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About Deutsche Bank

Our purpose
We are here to enable economic growth and societal progress by generating positive impact for our clients, our people, our investors and our communities. We value our German roots and want to remain a leading European bank with a global network.

Our values
We expect all our people to apply our corporate values: integrity, sustainable performance, client centricity, innovation, discipline and partnership. Our Code of Conduct articulates what our bank stands for and where we want our overall culture to be. We want to foster an environment that is open and diverse, where staff opinions and “speaking up” are valued, and where both the employees’ and the firm’s success is built on respect, collaboration and teamwork.

Our business
We provide commercial and investment banking, retail banking, transaction banking and asset and wealth management products and services to corporations, governments, institutional investors, small and medium-sized businesses, and private individuals. We are Germany’s leading bank, with a strong position in Europe and a significant presence in the Americas and Asia Pacific.

Our strategy
In 2019 we announced a fundamental transformation and significant restructuring of our businesses. The bank now consists of four, strong, client-centered businesses. Alongside our Investment Bank, Private Bank (including Wealth Management), and Asset Management, we set up a fourth division, the Corporate Bank, which comprises the Transaction Bank and the German commercial banking business. As part of the restructuring process, we have exited businesses in areas where we are not competing to win, and have bundled those businesses into the Capital Release Unit.

The changes not only affect the business model; we also must change the way our approximately 86,700 employees work. Our declared goal is to transform Deutsche Bank into an organization that is inspired by our clients and continuously designed by our staff. We are therefore focusing on four levers that will help us to achieve our ambitions: client obsession, entrepreneurship, technology progress, and sustainability.
“Good governance as well as fulfilling our responsibility for the environment and to society as a whole are essential for us. Lasting commercial success is only possible if we do business responsibly. Only then will we secure the necessary acceptance from our clients and the societies in which we operate. That is why we have been committed to the Ten Principles of the United Nations Global Compact for many years now and signed up to the UN Principles for Responsible Banking in September 2019. With a rigorously prepared and feasible sustainability strategy we will support the necessary transformation of our clients and the economy as a whole.”

Christian Sewing, Chief Executive Officer
This report summarizes the contents of our Non-Financial Report and focuses on its key elements, which as part of our performance review demonstrates how we manage material environmental, social and governance matters for our stakeholders. Transparent communication about non-financial matters is rapidly gaining importance, we welcome that corporate reporting requirements are becoming more exacting as a whole.

**Materiality and stakeholder engagement**

To ensure we focus management attention and reporting on the most important topics, we regularly conduct a materiality assessment. As part of the assessment process we identify, analyze, prioritize and validate the relevance of non-financial topics for us and our stakeholders.

Throughout the year, we conduct desk research including benchmarking, to follow potentially material non-financial topics. We focus on changes in global societal trends, the global sustainability agenda, and regulatory adjustments, as well as key environmental, social and governance topics. We consider the impact of our business activities on these topics, and the impacts of these topics on our business. We also survey our key stakeholders to understand their perspective. The Sustainability Reporting Standard of the Global Reporting Initiative (GRI) provides the basis for this process.

In 2019, we asked the opinions of our internal senior management representatives regarding the relevance of various non-financial topics to us. The results of our stakeholder engagements were then merged with the results of our 2019 desk research to enhance the materiality analysis. The result of the 2019 assessment is presented in the graph below.

An ongoing dialog with our stakeholders is particularly valuable as it helps us to understand stakeholders’ expectations and concerns and to recognize the positive and potentially negative impact of our business activities. We conduct the dialog with our stakeholders in various formats, including bilateral conversations with individuals or groups, as well as meetings, events, forums and working groups.
As a result of this engagement, in 2019 we received the following feedback/questions that helped to confirm the findings of our materiality assessment.

Clients
- Continue to build the integrity and trust in client relations
- Increase availability of ESG related sustainable product
- Clarify policies related to responsible banking, with a focus on corporate lending and investment banking

Investors
- Clearer understanding of corporate culture and the evolution of the code of conduct
- Address gender diversity throughout the company
- Clarify/strengthen approach and set/disclose targets for responsible banking and sustainable finance
- Further align senior management remuneration with financial and sustainability strategy

Employees
- Responsibly handle cost cutting and associated redundancies
- Continue positive initiatives for training and development
- Communicate openly and transparently with the opportunity for feedback and learning

Society
- Set clear goals on ESG related lending policies and other corporate relationships
- Reduce carbon footprint and enhancing other CSR policies
- Use Deutsche Bank’s ‘voice’ to increase awareness of climate related risks

We have grouped the topics identified through our materiality work, including stakeholder engagement, into five generic clusters, which we highlight in this abridged report:

- Business Integrity
- Employees
- Responsible Banking
- Sustainable Finance
- Corporate Social Responsibility

For each we seek to state our policies, approach and governance. Where currently possible we set targets and timelines to make us accountable for genuine action. Where not, we are working on such metrics.
Business integrity

Integrity is the basis of everything we do and to us means doing the right thing in the right way. Without it we cannot thrive as an organisation. We expect our employees to operate to the highest standards to build trust, serve our clients and stakeholders, and ultimately protect our reputation.

Culture and conduct

The Code of Conduct (Code) articulates our key values and the standards of conduct to which employees should adhere. The Code seeks to foster an open and diverse environment in which employees understand what we expect of them.

We drive culture and ethical conduct through our Culture, Integrity, and Conduct (CIC) program. The objective of the program is to reinforce the bank’s values and desired outcomes, and to deliver enhanced conduct and integrity across all geographies, businesses, and infrastructure functions.

