Managing ESG Performance

#PositiveImpact

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Challenges and opportunities

1. Lack of uniformly accepted definitions
   - Environmental
   - Social
   - Governance

2. Overlapping frameworks, disclosure initiatives and emerging regulations
   - European Commission
   - EBA
   - SASB
   - GRI
   - World Economic Forum

3. No clear linkage between targets and impacts
   - Sustainable Development Goals
   - United Nations Framework Convention on Climate Change

Our aspiration is **turning ambition into impact**: 
- enable our businesses in facilitating transition towards sustainable and low-carbon growth
- be a credible partner to all our stakeholders: clients, investors, public bodies, society
Performance management: Finance’s key end-to-end role

**Target setting**
- Sustainable Finance volumes as an integral part of our strategic planning
- Breakdown of our EUR 200bn commitment into divisions, businesses and regions over a 5-year planning horizon
- Near-term, granular, transparent and measurable targets

**Incentives**
- Sustainable Finance volumes, ESG rating index and own operations KPI included on senior management balanced scorecards

**Reporting**
- Review of transaction data submitted by businesses by Group Sustainability and Divisional Finance teams based on DB’s Sustainable Finance Taxonomy
- Continuously working to improve quality of DB’s Non-Financial Reporting
Our Sustainable Finance commitment & methodology

- Announced on May 12, 2020
- The **cumulative target** of EUR 200bn includes **sustainable financing (flow) and investments (stock)** between Jan 01, 2020 and Dec 31, 2025
- In scope of DB’s ESG target are all businesses, excluding DWS
- Target accelerated with EUR 200bn planned to be achieved by the end of 2023

Our volume targets (in EUR bn, cumulative)

- **2020 ambition exceeded by more than 100%**
- Actuals: 46 (2020), 71 (1Q 2021), 20 (Financing), 26 (Capital Markets), 20 (Investments)
- Outlook: >100 (2021), >150 (2022), >200 (2023)

Note: 2021-23 outlook based on bottom up commitments by the businesses
Newly added franchise ESG KPIs included in scorecards of all Management Board, Group Management Committee members and business heads (approx. 50 senior leaders throughout the organisation excl. DWS)

97% of approx. 300 scorecard holders in scope of broader culture, control and conduct KPIs e.g. gender diversity or employee feedback culture. KPIs aimed at improving governance and regulatory remediation rolled out to more than 50% of the population in scope

Bank-wide ESG & Sustainability strategy key deliverable programme

Delivery against targets is reviewed in regular performance review meetings and feeding into annual compensation decisions

For Management Board, scorecards incl. ESG KPIs within the short-term award and ESG factor within the long-term award account for 10% and 20% of the reference variable compensation respectively
Achievements against our targets to date in EUR bn, unless stated otherwise

Group results at a glance

**Investment Bank**
- 41 bn

**Private Bank Germany**
- 14 bn

**Corporate Bank**
- 9 bn

**International Private Bank**
- 7 bn

By E/S/G
- Environmental: 26%
- Social: 12%
- Environmental & Social: 17%
- Sustainability-linked: 45%

By client type
- Corporates: 29%
- Financial institutions: 42%
- SSA: 21%
- Private individuals: 8%
Our contribution to Sustainable Development Goals

- Underlying volumes include Financing and Capital Markets
- One transaction can be mapped to several SDGs

<table>
<thead>
<tr>
<th>SDG 13</th>
<th>CLIMATE ACTION</th>
<th>14%</th>
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<tbody>
<tr>
<td>SDG 12</td>
<td>RESPONSIBLE CONSUMPTION AND PRODUCTION</td>
<td>6%</td>
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<tr>
<td>SDG 11</td>
<td>SUSTAINABLE CITIES AND COMMUNITIES</td>
<td>18%</td>
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<tr>
<td>SDG 10</td>
<td>REDUCED INEQUALITIES</td>
<td>6%</td>
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<tr>
<td>SDG 9</td>
<td>INDUSTRY, INNOVATION AND INFRASTRUCTURE</td>
<td>9%</td>
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<tr>
<td>SDG 8</td>
<td>DECENT WORK AND ECONOMIC GROWTH</td>
<td>11%</td>
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<tr>
<td>SDG 7</td>
<td>AFFORDABLE AND CLEAN ENERGY</td>
<td>11%</td>
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<tr>
<td>SDG 6</td>
<td>CLEAN WATER AND SANITATION</td>
<td>3%</td>
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<tr>
<td>SDG 5</td>
<td>GENDER EQUALITY</td>
<td>3%</td>
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<tr>
<td>SDG 4</td>
<td>QUALITY EDUCATION</td>
<td>4%</td>
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<tr>
<td>SDG 3</td>
<td>GOOD HEALTH AND WELL-BEING</td>
<td>9%</td>
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<tr>
<td>SDG 2</td>
<td>ZERO HUNGER</td>
<td>1%</td>
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<tr>
<td>SDG 1</td>
<td>NO POVERTY</td>
<td>5%</td>
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The path to enhanced reporting

DB’s Sustainable Finance targets

Absolute volume targets

2020
- Business divisions
- Product types (financing and capital markets, AuM)

Enhanced granularity

2021
- E/S/G classification
- Client types
- Client domiciles
- SDGs

Impact and balance sheet reporting

2022+
- Portfolio carbon intensity and financed emissions
- Paris pathway alignment
- Green Asset Ratio(1)
- Impacts on water, land and biodiversity, social dimensions

1) Timing to be aligned with final regulatory requirements which might lead to earlier implementation
Gerald is Chief Financial Officer of the Corporate Bank and Co-Chair of Deutsche Bank’s Group Sustainability Council.

As Corporate Bank CFO, he is responsible for all financial matters of the division, including accounting, reporting, planning, performance management, balance sheet resources and strategy.

Gerald has been with Deutsche Bank since 2003 and held various positions in Germany and London, such as Head of Financial Institutions Group Debt Capital Markets and Global Head of Capital Solutions & Sustainable Financing.

He has many years of experience with Sustainable Finance and is an active member of several committees such as the Sustainable Finance Committee of the German government and the WEF CEO Action Group.

Gerald holds a Master in Business Administration and a doctorate degree in law from Karl-Franzens-University in Graz.
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This presentation 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.

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