that exceed a predefined turnover threshold as described in the exclusions under "Thermal Coal" (sustainability factors related to the adverse impact indicators no. 2, 3 and 4), (ii) issuers that are in violation of the UNGC principles and/or the OECD Guidelines for multinational enterprises (sustainability factors related to the adverse impact indicator no. 10) and (iii) issuers that have exposure to controversial weapons (sustainability factors related to the adverse impact indicator no. 14).

For the avoidance of doubt besides the above-mentioned consideration of principal adverse impacts the investment strategy does not apply any dedicated steering mechanism of the values of principal adverse impact indicators at overall portfolio level.

Details on the respective exclusions are further described in the section headed "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?"

Further information on principal adverse impacts will be provided in a sub-fund specific annex to the annual report of the Fund.

No



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

What investment strategy does this financial product follow?

This sub-fund pursues a strategy based on multiple asset classes as main investment strategy. The sub-fund will seek to gain indirect exposure to three primary asset class portfolios (Fixed Income Portfolio: up to 60%, Equity Portfolio: 40–80%, Alternatives Portfolio: 0–15%) diversified among and within themselves (each, a Portfolio and together the Portfolios) in proportions that are consistent with the Investment Objective. The sub-fund manager will implement the sub-fund's investment policy predominantly via investments in UCITS and other UCIs. In doing so, the sub-fund pursues a fund-of-fund strategy.

Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus.

At least 80% of the sub-fund's net assets are allocated to investments that meet the promoted environmental and social characteristics as described in the following sections. The alignment of the portfolio with the binding elements of the investment strategy used to attain the promoted environmental and social characteristics is continuously controlled via the sub-fund's investment guidelines monitoring.

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 sub-fund management and the investment advisor rely on data from MSCI, an external ESG (Environment, Social, (Corporate) Governance) data provider, when conducting fundamental analysis of the investment universe in order to take ESG criteria into account in the selection of target funds or the issuers of financial instruments. The sub-fund management incorporates the results of this analysis and the investment advisor's investment recommendations based on it when taking its own investment decisions.

At least 80% of the sub-fund's net assets are invested in investment funds and financial instruments of issuers that possess an MSCI ESG rating of at least BBB and that meet defined ESG-specific exclusions. The sub-fund may hold an investment whose ESG assessment has deteriorated post its acquisition. While the sub-fund management ensures continued monitoring of the promoted environmental and social characteristics, the sub-fund's portfolio may contain such deteriorated asset for a period of potentially up to three months, as long as at least 80% of the sub-fund's net assets meet the promoted environmental and social characteristics.

The MSCI ESG ratings and exclusion criteria do not apply to deposits with credit institutions, cash equivalents and derivatives.

#### **MSCI ESG ratings:**

##### **• ESG rating for investment funds:**

MSCI assigns an ESG rating for an investment fund including an exchange traded fund based on the weighted average of the individual ESG scores of the financial instruments held in the investment fund - according to the investment fund's most recently published holdings. This excludes positions of deposits with credit institutions, cash equivalents and derivatives. The ESG rating of the investment fund may change either due to changes in the ESG ratings of the financial instruments held in the investment fund or due to a change in the composition of the analysed investment fund. MSCI will assign ESG ratings to investment funds if a certain coverage ratio of an investment fund's holdings has been rated by MSCI for ESG purposes.

##### **• ESG Rating for companies:**

MSCI assigns an ESG rating for companies by assessing the ESG performance of a company relative to its peers independently of its financial success on the basis of various ESG criteria. These ESG criteria relate to the following topics, among others:

###### Environmental

- Preservation of biodiversity
- Protection of natural resources
- Mitigation of climate change
- Avoidance of environmental pollution and waste

###### Social

- General human rights
- Ban on child labour and forced labour
- Mandatory non-discrimination
- Careful management of human capital
- Support for social opportunity

###### Corporate governance

- Corporate principles in accordance with the International Corporate Governance Network
- Principles of combating corruption in accordance with the UN Global Compact (UNGC).

##### **• ESG rating for sovereigns and affiliated issuers:**

MSCI assigns an ESG rating for issuers such as sovereigns, regional authorities and issuers affiliated with sovereigns with a view to the ESG risk factors in the value chain of the relevant country. The focus here is on the stewardship of resources, the entitlement to basic services and performance.