In the context of the specific emphasis on integrity in the year under review, we identified three group-wide initiatives that were incorporated into our 2019 CIC Book of Work and the annual business division and infrastructure function culture plans:

– Speak Up: encouraging employees to speak up if they see something that feels wrong
– Listen Up: educating managers on how to listen to concerns and respond when people raise issues with them, and to create an environment conducive to speaking up
– Grey Areas in ethical decision-making: fostering a culture where structured conversations can be held on potential grey areas in ethical decision making as part of creating a Speak Up and Listen Up environment.

While the emphasis of the initiatives was on integrity, several business division and infrastructure function culture plans also focused on client centricity and discipline, including:

– Redesigning the client on-boarding process to increase speed, improve the client user experience and promote behavioral change across the bank
– Creating client value metrics to measure and report on client satisfaction
– Improving the speed of decision-making through clearer accountability

We are fully aware that culture is difficult to measure, so we report several metrics from various group-wide sources to evaluate progress against our culture objectives in the Culture and Conduct Metrics Dashboards. The Dashboards are produced at a group, divisional and regional level and reported quarterly to a dedicated committee (see Governance). The metrics are aligned to our values and include data on investigation processes and disciplinary and consequences management processes. Further data such as gender diversity and results of our annual People Survey are also integrated. Some of the culture metrics are included in the Management Board balanced scorecard. 2019 benchmarking of our culture and conduct metrics against market best practices re-confirmed alignment with industry best practice.

Regulatory adherence

Our business divisions are responsible for ensuring that we treat our clients fairly at every stage, from the development to the sale of our products and services. Specific control functions support the business divisions in living up to their responsibility. Processes and controls set up as a result of legislation and regulations help us to recognize relevant topics in good time and define action areas, for instance market screening of products to identify those that best fit our clients’ specific needs. Our internal guidelines address these topics and regulate important aspects of them.

We have a clearly structured framework that governs the management of regulatory change and helps build our company’s profile in regulatory policy debates. This enables us to constructively engage with regulatory stakeholders. It also ensures informed strategic decision-making, provides oversight and control over how key initiatives are implemented, and delivers insights for senior management on upcoming public policy issues. The Regulatory Management Council (RMC) supports this process by focusing on cross-bank issues in each stage of the regulatory adherence life cycle.
Prevention of financial crime

We are exposed to diverse financial crime risks, including money laundering, terrorism financing, sanctions, as well as other criminal activities such as fraud, bribery and corruption. We believe it is vital to combat financial crime in order to ensure the stability of banks and the integrity of the international financial system. This is in line with our legal and regulatory obligations, and we do not accept or tolerate any knowing or willfully negligent involvement in or association with money-laundering, sanctions or the facilitation of tax evasion (financial crime risk) and do not accept or tolerate bribery and corruption or fraud by our employees.

Two areas of financial crime – money laundering and sanctions and embargoes – are classified as group-wide Top Risks. Failing to manage any of these risks may have serious consequences for us and our stakeholders. Hence, we have an Anti-Financial Crime (AFC) function in order to handle specific areas of financial crime.

In 2019, we launched an AFC-5-year plan. The key elements include:

- Providing active support in designing and implementing better front-to-back Know Your Client (KYC) and monitoring processes across the business, operations, and AFC.
- Investing in a more focused manner in technology and modelling to improve the quality of transaction alerts and deliver superior risk insights.
- Reducing reliance on external expertise, consultancy, and manual intervention in operational processes.
- Improving decision-making within AFC, and better aligning accountability and delivery by combining responsibility for change and daily risk management.
- Leveraging the community of risk, compliance, and AFC practitioners to improve risk management, change delivery, and business engagement.

Throughout the year we materially upgraded KYC, Anti-Money Laundering (AML) and Sanctions Policies to reflect the latest legal and regulatory standards. A special focus was to ensure adherence with the European Union’s fifth Anti-Money-Laundering Directive (5AMLD). The revised KYC and AML Policies were fully effective from January 1, 2020.

We have further enhanced our KYC processes, standards and file quality and completed the High-Risk Clients Review. We have also significantly strengthened our AML and terrorism financing controls such as List Screening (LS) and Transaction Monitoring (TM). A new list has been rolled out globally to ensure all clients are screened on a daily basis against applicable regulatory lists and a new TM system has been implemented in the U.S. and Germany focusing on correspondent banking, providing coverage of 95% of the corresponding banking volumes globally.

In 2019 we launched an integrated risk and control assessment, combining risk assessments of AFC, Compliance and Non-Financial Risk Management with the aim to improve integrated risk assessment processes and visibility across risk types and to enhance the effectiveness and reporting across the three control functions. We have also started to develop a new control assurance framework to enhance transparency of associated activities across the bank.

We continuously invest in improving our control functions, and this investment is an important part of our transformation agenda. We have modernized our data architecture and improved both our preventive and investigative control mechanisms. In 2019, we spent €800 million on non-financial risk prevention, a tripling of the budget since 2013. These investments protect our customers, business partners and other stakeholders.
Employees

Deutsche Bank’s success depends on the ideas, competence, commitment and health of its employees and we attach great importance to offering our employees an attractive working environment so they can help the company become more innovative. The Human Resources (HR) agenda seeks to create an environment where people can work collaboratively to deliver sustainable performance.

