

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: DWS Smart Industrial Technologies

Legal entity identifier: 549300R0IXYBVC6I8M78

ISIN: DE0005152482

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 5% 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?

Through this fund, the Company promotes environmental and social characteristics in the areas of climate action, social norms and governance, as well as in relation to a country's political freedoms and civil liberties, taking into account the following exclusion criteria:

- (1) Climate and transition risks;
- (2) Norm issues with respect to compliance with international norms for governance, human rights, labor rights, customer safety, environmental safety and business ethics;
- (3) Countries rated as "not free" by Freedom House;
- (4) Controversial sectors for companies that exceed a predefined revenue limit;
- (5) Controversial weapons.

Through this fund, the Company also promotes a minimum proportion of sustainable investments that make a positive contribution to one or more United Nations Sustainable Development Goals (UN SDGs).

For this fund the Company has not designated a reference benchmark for the attainment of the promoted environmental and/or social characteristics.

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

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

A proprietary ESG methodology is used to measure the attainment of the promoted environmental and social characteristics as well as the proportion of sustainable investments. The following sustainability indicators are used:

- **The Climate and Transition Risk Assessment** serves as an indicator for the extent to which an issuer is exposed to climate and transition risks.
- **The Norm Assessment** serves as an indicator for the extent to which norm issues constituting breaches of international standards arise at a company.
- **Freedom House status** serves as an indicator of a country's political freedoms and civil liberties.
- **The Exclusion Assessment for controversial sectors** serves as an indicator for determining the extent of a company's exposure to controversial sectors.
- **The Exclusion Assessment for controversial weapons** serves as an indicator for determining the extent of a company's exposure to controversial weapons.
- **The methodology for determining sustainable investments as defined in article 2 (17) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR)** is used as an indicator for measuring the proportion of sustainable investments (**Sustainability Investment Assessment**).

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

For the fund, the Company invests a portion of the assets in sustainable investments as defined in article 2 (17) of the SFDR. These sustainable investments contribute to at least one of the United Nations Sustainable Development Goals (UN SDGs), which have environmental and/or social objectives such as the following (non-exhaustive) list:

- Goal 1: No poverty
- Goal 2: Zero hunger
- Goal 3: Good 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 8: Decent work and economic growth
- Goal 10: Reduced inequalities
- Goal 11: Sustainable cities and communities
- Goal 12: Responsible consumption and production
- Goal 13: Climate action
- Goal 14: Life below water
- Goal 15: Life on land

The extent of the contribution to the individual UN SDGs varies depending on the actual investments in the portfolio. The Company will determine the contribution to the UN SDGs on the basis of its Sustainability Investment Assessment, in which various criteria are used to assess the potential investments with regard to whether they can be classified as sustainable. As part of this assessment methodology, it is determined whether (1) an investment makes a positive contribution to one or more UN SDGs, (2) the issuer significantly harms these goals ("Do No Significant Harm" – DNSH assessment) and (3) the enterprise applies good governance practices.

The Sustainability Investment Assessment uses data from several data providers, public sources and/or internal assessments (based on a defined assessment and classification methodology) to determine whether an investment is sustainable. Activities that make a positive contribution to the UN SDGs are assessed based on turnover, capital expenditure (CapEx) and/or operational expenditure (OpEx), depending on the investment. Where a contribution is determined to be positive, the investment is deemed sustainable if the issuer passes the DNSH assessment and the enterprise applies good governance practices.

The share of sustainable investments as defined by article 2 (17) SFDR in the portfolio is calculated in proportion to the economic activities of the issuers that qualify as sustainable. Notwithstanding the preceding, use-of-proceeds bonds that qualify as sustainable are counted towards the value of the entire bond.

With the fund the Company does not currently pursue a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Do No Significant Harm (DNSH) assessment is an integral part of the DWS Sustainability Investment Assessment and assesses whether an issuer that contributes to a UN SDG significantly harms one or more of these goals. Where significant harm is identified, the issuer does not pass the DNSH assessment and the investment can therefore not be deemed sustainable.

