Sustainability strategy progress

#PositiveImpact

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Sustainability is key for our Global Hausbank strategy

Key themes of the decade

**Macro shifts**
Material impact on corporates, investors and public finances requires active management

**Sustainability**
Transformation towards sustainable economy implies huge investment and financing needs

**Technology**
Rapid progress presents opportunities, but also challenges for clients, which need to be mastered

Development of our sustainability strategy

- **2019**
  - **Strategy 1.0**
    - Sustainability as management priority

- **2022**
  - **Strategy 2.0**
    - Sustainable transformation as cornerstone of our strategy

- **2023**
  - **Strategy 3.0**
    - Move sustainability to the core of the Global Hausbank

Sustainability as **key element of our “license to operate”** and a **valuable business opportunity**
Successful delivery on our ambitions and targets

Actions announced at 2021 Sustainability Deep Dive
*(progress as of year end 2022)*

- Implemented 42 out of 58 announced actions
- 6 actions are still being implemented and 10 actions were not achieved in terms of time and scope or were newly planned
- Established quarterly tracking and reporting process to ensure implementation

Cumulative sustainable financing and investment volumes
*(in € bn; excl. DWS, as of year end 2022)*

- Outperformed € 200bn 2022 target by € 15bn
- Established dedicated sustainable finance validation processes
- Reported in detail on a quarterly and annual basis

Note: Sustainable financing and investment activities as defined in DB’s Sustainable Finance Framework and related documents, which are published on our website.
Substantial progress on our sustainability journey (1/2)
As of February 2023

**Sustainable Finance**

- Facilitated € 215bn by YE 2022; outperforming the € 200bn target for year-end 2022\(^1\)
- Implemented quarterly reporting by business, sub-business and product type
- Enhanced advisory capabilities as well as product and service offering in all business divisions
- Refined divisional sustainable finance strategies
- Kicked off training for all Corporate Bank and Investment Bank coverage staff serving high emitting clients on net zero transition engagement

**Policies & Commitments**

- Published the carbon footprint of our corporate loan book in March 2022
- Published 2030 / 50 net zero targets for the most carbon-intensive sectors in October 2022:
  - Oil & Gas (Upstream), Power Generation, Automotive (Light Duty Vehicles) and Steel
- Integrated financed carbon emissions into our decision-making process
- Set-up Net Zero Forum to assess carbon-intensive transactions and client transition strategies
- Reinforced thermal coal policy with stricter requirements
- Updated Human Rights Statement and established Human Rights Forum
- Ensured adherence to key regulatory requirements of the German Supply Chain Due Diligence Act

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Note: Please refer to our Non-Financial Report for background on the strategic pillars of our sustainability strategy

\(^1\) Sustainable financing and investment activities as defined in DB’s Sustainable Finance Framework and related documents, which are published on our website
Substantial progress on our sustainability journey (2/2)

As of February 2023

People & Own Operations

- Set-up Chief Sustainability Office and Sustainability Strategy Steering Committee
- Created ESG data foundation and met ESG Pillar 3 / Article 8 disclosure requirements
- Offered DB taxonomy training to all client-facing staff and launched group-wide foundational sustainability training
- Introduced various internal / external engagement formats (ESG Quarterly, Sustainability Hub)
- Reduced car fleet gasoline consumption in Germany by ~22% as of year-end 2022 (compared to 2019 baseline)
- Sourced 95% of global electricity from renewable sources, exceeding our 85% target for 2022
- Reduced greenhouse gas emissions\(^1\) by 79% compared to 2012 baseline

Thought Leadership & Stakeholder Engagement

- Launched DB Ocean Resilience Philanthropy Fund to facilitate donations in support of ocean conservation
- Hosted a three-day conference with more than 100 investors, entrepreneurs and philanthropist to accelerate ocean sustainability
- Established a cooperation on sustainable finance with the European School of Management and Technology in Berlin (ESMT)
- Showed strong ESG ambassador presence at the UN Climate Change Conferences (COP26/27) in Glasgow and Sharm el Sheikh
- Built up ESG Center of Excellence supported by the Monetary Authority of Singapore
- Entered into membership of various Glasgow Financial Alliance to Net Zero (GFANZ) workstreams, became co-lead-of the Net Zero Banking Alliance (NZBA) sector worktracks

Note: Please refer to our Non-Financial Report for background on the strategic pillars of our sustainability strategy

\(^1\) Total scope 1 (direct emissions from on-site combustion), scope 2 (indirect emissions from delivered energy) and business travel greenhouse gas emissions
Progress on reducing our fossil fuel financing

Fossil fuel capital markets financing activity as of year end 2022 ($ bn)\(^1\)

DB financing development as of year end 2022 ($ bn)

\[ \text{58\% reduction in fossil fuel financing activity since 2017 ($ bn)\(^1\)} \]

\[ \text{0\% new financing of oil and gas projects in the Arctic and oil sands since 2020} \]

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1) Capital markets financing which is predominantly off balance sheet and not currently in scope of net zero targets
Source: Bloomberg capital markets league tables data for bond, equity and loan activity to Energy Companies (LEAG function; as of year end 2022)
Enhanced governance to accelerate our transformation