Recruiting and talent development

Internal mobility plays a vital role in retaining qualified and talented employees and keeping their expertise and experience within the bank. In 2019, we continued to develop and embed an internal mobility strategy and uphold our commitment to filling vacant positions with suitable internal candidates. The goal is to replace a third of all vacant positions with internal candidates.

### Internal career mobility

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average length to fill vacant positions (in days)</td>
<td>56</td>
<td>61</td>
</tr>
<tr>
<td>Internal job vacancy fill rate (in %)</td>
<td>37.6</td>
<td>37.2</td>
</tr>
<tr>
<td>thereof Managing Director and Directors (in %)</td>
<td>40.2</td>
<td>40.5</td>
</tr>
<tr>
<td>thereof Vice Presidents (in %)</td>
<td>47.5</td>
<td>47.8</td>
</tr>
<tr>
<td>Critical business positions (in %)</td>
<td>76.9</td>
<td>61.5</td>
</tr>
<tr>
<td>Savings from redeployment (in € m)</td>
<td>32</td>
<td>39</td>
</tr>
</tbody>
</table>

1 Time to offer from job opening creation to offer date.
2 Excluding Postbank brand.

As well as internal mobility, recruiting external talent continues to be a key priority for us. In 2019, we hired specialists to meet the growing demand in regulatory roles (e.g. Anti-Financial Crime, Audit, and Compliance), and to insource external roles, particularly in IT. This was supplemented by our ongoing graduate and vocational trainee programs.

### Talent acquisition

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees (FTE)</td>
<td>87,597</td>
<td>91,737</td>
</tr>
<tr>
<td>Recruitment and talent management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hired global graduates and vocational trainees (headcount)</td>
<td>1,622</td>
<td>1,517</td>
</tr>
<tr>
<td>Hired global graduates</td>
<td>955</td>
<td>910</td>
</tr>
<tr>
<td>Hired vocational trainees</td>
<td>667</td>
<td>607</td>
</tr>
</tbody>
</table>

1 In 2019, Deutsche Bank company health insurance aligned its FTE definition, which decreased the group number as of December 31, 2019 by 81 (prior period not restated).
2 Status at year-end.

To help employees develop professionally and personally and advance their careers, we have implemented a range of talent acceleration programs. The programs follow a cross-divisional approach and have a particular focus on senior female Managing Directors as well as classroom modules and individual coaching to prepare Directors and Vice Presidents to move into more senior roles.

### Talent acceleration

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation in cross divisional talent acceleration programs (headcount)</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>ATLAS acceleration program for senior female Managing Directors</td>
<td>169</td>
<td>152</td>
</tr>
<tr>
<td>thereof women (in %)</td>
<td>42.0</td>
<td>35.5</td>
</tr>
<tr>
<td>Vice President acceleration program</td>
<td>490</td>
<td>494</td>
</tr>
<tr>
<td>thereof women (in %)</td>
<td>39.0</td>
<td>41.1</td>
</tr>
</tbody>
</table>

Our Leadership Capability Model provides a consistent vision of leadership and a shared view of the capabilities that are vital to leading employees and ensuring business success. This is in line with our strategy and culture. In 2019, this model was updated and refreshed to reflect the changing nature of work, the requirements of a leader in the digital age, and the bank’s new strategy. All our leadership and talent development programs are aligned to this model.

Our bank’s leaders are now able to take care of their own development and select whatever learning content is appropriate for them. Learning content can now be offered to all leaders (including those leading in a project context) rather than just a selected cohort chosen by hierarchical criteria, and to employees aspiring to a leadership role.
Work environment

Designing purposeful work for our employees means explaining to them the sense, direction, and orientation of our approach and strategy in a fast-moving business environment. The speed with which internal and external changes are recognized and the effectiveness of the response in creating added value for stakeholders will be critical for success in the future.

We are creating an environment that encourages our employees to actively participate in shaping the bank’s digital transformation. We organize talks and discussions on the latest technology trends for our employees so they can hear from internal and external experts.

When it comes to innovation, employees are the key to our success. Therefore, we encourage their intellectual curiosity, focus on lifelong learning, and courage to try things out. We believe this promotes a corporate culture that rewards innovation, agility, and creativity.

Inclusive culture

Throughout 2019, we continued our journey to embed diversity and inclusion in our people practices. The key focus areas were:

- Renewing our commitment to improve gender diversity by setting KPIs for the Management Board members and for the management level below.
- Improving diversity by embedding it into the renewed Employee Value Proposition, with targeted campaigns to attract more women to the bank, and projects to attract and retain people across generations.
- Strengthening cross-generational collaboration and dialog using the regional Employee Resource Group-driven Reverse Mentoring programs and wider platform-based Reverse Mentoring offerings.
- Advancing LGBTQI (Lesbian, Gay, Bisexual, Transgender, Queer, Intersex) inclusion by intensifying collaboration with coalitions and influential platforms advocating a more inclusive and just world.
- Although we already incorporate location-based cultural nuances into employee policies, we place a high priority on granting all our employees the same rights worldwide.

We recognize the importance of effective collaboration right across the workforce, allowing it to benefit from different ideas and perspectives. This involves providing the right benefits, support and opportunities for employees at every stage of their career. Our reverse mentoring program, in which younger employees coach older colleagues, continues to expand across the globe. For example, dbGeneration continued its Future of Work series with an event exploring how we ready ourselves for the changing face of the job and working environment. Experts on longevity, social justice, and work patterns explored the impact on different generations and an aging population.