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

As part of the Sustainability Investment Assessment, a DNSH assessment shall systematically integrate the mandatory indicators for the principal adverse impacts on sustainability factors from Table 1 (by relevance) and relevant indicators from Tables 2 and 3 in Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Disclosure Regulation. Taking these adverse impacts into account, the Company has set quantitative thresholds and/or defined qualitative values to determine whether an issuer significantly harms the environmental or social objectives. These values are defined based on various external and internal factors, such as data availability, policy objectives or market trends, and may be adjusted over time.

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

As part of the Sustainability Investment Assessment, the Company also assesses on the basis of the Norm Assessment the extent to which an enterprise meets international standards. This entails tests of compliance with international standards such as the OECD Guidelines for multinational enterprises, the UN Guiding Principles on Business and Human Rights, the principles of the UN Global Compact and the standards of the International Labour Organisation. Companies with the lowest Norm Assessment (i.e., a letter score of "F") do not qualify as sustainable and are excluded as an investment.

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?

X Yes, for the fund the Company considers the following principal adverse impacts on sustainability factors from Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Disclosure Regulation:

- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of the UNGC principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (no. 10); and
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons) (no. 14).

The principal adverse impacts listed above are considered at product level through the application of the ESG assessment methodology or the exclusion of investments of fund that meet the environmental and social characteristics promoted, as described in more detail in the section entitled "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 the principal adverse impacts on sustainability factors will be disclosed in an 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 fund follows an equity strategy.

The fund's assets are primarily invested in assets that fulfill the defined standards for the promoted environmental or social characteristics, as set out in the following sections. The strategy of the fund in relation to the promoted environmental or social characteristics is an integral part of the proprietary ESG assessment methodology and is continuously monitored through the investment guidelines of the fund.

Please refer to the special section of the Sales Prospectus and the Special Terms and Conditions of Investment for further details of the investment strategy.

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?

ESG assessment methodology

The Company seeks to attain the promoted environmental and social characteristics by assessing potential investments via a proprietary ESG assessment methodology irrespective of economic prospects of success and by applying exclusion criteria based on this.

The ESG assessment methodology is based on the ESG database, which uses data from multiple ESG data providers, public sources and internal assessments. Internal assessments take into account factors such as an issuer's future expected ESG development, plausibility of the data with regard to

past or future events, an issuer's willingness to engage in dialogue on ESG matters and an enterprise's ESG-specific decisions.

The ESG database derives "A" to "F" letter coded scores within different categories. Issuers each receive one of six possible scores (A to F), with "A" being the highest score and "F" being the lowest score on the scale. On the basis of other categories, the ESG database also provides exclusion criteria (complete exclusions or exclusions based on turnover thresholds).

The respective scores for the assets are considered individually. If an issuer in an assessment category has a score that is considered to be unsuitable in that assessment category, assets from this issuer cannot be acquired even if it has a score in another assessment category that would be suitable.

The ESG database uses, for example, the following categories to assess whether issuers/investments comply with ESG standards relating to the promoted environmental and social characteristics and whether companies that are invested in apply good governance practices:

• **Climate and Transition Risk Assessment**

The Climate and Transition Risk Assessment evaluates the behavior of issuers in relation to climate change and environmental changes, e.g., with respect to greenhouse gas reduction and water conservation.

Issuers that contribute less to climate change and other negative environmental changes or that are less exposed to such risks receive a better score.

Issuers that receive a letter score of F in the Climate and Transition Risk Assessment category are excluded.

• **The Norm Assessment**

The Norm Assessment evaluates the behavior of companies, for example, within the framework of the principles of the UN Global Compact, the standards of the International Labour Organization, and behavior within generally accepted international standards and principles. The Norm Assessment examines, for example, human rights violations, violations of workers' rights, child or forced labor, adverse environmental impacts and business ethics. The assessment takes into account violations of the aforementioned international standards. These violations are assessed using data from ESG data providers and/or other available information, such as the expected future development of these violations as well as the willingness of the company to begin dialogue concerning relevant business decisions.

Companies that receive a letter score of F in the Norm Assessment category are excluded.

• **Freedom House status**

Freedom House is an international non-governmental organization that classifies countries by their degree of political freedoms and civil liberties. On the basis of the Freedom House status, countries rated as "not free" by Freedom House are excluded.

• **The Exclusion Assessment for controversial sectors**

Companies that are involved in particular business areas and business activities in controversial areas ("controversial sectors") are excluded.