Natural, financial and human resources differ from country to country and therefore result in different starting points for the manufacture of productive goods and the provision of services. Other factors, such as a government and justice system that is recognized and effective from an ESG perspective, a low level of susceptibility to environmental impacts or other external factors, and a supportive economic environment can also influence the use of these resources.

The sub-fund management evaluates potential investments using the above MSCI ESG rating.

#### **Exclusion criteria:**

In addition to the MSCI ESG minimum rating, the sub-fund manager applies exclusion criteria, based on data provided by MSCI. For clarification these exclusion criteria do not apply to deposits with credit institutions, cash equivalents and derivatives.

- The sub-fund excludes direct investments into financial instruments issued by companies that are in violation of the UNGC principles and/or the OECD Guidelines for multinational enterprises and it also excludes investment funds investing into financial instruments issued by companies that are in violation of the UNGC principles and/or the OECD Guidelines for multinational enterprises.
- The sub-fund management excludes direct investments into financial instruments issued by companies with a MSCI Low Carbon Transition Score of zero (0) or one (1). The assessment is made by considering each company's current risk exposure and its efforts to reduce carbon intensity. MSCI assigns a Low Carbon Transition Score on a scale of 10 (highest score) to 0 (lowest score).

- The sub-fund excludes direct investments into debt instruments issued by sovereigns where the respective countries are labelled as “not free” by Freedom House. Freedom House is an international non-governmental organization that classifies countries by their degree of political and civil liberties.
- The sub-fund excludes investments into investment funds that according to MSCI data are invested in controversial business sectors that generate revenues exceeding certain thresholds. For purposes of this exclusion assessment only relevant fund holdings as available to MSCI are assessed, this may therefore mean that the sub-fund invests in investment funds with holdings where MSCI has no data available. For the avoidance of doubt the below exclusion criteria do not apply to investment funds that invest predominantly in instruments issued by sovereigns.

#### **Exclusions for investment funds**

- Companies that derive 10%\* or more of their revenues from the mining of thermal coal and its sale to external parties;
- Companies involved in controversial weapons (cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments);
- Companies involved in the manufacturing of nuclear warheads, whole nuclear missiles, key components thereof, and/or in the production and/or storage of fissile materials
- Companies that derive 10%\* or more of their revenues from civilian firearms;
- Companies involved in the cultivation and production of tobacco.

\* These revenue thresholds apply to fund holdings as per MSCI data.

- The sub-fund excludes direct investment into financial instruments issued by companies that generate revenues exceeding the threshold specified below.

#### **Exclusions for companies**

- Companies that derive more than 5%\* of their revenues from the mining of thermal coal and its sale to external parties;
- Companies that derive more than 5%\* of their revenues with the thermal coal-based power generation;
- Companies that derive more than 5%\* of their revenues from unconventional oil and gas
- Companies involved in controversial weapons (cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments);
- Companies involved in the manufacturing of nuclear warheads, whole nuclear missiles, key components thereof, and/or in the production and/or storage of fissile materials;
- Companies that derive more than 10%\* of their revenues from manufacturing and retailing of civilian firearms and ammunition;
- Companies involved in the cultivation and production of tobacco;
- Companies involved in uranium mining;
- Companies that derive more than 5%\* of their revenues from nuclear power supply;
- Companies with ties to palm oil from non-certified sources.

\* These revenue thresholds apply to companies as per MSCI data.

For the avoidance of doubt, the sub-fund manager will implement the sub-fund’s investment policy predominantly via investments in investment funds.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

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

### 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?

To the extent that the sub-fund invests directly into financial instruments other than investment funds, the following applies: The procedure to assess the good governance practices of the investee companies is based on the analysis of the corporate principles in accordance with OECD Guidelines for multinational enterprises the principles of the UNGC principles and the UN Guiding Principles on Business and Human Rights.



What is the asset allocation planned for this financial product?

This sub-fund 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).

Up to 20% of the sub-fund's net assets may be invested in assets which are not aligned with these characteristics (#2 Other). A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.

### Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

#### - turnover

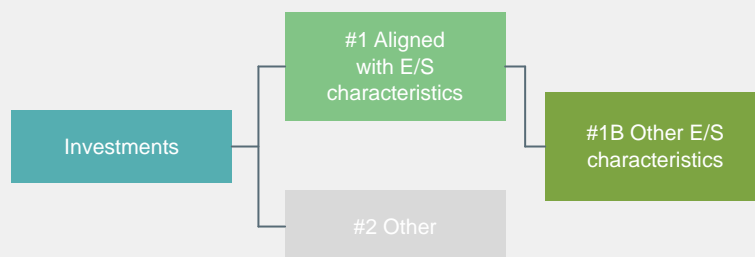
reflecting the share of revenue from green activities of investee companies

#### - capital expenditure

(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

#### - operational expenditure

(OpEx) reflecting green operational activities of investee companies.



**#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 **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are currently not used to attain the environmental and social characteristics promoted by the sub-fund.



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

The sub-fund does not commit to invest a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the promoted minimum percentage of environmentally sustainable investments aligned with the EU Taxonomy is 0% of the sub-fund's net assets. However, certain investments' underlying economic activities may be aligned with the EU Taxonomy.

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

Yes:

In fossil gas

In nuclear energy

No

The sub-fund not take into account the Taxonomy-alignment of companies active in the fossil gas and/or nuclear energy sectors. Further information on such investments, where relevant, will be disclosed in the annual report.

<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 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.

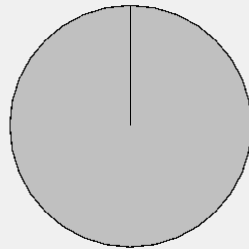
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**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.

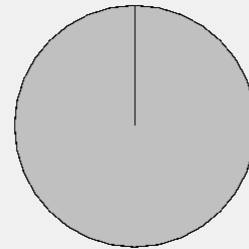
**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial 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.**

1. Taxonomy-alignment of investments including sovereign bonds\*



<input type="checkbox"/> Taxonomy-aligned: Fossil gas	0.00%
<input type="checkbox"/> Taxonomy-aligned: Nuclear	0.00%
<input type="checkbox"/> Taxonomy-aligned (no fossil gas and nuclear)	0.00%
<input type="checkbox"/> Taxonomy-aligned	0.00%
<input type="checkbox"/> Non Taxonomy-aligned	100.00%

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



<input type="checkbox"/> Taxonomy-aligned: Fossil gas	0.00%
<input type="checkbox"/> Taxonomy-aligned: Nuclear	0.00%
<input type="checkbox"/> Taxonomy-aligned (no fossil gas and nuclear)	0.00%
<input type="checkbox"/> Taxonomy-aligned	0.00%
<input type="checkbox"/> Non Taxonomy-aligned	100.00%

This graph represents 100% of the total investments.

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

What is the minimum share of investments in transitional and enabling activities?

The sub-fund is not committed to a minimum share of investments in transitional or enabling activities.



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 sub-fund does not promote a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



What is the minimum share of socially sustainable investments?

The sub-fund does not promote a minimum share of socially sustainable investments.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This sub-fund 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). Up to 20% of the sub-fund’s net assets may be invested into investments that are considered not aligned with the promoted characteristics (#2 Other). This includes investments (e.g., investment funds, equities or bonds) that have no MSCI ESG rating. The sub-fund may hold an investment whose ESG assessment has deteriorated post its acquisition. While the sub-fund management ensures continued monitoring of the promoted environmental and social characteristics, the sub-fund’s portfolio may contain such deteriorated asset for a period of potentially up to three months, as long as at least 80% of the sub-fund’s net assets meet the promoted environmental and social characteristics.

These remaining investments can include all asset classes as foreseen in the specific investment policy including deposits with credit institutions, cash equivalents and derivatives, which are classified in #2 Other.

Remaining investments can be used by the portfolio management for performance, risk diversification, liquidity and hedging purposes.

This sub-fund does not consider any minimum environmental or social safeguards on these remaining investments.



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

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 sub-fund has not designated a reference benchmark to determine whether it is aligned with the environmental and social characteristics that it promotes.



Where can I find more product specific information online?

**More product-specific information can be found on the website:** <https://funds.dws.com/en-lu/balanced-funds/LU2132882965/> as well as on your local country website [www.dws.com/fundinformation](http://www.dws.com/fundinformation).