Our Management Board remains committed to increasing the representation of women in leadership positions. In March 2019, they restated the voluntary group-wide aspirational goals for the representation of women. Since transparency facilitates change, the goals for December 2021 have been disaggregated to focus on the top three corporate titles individually (in headcount terms): Managing Director (21 %), Director (28 %), and Vice President (35 %). This will also strengthen the internal pipeline for the two levels below the Management Board. Deutsche Bank firmly believes that an improved gender balance in leadership roles will meaningfully contribute to its future success.

Diversity

<table>
<thead>
<tr>
<th>In headcount</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women on Supervisory Board (in %)</td>
<td>35.0</td>
<td>30.0</td>
</tr>
<tr>
<td>Women on Management Board</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Women at Management Board level - 1 (in %)</td>
<td>19.7</td>
<td>20.8</td>
</tr>
<tr>
<td>Women at Management Board level - 2 (in %)</td>
<td>19.5</td>
<td>20.9</td>
</tr>
<tr>
<td>Female staff by corporate title (headcount)</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Managing Directors (in %)</td>
<td>18.3</td>
<td>18.1</td>
</tr>
<tr>
<td>Directors (in %)</td>
<td>25.1</td>
<td>24.5</td>
</tr>
<tr>
<td>Vice Presidents (in %)</td>
<td>31.4</td>
<td>31.2</td>
</tr>
<tr>
<td>Assistant Vice Presidents and Associates (in %)</td>
<td>40.6</td>
<td>40.2</td>
</tr>
<tr>
<td>Non-Officer (in %)</td>
<td>59.6</td>
<td>59.8</td>
</tr>
</tbody>
</table>

1 Status at year-end.
2 2018 adjusted for Postbank.
3 Disclosure adjusted from FTE to headcount given the new approach of voluntary group-wide aspirational goals set in March 2019.

As one of many activities to support LGBTQI inclusion and support the bank’s LGBTQI colleagues, we have a long-standing Allies program. These Allies, who themselves do not self-identify with a particular LGBTQI group, play a key role
in fostering a culture of inclusion across the bank. As leaders and advocates of change at all levels of the organization, they are helping LGBTQI employees to feel safe at work, bring their whole self to work, and subsequently contribute more.

Restructuring

Restructuring is a topic that spans the entire banking sector, not least due to the pace of digitalization. Deutsche Bank is no exception. On July 7, 2019, the Management Board announced moves to improve efficiency and infrastructure, which included reducing the workforce to approximately 74,000 by 2022.

In executing this strategy, Deutsche Bank remains committed to carrying out staff reductions in a transparent and socially responsible manner, with the close and constructive cooperation of employee representatives and social partners.

Our underlying approach, which is embedded in our social plan, provides support to employees affected by restructuring measures by promoting employability and offering individual coaching in change scenarios. A comprehensive set of measures and systematic assistance is available to employees, managers, members of the works council, and HR advisors involved in these processes. The concepts also support our strategy to fill open jobs with suitable internal candidates as well as to utilize a dedicated network of external partners to identify job opportunities outside the organization. In 2019, approximately 2,000 employees made use of these various offerings (2018: 1,500 employees).

Future trends

We attach great importance to offering our employees an attractive working environment so that they can deliver sustainable performance. In creating this attractive working environment we also consider key trends. The following represents some of the trends that we believe will shape our future employment strategy.

- **New working practices**: agile working practices are leading to greater customer focus, iteration, and consultation.
- **New behaviours**: to stay attractive we need to ensure working flexibility, a sound work-life balance, and investment in the working environment.
- **Changing skill requirements**: strong up-skilling or reskilling requirements are needed to keep pace with the trends driving our business model across the divisions.
Responsible banking and climate risk

Environmental and social due diligence

Our Environmental and Social (ES) Policy Framework formulates the set of rules and guidance for our daily business. A summary is publicly available. The ES Policy Framework is an integral part of our Reputational Risk Framework.

As it is applicable globally for our Corporate Bank (CB) and Investment Bank (IB) as well as commercial lending activities in our Private Bank, the ES Policy Framework defines procedures and responsibilities for risk identification, assessment, and decision-making. It also covers deal-independent risk-screening, the identification of companies with a controversial ES profile, and specifies the requirements for ES due diligence. Our due diligence process regarding project finance is based on the IFC Performance Standards underlying the due diligence of the Equator Principles.

ES principles

We have defined sectors to focus on based on their inherent elevated potential for negative ES impacts.

Enhanced due diligence and norm compliance

<table>
<thead>
<tr>
<th>Area</th>
<th>Enhanced due diligence/norm compliance</th>
<th>Environmental and social (ES) principles applied</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cross-sectoral</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human rights</td>
<td>Yes</td>
<td>Zero tolerance for child/forced labor; severe human rights violations</td>
</tr>
<tr>
<td>Deforestation</td>
<td>Yes</td>
<td>Zero tolerance for deforestation of primary tropical forests</td>
</tr>
<tr>
<td>World Heritage Sites</td>
<td>Yes</td>
<td>No activity within or in close proximity to World Heritage Sites, unless the respective government and the UNESCO agree, that an operation will not adversely affect the site’s outstanding universal value</td>
</tr>
<tr>
<td><strong>Sectoral</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Soft commodities</td>
<td>Yes</td>
<td>Expectations regarding certification as well as ES management schemes</td>
</tr>
<tr>
<td>(Soy, beef, timber)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tobacco</td>
<td>Yes</td>
<td>ES due diligence requirements; potential exclusions based on outcome</td>
</tr>
<tr>
<td>Palm oil</td>
<td>Yes</td>
<td>Zero tolerance for non-RSPO-membership and/or absence of time-bound implementation plan by 2025 at the latest</td>
</tr>
<tr>
<td>Mining</td>
<td>Yes</td>
<td>ES due diligence requirements; potential exclusions based on outcome</td>
</tr>
<tr>
<td>Oil and Gas</td>
<td>Yes</td>
<td>ES due diligence requirements; potential exclusions based on outcome</td>
</tr>
<tr>
<td>Coal power and mining</td>
<td>Yes</td>
<td>Exclusions for new financing of coal power and mining, and associated infrastructure</td>
</tr>
<tr>
<td>Nuclear energy</td>
<td></td>
<td>Exclusions for financing Mountain Top Removal</td>
</tr>
<tr>
<td>Defense/ Controversial weapons</td>
<td>Yes</td>
<td>Exclusion for certain jurisdictions. ES due diligence requirements; potential exclusions based on outcome</td>
</tr>
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<td></td>
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</tbody>
</table>