Companies are excluded as an investment based on the share of total revenues they generate in controversial sectors. The fund expressly excludes companies which generate revenues as follows:

- more than 10% from production of products and/or services provided in the armaments industry;
- more than 5% from production and/or sale of civil handguns or munition;
- more than 5% from production of tobacco products;
- more than 25% from coal mining and coal-based power generation;
- more than 5% from mining of oil sands.

Companies with coal expansion plans, such as additional coal mining, production or usage, are excluded based on an internal identification methodology.

The aforementioned coal-related exclusions only apply to thermal coal, i.e., coal that is used in power stations to generate power. In the event of exceptional circumstances, such as measures imposed by a government to overcome challenges in the energy sector, the Company may decide to temporarily suspend applying the coal-related exclusions to individual companies/geographical regions.

• **The Exclusion Assessment for controversial weapons**

Companies that are identified as manufacturers – or manufacturers of key components – of anti-personnel mines, cluster munitions, chemical weapons, biological weapons, nuclear weapons, depleted uranium weapons or uranium munitions are excluded. In addition, the relative exposures

within a Group structure can also be taken into consideration for the exclusions.

• **Assessment of use-of-proceeds bonds**

In a departure from the above assessment categories, investment in bonds of excluded issuers is nevertheless permitted if the particular requirements for use-of-proceeds bonds are met. To begin with, the bonds are checked for compliance with the ICMA Green Bond Principles, Social Bond Principles or Sustainability Bond Guidelines. In addition, a defined minimum of ESG criteria is checked in relation to the issuer of the bond, and issuers and their bonds that do not meet these criteria are excluded.

Issuers are excluded based on the following criteria:

- Sovereign issuers rated as “not free” by Freedom House;
- Companies with the lowest Norm Assessment (i.e., a letter score of “F”);
- Companies with involvement in controversial weapons production; or
- Companies with identified coal expansion plans.

• **Assessment of investment fund units**

Investment fund units are assessed taking into account the investments within the target funds in accordance with the Climate and Transition Risk Assessment, Norm Assessment, and Freedom House status, as well as in accordance with the Exclusion Assessment for the controversial weapons sector (excluding nuclear weapons, depleted uranium weapons or uranium munitions).

The assessment methods for investment fund units are based on examining the entire portfolio of the target fund, taking into account the investments within the target fund portfolio. Depending on the respective assessment category, exclusion criteria (such as tolerance thresholds) that result in exclusion of the target fund are defined. Thus, target funds may invest in investments that are not compliant with the defined ESG standards for issuers.

Sustainability Investment Assessment in accordance with article 2 (17) SFDR

In addition, the Company measures the contribution to one or more UN SDGs to determine the proportion of sustainable investments. This is carried out via the Sustainability Investment Assessment, with which potential investments are assessed on the basis of various criteria regarding whether an investment can be classed as sustainable, as described in more detail in the section entitled “What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?”.

Assets not assessed in terms of ESG

Not all of the fund's investments are assessed using the ESG assessment methodology. This applies to the following assets in particular:

Bank balances are not assessed.

Derivatives are not used to attain the environmental and social characteristics promoted by the fund, which is why they are not taken into account in the calculation of the minimum proportion of assets that fulfill these characteristics. However, derivatives on individual issuers may be acquired for the fund if, and only if, the issuers of the underlyings meet the ESG standards and are not excluded in accordance with the ESG assessment categories described above.

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

The ESG investment strategy used does not provide for a mandatory minimum reduction.

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?

Good governance is assessed with the Norm Assessment, as described in more detail in the section entitled “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 assessed investee companies implement good governance practices accordingly.



What is the asset allocation planned for this financial product?

This fund invests at least 51% of its assets in assets that meet ESG standards defined by the Company (#1 Aligned with E/S characteristics). At least 5% of the fund's assets are invested in sustainable investments (#1A Sustainable).

Up to 49% of the fund's assets can be invested in assets for which the ESG assessment methodology is not applied or for which ESG data coverage is not complete (#2 Other). Within this quota, investments of up to 49% of the fund's assets in investments for which there is not complete data coverage with respect to the ESG assessment categories and exclusions are tolerated. This tolerance does not apply to the Norm Assessment, so companies are required to apply good governance practices.

Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover**

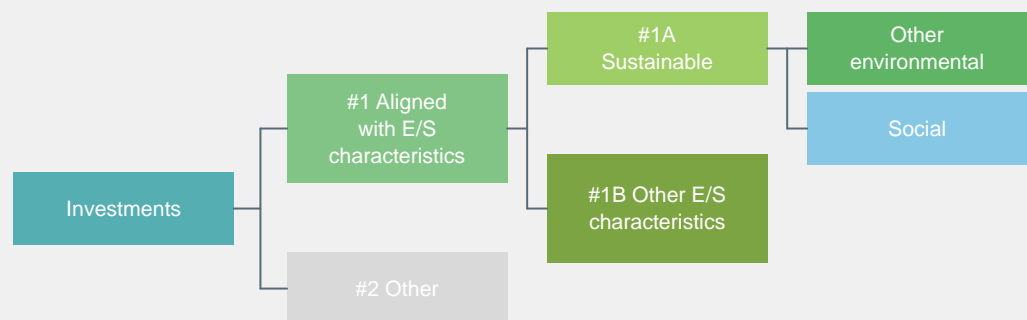
reflecting the share of revenue from green activities of investee companies

- **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 **#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.

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

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The promoted proportion of environmentally sustainable investments in accordance with Regulation (EU) 2020/852 (Taxonomy Regulation) is 0% of the fund's assets. It may, however, be the case that some sustainable investments are nevertheless aligned with an environmental objective of the Taxonomy Regulation.

Does the financial product invest in fossil gas and/or nuclear energy¹ related activities that comply with the EU Taxonomy?

☐

Yes:

☐

In fossil gas

☐

In nuclear energy

☒

No

The Company does not pursue Taxonomy-aligned investments in the areas of fossil gas and/or nuclear energy. However, it is possible that, as part of the investment strategy, investments will also be made in companies that are also active in these sectors. Further information on such investments, where relevant, will be disclosed in the annual report.

¹ 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.

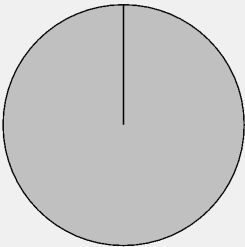
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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.

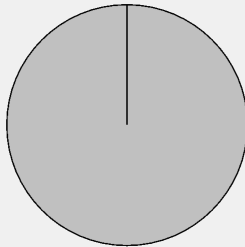
The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial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



Taxonomy-aligned: Fossil gas	0.00%
Taxonomy-aligned: Nuclear	0.00%
Taxonomy-aligned (no fossil gas and nuclear)	0.00%
Taxonomy-aligned	0.00%
Non Taxonomy-aligned	100.00%

2. Taxonomy-alignment of investments excluding sovereign bonds*



Taxonomy-aligned: Fossil gas	0.00%
Taxonomy-aligned: Nuclear	0.00%
Taxonomy-aligned (no fossil gas and nuclear)	0.00%
Taxonomy-aligned	0.00%
Non Taxonomy-aligned	100.00%

This graph represents 100% of the total investments.

*For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

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

There is no 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?

There is no separate minimum proportion for sustainable investments with an environmental objective that are not consistent with the EU Taxonomy. It is not possible to make a separation when assessing whether sustainable investments are environmental or social investments. The total share of sustainable investments is at least 5% of the assets of the fund.



What is the minimum share of socially sustainable investments?

The Company has defined a minimum percentage for environmentally or socially sustainable investments in accordance with article 2 (17) of the Disclosure Regulation. 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 at least 5% of the fund's assets.



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

Assets up to 49% of the fund's assets for which the DWS ESG assessment methodology is not applied or for which ESG data coverage is not complete come under #2 Other. Within this quota, investments of up to 49% of the fund's assets in investments for which there is not complete data coverage with respect to the ESG assessment categories and exclusions are tolerated. This tolerance does not apply to the Norm Assessment, so companies are required to apply good governance practices.

These other investments may include all assets provided for in the investment policy, including bank balances and derivatives.

“Other investments” may be used to optimize the investment performance, as well as for diversification, liquidity and hedging purposes.

Minimum environmental or social safeguards are not considered or only partially considered with respect to this fund's other 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?

An index has not been defined as a benchmark.



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://www.dws.de/aktienfonds/DE0005152482/> as well as on your local country website www.dws.com/fundinformation.