How we measure and drive success

#PositiveImpact

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ESG reporting as a catalyst for change

- Measure and monitor progress
- Drive the ambition of our businesses
- Embed sustainability into client dialogue
ESG performance management: key factors

- **Near-term**: Focus on target setting, enabling a sense of urgency instilled in the organisation
- **Granular**: Breakdown into businesses, product categories and client groups, increasing accountability at all levels
- **Frequent**: Fixed reporting timelines with quarterly presentation of progress
- **Independent**: Frameworks and reporting-related governance disclosed externally
- **Compensation-linked**: Linking compensation to sustainability at various levels
Consistent and regular reporting drives ambition

Targets by 2025 (in € bn, cumulated)¹)

Actuals, 2020 – 2022 (in € bn, cumulated)¹)

Timeframe of our € 200bn target accelerated twice

1) Sustainable financing and investment activities as defined in DB’s Sustainable Finance Framework and related documents, which are published on our Website
### Levers to support our targets

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<th>Key levers</th>
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| 1. Maintaining existing and introducing new incentives | - Widened compensation links to sustainable finance volumes and other ESG KPIs  
- Funds Transfer Pricing for green asset origination |
| 2. Modelling ESG revenues\(^1\)          | ![Graph showing CAGR\(^2\) ~20%](#)                                                                                                                                                  |
| 3. Continuous improvement of our reporting capabilities | - Increased frequency of monitoring and challenge across front office, Group Sustainability and Finance  
- Automation of the reporting process in collaboration with Technology, Data & Innovation  
- Re-design of the Non-Financial Report and launch of additional ESG-related disclosures |

\(^1\) Modelled revenues are based on margin assumptions on product level and are not intended to be seen as officially reported revenues

\(^2\) Compound Annual Growth Rate
Granularity on three dimensions

1) Sustainable financing and investment activities as defined in Deutsche Bank’s Sustainable Finance Framework and related documents, which are published on our website. Numbers may not add up due to rounding

2) Supranationals, Sovereigns and Agencies
Alignment with the United Nations SDGs

Note: Based on cumulated Financing and Issuance volumes in 2020-22. One transaction can be mapped to several SDGs. Sustainable financing and investment activities as defined in Deutsche Bank’s Sustainable Finance Framework and related documents, which are published on our website. Numbers may not add up due to rounding.
Our path towards impact reporting

- **ESG volume reporting**
  - Foundational reporting capabilities, including areas of impact, client type and SDG mapping

- **Pathways to net zero / key sectors**
  - Pathways for most CO$_2$-intensive sectors in the loan book

- **Expansion of carbon targets and biodiversity**
  - Extension of net zero pathways to further sectors and widening the scope of disclosures to capital market origination
  - Refinement of client and business selection
  - Aim to expand to further areas, including biodiversity

Data fragmentation: a pragmatic but transparent approach is essential
Key takeaways

- ESG reporting: a proven catalyst to drive impact
- Three-dimensional volume reporting as an essential first step
- Potential to expand from decarbonization to biodiversity
- New requirements: an opportunity to further develop impact reporting
Dr. Gerald Podobnik is Chief Financial Officer Investment Bank, Corporate Bank & ESG and Vice-Chair of Deutsche Bank’s Sustainability Strategy Steering Committee.

In his nearly 20 years with Deutsche Bank, Podobnik held various positions in Germany and London, such as Head of FIG DCM and Global Head of Capital Solutions & Sustainable Financing.

He contributed to building and implementing the sustainable financing business within Deutsche Bank, assisting clients with the structuring and issuance of green and social bonds as well as with post issuance duties.

As CFO for both divisions, he is responsible for all financial matters such as external and internal reporting, planning, performance management and strategy. Additionally, Podobnik is leading the bank-wide ESG reporting and performance management unit covering Investment Bank, Corporate Bank and Private Bank.

In 2022, Podobnik was appointed to be serving as a Member of the Sustainable Finance Advisory Committee of the German Government for a second consecutive term.
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.

This presentation includes metrics that are subject to measurement uncertainties resulting from limitations inherent in the underlying data and methods used for determining such metrics. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary. The information set forth herein is expressed as of end of December 2022 and we reserve the right to update its measurement techniques and methodologies in the future.

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