*In addition to the cross-sector and sector specific principles mentioned above, Deutsche Bank’s enhanced ES due diligence process implies – amongst others - the following reviews: Compliance with existing environmental and social laws and regulations; Existence of robust governance structures regarding the management of ES issues as well as adequate capacity.*
Transactional reviews

In 2019, we reviewed 310 transactions and clients under our ES Policy Framework, of which six were declined directly. Seven more were discussed in the respective committees in line with our reputational risk process. Of these, one was ultimately declined and six were approved.

Climate risk

As a key component of our wider response to climate change, we started to develop a holistic risk management framework for climate risks. We have set up an internal working group to combine existing risk management practices – parts of which already consider climate-related risks – with innovative approaches to ensure that we understand, and are well protected against, potential negative impacts.

Since 2018 we have been a formal supporter of the Taskforce on Climate-related Financial Disclosures (TCFD) Recommendations. In 2019, we joined the second phase of the UNEP FI pilot project – a collaborative effort by 36 international banks, supported by the UNEP Secretariat and external consultant – to further develop risk management practices and ultimately move towards implementation of TCFD recommendations.

In 2019, we piloted transition scenario analysis for our loan portfolios to the most carbon-intensive industries: oil and gas, utilities (electric power and natural gas), as well as steel, metals, and mining:

- We used the International Energy Agency “Sustainable Development” scenario as a basis for the analysis.
- We applied downward Probability of Default rating migrations to our portfolios.
- An increase in loss given default ratios was also assumed across all client, and
- The results were translated into estimates of how expected loss would develop over the medium-to-long term for the selected portfolios.

While we do see meaningful downward rating migrations for our carbon-intensive portfolios under the selected scenario, the overall impact on the bank’s balance sheet quality would remain contained, supported by our focus on well-rated and diversified clients.

In addition, our exposure to these industries is low as a proportion of our total loan book volume, and the relative shares of each industry fell compared to year-end 2016 as we reduced our risk appetite thresholds. As of year-end 2019 compared to the overall loan book volume of approximately € 430bn:

- Loan exposure to the oil and gas industry: € 8.4 billion or the equivalent of 2 % of overall loan volume, plus revocable and irrevocable lending commitments of € 6.9 billion.
- Loan exposure to the utilities (electric power and gas) sector: € 4.2 billion or 1 % of overall loan volume, plus revocable and irrevocable lending commitments of € 7.9 billion.
- Loan exposure to the steel, metals and mining sector: € 4.0 billion or 1 % of overall loan volume, plus revocable and irrevocable lending commitments of € 4.4 billion. Exposure to coal-mining groups is negligible since we have tightly managed and reduced our exposures in recent years. These loan exposures have fallen by 31 % since the end of 2016.
We recognize the need to further develop our approach to climate risk, which is why our Enterprise Risk Management function has been mandated by the Group Risk Committee to ensure our processes and frameworks are always in alignment with the TCFD requirements. This includes:

- More progress on our approach to transition risk scenario analysis and physical risk analysis, including extension of scenario analysis to a broader range of sectors.
- Deeper integration of sustainability factors into our client-level risk analysis, including assumptions on the loss given in default (LGD).
- Development of climate-specific risk appetite limits/targets and controls.
- Participation in respective industry groups like the pilot project of the UNEP FI but also through memberships like the Sustainable Finance Advisory Council set by the German federal government.

Sustainable finance

As a global financial intermediary, we have a role to play in facilitating the transition of economies towards sustainable and low-carbon growth. In this context, our business activities need to support this transition by directing financial flows towards more sustainable and climate-friendly solutions.

We also use our market expertise, products, and solutions to assist our customers in this transition, playing to our strengths as a universal bank. Our aspiration is to become the strategic partner of choice to support our clients as they transition to more sustainable business models.

Our sustainable finance solutions are as diverse as our customer needs. For our commercial and corporate clients, we create individual lending offerings to advance their own business transformation to low carbon models. Our Investment Bank assists companies and governments in gaining access to sustainable financing on the capital markets. At the same time, in our Asset Management division we are focusing on integrating ESG impacts into our investment strategy, as well as product portfolios and services. We are continuously growing the number of sustainable investment products available for institutional and private investors.