Sustainability governance at Deutsche Bank [excerpt]

Key changes since last SDD

- Set-up Sustainability Strategy Steering Committee to manage and oversee the bank’s sustainability transformation
- Strengthened Sustainability Strategy Programme to account for the transformation progress and refined strategic priorities
- Created Chief Sustainability Office, consisting of three teams, mandated to drive the strategic transformation of the bank’s business model and stringent policies and controls as well as regulatory compliance:
  - Strategy and Regional Governance: developing Corporate Sustainability Strategy and enhancements to regional governance set-up
  - Execution, Data and Regulatory: managing and overseeing strategy execution, identifying and assessing relevant regulations
  - Group Sustainability: advancing sustainability framework and overseeing adherence to policies and commitments
Excursus: ESG Center of Excellence in APAC

**ESG Centre of Excellence (COE)**
Partnership with Monetary Authority of Singapore (MAS)

**Mandate**
Empower DB businesses to execute market-leading ESG transactions for global clients as they transition to sustainable practices in Asia-Pacific.

**Focus areas**
1. Execute ESG transactions
2. Provide ESG advisory services
3. Develop new ESG products
4. Build ESG knowledge across the group

**Embedded organization**
- Close interaction with group wide sustainability organization and Chief Sustainability Office
- Empowerment of Corporate Bank, Investment Bank and Private Bank to drive ESG agenda in APAC-region

**Awards**
- Best green bond (renewable energy / hydro)
- Best sustainability bond (financial institutions)
- Best sustainability-linked loan (commodities)
- Best green bond (financial institutions)
- Best ESG Bond – hydro energy
- Megatrend Deal of the Year (ESG) Best of South Asia

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1) The Asset (2021/2022)  
2) Global Capital Asia Awards (2022)  
3) Finance Asia Achievements Awards (2020)
### 2023 workbook builds basis for our 2025 ambition

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<tr>
<th>Strategic pillar</th>
<th>2023 workbook</th>
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| **Sustainable Finance**          | - Fully integrate carbon targets into our bank’s strategic planning processes  
- Make transition planning an integral part of the dialogue with top emitting clients at C-Suite level  
- Develop an integrated advisory process for real estate energy modernization  |
| **Policies & Commitments**       | - Expand transparency on carbon footprint beyond corporate loan book  
- Disclose decarbonization targets for minimum of four additional sectors and Group transition plan by October 2023 (Net Zero Banking Alliance commitment)  
- Disclose assessment framework for credible transition plans  
- Publish updated Sustainable Finance Framework including transition finance classification criteria (second party opinion by ISS ESG)  
- Review and update oil and gas policy  
- Expand Green Financing Framework by adding social criteria  
- Establish Nature workstream under the Sustainability Strategy Programme  |
| **People & Own Operations**      | - Develop ESG data platform for enhanced automation and product innovation, built on solid regulatory compliance  
- Deepen materiality assessment for strategy development and senior management compensation  
- Further enhance governance to monitor and ensure bank-wide compliance with ESG regulation  
- Role out global engagement, training and communication concept  |
| **Thought Leadership & Stakeholder Engagement** | - Expand research cooperation with ESMT Future Institute for Sustainable Transformation on impact measurement, biodiversity and the role of capital markets for the European Green Deal  
- Set-up external advisory body to accelerate the integration of Nature into our process and controls  |
Key takeaways

Disciplined delivery of our ambitions and targets underpinning our credibility

Enhanced governance to accelerate the transformation across all functions

Ambitious book of work defined for 2023, laying the foundation for our 2025 ambition
Jörg, born in 1967, is the Chief Sustainability Officer of Deutsche Bank. In this capacity, he is the Vice-Chair of the Sustainability Committee chaired by the CEO and Chairman of the Sustainability Strategy Steering Committee.

Until the end of 2015, Jörg was member of the Editorial Board and Chief Investigative Reporter of the media group WELT. Prior to this, he was Economic and Financial Editor of the Welt group in Frankfurt and Berlin.

In the 1990s, he reported from Moscow as a business correspondent for the German weekly DIE ZEIT. Jörg attended the Cologne School of Journalism and subsequently studied economics at the University of Cologne.

He received several renowned journalism awards and was elected "Business Journalist of the Year" in Germany in 2012.
Disclaimer

There are currently no uniform criteria nor a common market standard for the assessment and classification of financial services and financial products as sustainable or green. This can lead to different parties assessing the sustainability of financial services and financial products differently. In addition, there are various new regulations on ESG (environment, social, and corporate governance) and sustainable finance, which need to be substantiated, and further draft legislation is currently being developed, which may lead to financial services and financial products currently classified as sustainable or green not meeting future legal requirements for qualification as sustainable. Harmonized standards and calculation methods are expected to be developed and will also improve data quality.

The transition to a sustainable economy is a long-term undertaking. In its current stage, we are confronted with the limited availability of reliable data, esp. climate related data. It is inevitable to use estimates and models until improved data will become available. Our expectations on the increase of data quality are based on reporting obligations as currently developed. New regulations on reporting will likely become effective in the coming years.

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