Corporate Bank and Investment Bank

### Key highlights 2019

<table>
<thead>
<tr>
<th></th>
<th>Overall volume 2019</th>
<th>Overall volume 2018</th>
<th>Deutsche Bank contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ESG bonds</strong></td>
<td>&gt;22</td>
<td>&gt;8</td>
<td>Supported ESG bond transactions and fund raising (2018: only green bond transactions)</td>
</tr>
<tr>
<td><strong>Sustainability-linked loans</strong></td>
<td>&gt;50</td>
<td>&gt;10</td>
<td>Participated in over 20 (2018: 9) sustainability-linked loans</td>
</tr>
<tr>
<td><strong>Financing of renewable energy projects</strong></td>
<td>2.5</td>
<td>1.2</td>
<td>Arranged full or partial project finance</td>
</tr>
<tr>
<td><strong>Financing infrastructure projects</strong> with strong development credentials and positive contribution to local communities</td>
<td>&gt;3.4</td>
<td>n/a</td>
<td>Arranged or participated in infrastructure finance</td>
</tr>
</tbody>
</table>

1 Overall volume not reported in 2018; please refer to Non-Financial Report 2018, p. 33 for individual examples.

For example, we provided support to

- The Italian utility company Enel to introduce a new format known as a sustainability-linked bond, which was the first-ever public bond format to attach contractual consequences to the fulfilling of certain pre-defined sustainability key performance indicators.
- Assicurazioni Generali in issuing the first green-subordinated benchmark transaction by a financial institution in Europe.
- Standard Chartered in issuing their inaugural sustainability bond, and to
- Republic of Indonesia in issuing their second green sukuk bond.

Further, in 2019, we acted as coordinator for eight sustainability-linked loans including the German companies Continental, LANXESS, and Zeppelin, the British company NEPI Rockcastle, and the American company Crown, where we led the first leveraged sustainability-linked loan agreement in the U.S. market.
Other examples in the area of infrastructure development financing are:

- Mandated lead arranger and sole rates hedge arranger for the NTD 82 billion (€ 2.3 billion equivalent), 640 megawatt Yunlin offshore wind farm project financing developed by a consortium led by Wpd AG: this project was the largest offshore wind project in Asia Pacific at deal closure and has provided a viable financing template for large-scale offshore wind projects to facilitate the gradual phase-out of nuclear energy and coal-fired power generation in Taiwan;
- Financing the upgrade and modernization of 34 vocational training institutes across Ghana, worth € 123.5 million in all; one of the key projects in the 2019 budget is to address the unemployment and skill gap in Ghana. By targeting region specific requirements, the project will support the government’s objective of creating a sustainable vocational education system.

These transactions illustrate how our business drives the development of sustainable finance, and how we facilitate the flow of capital into sustainable projects in alignment with the SDGs set by the United Nations.

Private Bank

Key highlight 2019

<table>
<thead>
<tr>
<th>In € m</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>State-subsidized mortages (loan volume)(^1) for financing agreements of low-energy houses or for construction and modernization projects that meet higher energy standards than those required by Germany’s Energy Saving Ordinance</td>
<td>490</td>
<td>360</td>
</tr>
<tr>
<td>Discretionary ESG mandates in Wealth Management (AuM) (Based on a best-in-class approach, with certain sectoral exclusions and utilizing MSCI ESG rating criteria)</td>
<td>500</td>
<td>500</td>
</tr>
</tbody>
</table>

\(^1\) Total volume of state-subsidized mortages through cooperation with Germany’s nationwide development bank Kreditanstalt für Wiederaufbau in 2019: € 1.2 bn

In our Private Bank, we apply exclusion criteria to our entire product offering, for example by ruling out investment products with agricultural speculation. As exemplified by the collaboration of our Private Bank Germany with third-party product providers for mutual funds, we expect product providers to demonstrate their commitment to responsible investing by being a signatory to the UN Principles for Responsible Investments (PRI). When selecting dedicated ESG investment products for our retail clients, we take additional ESG criteria into account, which we develop over time. In 2019, we also began offering an equity fund that invests in companies that contribute to the objectives set out in the SDGs. Through our mortgage facilities, we support our private clients in the acquisition of residential real estate and contribute to wealth creation. Through our cooperation with KfW, more than 18,000 clients obtained state-subsidized mortgages totaling € 1.2 billion in 2019.

In 2019, Wealth Management launched an accelerated ESG strategy to expand its ESG investment services, as a greater proportion of our clients are focusing on adding purpose to investment performance. The strategy, approved by our WM Executive Committee, focuses on three key pillars: incorporating ESG ratings into WM portfolio construction and reporting systems, extending our ESG product offering, and creating ESG awareness.

Asset Management (DWS)

Key highlights 2019

<table>
<thead>
<tr>
<th>In € bn</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESG assets under management Classification follows the methodology of the Global Sustainable Investment Alliance</td>
<td>69.7</td>
<td>47.1</td>
</tr>
<tr>
<td>Thereof ESG within Active investments Portfolios based on client-specific exclusions for institutional clients, retail and institutional assets managed according to uniformly defined investment standards or client-specific derivations, particular sustainability themed ESG products, and third-party initiated mutual funds applying external ESG approach</td>
<td>40.7</td>
<td>28.9</td>
</tr>
<tr>
<td>ESG within Passive investments Exchange traded funds or products, passively managed funds for institutional clients</td>
<td>10.9</td>
<td>3.3</td>
</tr>
<tr>
<td>ESG within Alternatives Sustainable investment funds/impact investments, Real Estate, infrastructure investments</td>
<td>18.1</td>
<td>14.9</td>
</tr>
</tbody>
</table>
In our Asset Management (AM) division we pursue integration of ESG factors into our research because we fundamentally believe that it gives us crucial insight into the business models in which we choose to invest.

Our ESG Engine continues to enable data driven analysis based on input from six leading ESG data vendors. As a proprietary software system, it is the focus of our commitment to integrating ESG into our investment process for Active and Passive portfolios. The structured ESG information is embedded into portfolio management, thus supporting our due diligence process and enabling us to offer clients bespoke ESG solutions. All portfolio managers and research analysts who are responsible for liquid investment strategies have access to a 360° assessment of issuers and investees.

Our investment professionals regularly engage with the senior management of our investee companies to discuss ESG topics as a key input to understanding a company’s fundamentals, strategy and outlook. In 2019, the major engagement topics were corporate governance issues (such as board independence or remuneration), climate change and deforestation.

In 2019, we voted at a total of 2,043 meetings in 57 countries, an increase of 64 % on 2018 for our portfolios domiciled in Europe and Japan. We aim to gradually increase the number of meetings per year at which we vote, ensuring we get the best outcomes for our stakeholders.

We have piloted our derived ESG Key Performance Indicators (eKPIs, for example on CO₂ emissions or information on climate change indicators of a fund) to give our investors transparency on the ESG contributions of the DWS Invest SDG Global Equities fund on our website. We continue to develop our ESG methodology, especially with regard to carbon and climate risk sensitivity, opportunities from impact investing, and the SDGs, by integrating them into the ESG Engine.

To further our commitment to ESG in real-estate investments, we announced the goal of halving carbon emissions by 2030 against the reference year 2017 for our entire portfolio of European office properties held by funds managed by the European real-estate business. In setting this goal, we are furthering AM’s decade-long support (through our Global Investor Statement to Governments on Climate Change) of climate change initiatives and our commitment to the investors’ call on global leaders to achieve the Paris Agreement climate goals. Cutting carbon emissions across the entire Europe office portfolio is estimated to result in an annual reduction of 61,000 metric tons of carbon dioxide emissions – the equivalent of taking approximately 24,000 diesel cars off the road and saving around 23 million liters of diesel.

As of December 31, 2019, we reported € 69.7 billion of ESG AuM, made up of € 51.6 billion of ESG and sustainable AuM in Active and Passive, € 715 million of sustainable investment funds / impact investments, € 16.5 billion of real estate investments in certified green-labelled buildings, and € 862 million of infrastructure assets in renewables, within an overall asset management volume of € 767.4 billion.
Corporate social responsibility

Our social engagement contributes to our business’ stated purpose of enabling economic growth and societal progress. It does so by creating a positive impact on the communities where we operate. We impacted 1.6 million lives through our corporate citizenship initiatives in 2019.

Our initiatives have a strategic focus on education, enterprise, and community, and we encourage our employees to underpin the bank’s citizenship activities with their professional expertise whenever they can.

All these programs help to build trust, employee and client loyalty, as well as strengthening our reputation as a socially minded enabler, reliable partner, and catalyst for societal change. To drive our CSR agenda and initiatives forward, we foster employee involvement, interact with stakeholders, seek long-term partnerships with charities, and support advocacy initiatives and intercompany efforts to promote impact orientation.

To ensure that resources are deployed efficiently, and projects fully aligned with the strategic objectives of our CSR agenda, we monitor the direct impact of our investments annually and systematically collect feedback from our community partners via the Global Impact Tracking (GIT) tool. We also measure our projects’ social return on investment (SROI) according to the London Benchmarking Group (LBG) methodology, as it is our aim to move from mere charitable donations to strategic community investments.

### CSR Key Performance Indicators

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total CSR investments, in € m.</td>
<td>57.9</td>
<td>53.7</td>
</tr>
<tr>
<td>External perception of Deutsche Bank as a responsible corporate citizen (global B2B market) / (in %)³</td>
<td>68</td>
<td>60</td>
</tr>
<tr>
<td>People reached with CSR initiatives in m.</td>
<td>3.2</td>
<td>4.2</td>
</tr>
<tr>
<td>thereof:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Born to Be, Made for Good, In the Community</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td>Art, Culture &amp; Sports</td>
<td>1.6</td>
<td>2.4²</td>
</tr>
</tbody>
</table>

¹ Representative global B2B survey in 14 countries; top 2 ratings on 5-point scale.
² Different assessment methodology.

Ecology and carbon neutrality

One of the most important environmental targets is the endorsement by our Management Board of our commitment to carbon neutrality, which we achieved in 2012 and have maintained since then. In 2019, we continued to offset unavoidable carbon emissions covering GHG Scopes 1 and 2 and business travel by purchasing and retiring high-quality emission reduction certificates. The carbon credits purchased in 2019 reveal investments in a diversified product portfolio supporting climate change mitigation and economic development in Africa, Latin America, and Asia. All offsetting projects comply with well-recognized global standards, including the Gold Standard (62 %) and the Verified Carbon Standard.

### CO₂ offsetting portfolio - supported projects and regional split

<table>
<thead>
<tr>
<th></th>
<th>Dec 31,2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Africa</td>
</tr>
<tr>
<td>Wind energy</td>
<td></td>
</tr>
<tr>
<td>Biomass/biogas</td>
<td></td>
</tr>
<tr>
<td>Efficient cookstoves</td>
<td>45,000</td>
</tr>
<tr>
<td>Geothermal energy</td>
<td></td>
</tr>
<tr>
<td>Hydropower</td>
<td></td>
</tr>
<tr>
<td>Sustainable forest management/REDD¹</td>
<td>15,000</td>
</tr>
<tr>
<td>Solar energy/photovoltaics</td>
<td></td>
</tr>
<tr>
<td>Share</td>
<td>27 %</td>
</tr>
<tr>
<td>Total</td>
<td>60,000</td>
</tr>
</tbody>
</table>

¹ Reducing Emissions from Deforestation and Forest Degradation

We are also striving to use water and paper responsibly, minimize the supply chain impact of our business operations, and reduce the amount of waste we generate. A new focus in our waste strategy has been to reduce consumption of disposable plastics and use reusable materials, starting in Germany and the UK.
Governance

Governance is cascaded down from the Chairman, the Management Board and the office of the Chief Executive, to the senior leadership teams. We have clear fiduciary duties from multiple regulatory bodies, which encompass many of our activities. We must do what is right, do it in the right way and be seen to be doing so. To help advise on policy and execution we have established various key committees and councils.

As part of our transformation, we changed our management structure effective August 1. The new structure is designed to provide more flexibility for those in charge, accelerate decision-making processes, and promote entrepreneurial thinking in our bank’s business divisions. We created the Group Management Committee (GMC) which comprises the Management Board and the heads of the business segments. The GMC is designed to link the Management Board closely with the operational business heads, who in turn can fully focus on business with our customers.

The compensation of our Management Board members consists of a fixed component and a performance-related component. The Management Board’s performance-related compensation comprises three components and depends on whether group, divisional and individual targets are achieved. This year we will focus on making the compensation system simpler and more transparent and to link it even more closely to our publicly communicated financial targets and our sustainability strategy.

Sustainability and climate risk

The Sustainability Council is responsible for advising the Management Board on sustainability topics and helping to drive the integration of sustainability into day-to-day business practice. Our Chief Executive Officer (CEO) assumed the role of the Council’s chairman in 2019. The group’s risk management function is represented on the Council with the Enterprise Risk Committee (ERC) having formal responsibility for the management of climate risks.

In 2019 the focus was on developing our approach to sustainable finance. We address sustainable finance opportunities through divisional ESG governance structures to ensure that we anticipate client demands, and continually expand our ESG products and services. International standards, such as the UN Global Compact and the OECD Guidelines for Multinational Corporates, are examples of the guiding principles for our business.

Business integrity

Anti-financial crime

The Management Board is ultimately responsible for the management and mitigation of financial crime risks and delegates tasks relating to these obligations to the Anti-Financial Crime (AFC) function. The Chief Risk Officer is the Management Board member responsible for the AFC function. AFC is a second line-of-defence control function, and the business divisions are the first line of defence, responsible for designing and implementing controls to mitigate the financial crime risks emerging from their respective business activities and processes.

The financial crime risks managed by AFC are defined as follows:

- Risk of money laundering
- Risk of violating sanctions or embargoes
- Risk of bribery and corruption
- Risk of fraud
- Risk of failing to prevent other criminal activities that might jeopardise the institution’s assets

In July the Management Board successfully brought the departments for Anti-Financial Crime, Compliance and Non-Financial Risk Management under joint management. This gives us a much more integrated perspective of all risk types. These functions now have more than 3,000 employees.

Culture and conduct

To deliver enhanced conduct and integrity across all geographies, business and infrastructure functions, we have established the Culture, Integrity and Conduct (CIC) program. The Management Board and CEO have overall responsibility for achieving the desired cultural outcomes. Each Management Board member is accountable for culture in their respective business division or infrastructure function. The culture-related initiatives to support the CIC objectives are developed and implemented in the individual business division and infrastructure function culture plans.
The Culture Integrity and Conduct (CIC) Committee oversees the implementation and management of the CIC program. The Committee establishes group-wide CIC initiatives and drives the CIC topics and messages that are to be embedded in business division and infrastructure function culture plans.

Regulatory adherence

We have a clearly structured framework that governs how we manage regulatory change risk and help us build our profile in regulatory policy debates. This enables us to engage constructively with regulatory stakeholders. The Regulatory Management Council (RMC) supports this process by focusing on cross-bank issues in each stage of the regulatory life cycle. To further contribute to the policymaking process, we provide political and regulatory stakeholders (e.g. governmental organisations, policymakers, and supervisory authorities) with information and data that set out our business strategy and determinants. Our Global Head of Government & Regulatory Affairs reports directly to the Chief Administrative Officer.

Human resources

Human Resources (HR) has a clear governance structure, with global priorities and standards defined and monitored by the Global HR Executive Committee. Our Code of Conduct is designed to ensure that we conduct ourselves ethically, with integrity, and in accordance with the laws and regulations in all operating regions. The Management Board receives monthly updates on FTE development and the progress of restructuring measures, while the Supervisory Board receives monthly reports on employee turnover.
Imprint

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Editorial comment

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We would like to thank all colleagues and external partners for their friendly support in making this report possible.

Forward-looking statements

This report contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of Deutsche Bank. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets, the development of asset prices and market volatility, potential defaults of borrowers or trading counterparties, the implementation of our strategic initiatives, the reliability of our risk management policies, procedures and methods, and other risks referenced in our filings with the U.S. Securities and Exchange Commission. Such factors are described in detail in our SEC Form 20-F of 20 March 2020 under the heading “Risk Factors”. Copies of this document are readily available upon request or can be downloaded.
Our Purpose
This is why we’re here. This is what we do.

We are here to enable economic growth and societal progress, by creating positive impact for our clients, our people, our investors and our communities.