Deutsche Bank AG
Sustainability Deep Dive
May 20, 2021

– consolidated Q&A of chat questions –

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1. Sustainability Journey, Strategy and Ambition Level

1.

Q: Please elaborate on your targets regarding CO_2 reduction in the company car fleet.

(Translated from original German question: Fuhrpark / Reduzierung CO_2-Ausstoß)

A: The goal is to reduce the overall fuel consumption of our fleet and a 30% reduction is a valid proxy for the reduction of carbon emissions. To achieve this, we plan to adjust the car fleet policy, adapting the choice of available cars based on sustainability criteria and incentivising the use of e-cars and hybrid vehicles. Plus, we are assessing options to support and facilitate environmentally-friendly car usage via the policy.

2.

Q: How would you plan to implement e-mobility / CO_2 reduction in your vehicle fleet. Electric vehicles? Charging stations for customers / employees at bank locations? Car sharing?

(Translated from original German question: Wie möchten Sie Elektromobilität / CO_2-Reduktion im Fuhrpark umsetzen. Elektrofahrzeuge? Ladestationen für Kunden / Mitarbeiter an den Standorten? Car-Sharing?)

A: We will focus on making e-cars more attractive. Our car users fully benefit from tax incentives granted by the German government as well as any manufacturer or BAFA subsidies. In addition, we are currently detailing options for a redesign of the car policy to incentivize users to make "green" choices when selecting their new company car. As far as charging infrastructure is concerned, Deutsche Bank has recently added charging stations in key buildings, and we are currently assessing options around further potential steps.

Currently, we have 24 charging stations installed across Germany and 23 more are scheduled to be installed.

3.

Q: Why do you only plan to reduce company car fleet fuel consumption only by 30% by 2025? Why not more?

A: This figure is related to the very fluid situation around technological trends and innovations, which require close monitoring over the coming years. Our commitment to achieving a binding interim target of lowering the overall fuel consumption of our fleet by 30% by the end of 2025 shows that we are serious about making our company car programme more sustainable, starting in 2021.

4.

Q: What will be the total amount of investment to transform Deutsche Bank to a more ESG oriented company?

A: Sustainability is an important pillar of Deutsche Bank's transformation program. While enhancing sustainability will require investments e.g. to grow expertise, invest in in-house ecology or ESG data technology, the bank does not disclose a particular number for these investments. Much of the investment will be budgeted within the division responsible for the change program.

5.

Q: How about solar systems on all Deutsche Bank office buildings? In the case of rented buildings, the landlord can certainly be given financial support?

(*Translated from original German question*: Wie wäre es mit Solaranlagen auf allen Bürogebäuden der Deutschen Bank? Bei gemieteten Gebäuden kann hier sicherlich der Vermieter finanziell unterstützt werden.)

A: We currently have an installed capacity of approximately 3,000 MW of solar photovoltaic panels in our portfolio. We have researched the opportunities to install solar panels on all our sites where technically possible and economically viable, and are always willing to collaborate with landlords when presented with further opportunities to implement additional solar panel capacity.

6.

Q: Can Deutsche Bank elaborate on how the bank is going to grow its presence in Asia Pacific to capture the ESG opportunities in the region such as China?

A: Deutsche Bank has already significantly grown its presence in Asia Pacific in line with our commitment to set standards for evidence-based, data-driven approach to ESG business. Last year we appointed Kamran Khan as Head of ESG for Asia Pacific. He brings 20+ years of

ESG investment and advisory experience gained at the Obama White House (head investment and operations at the US Millennium Challenge Corporation), World Bank (head of infrastructure finance for East Asia) and a private equity impact fund licensed by the Monetary Authority of Singapore (MAS). Subsequent expansion of the ESG team in Singapore includes Kalpana Seethepalli who brings 15+ years of experience in measuring, monitoring and reporting of ESG impact. Many of our ESG transactions have won industry awards and we are leading the league tables in a number of ESG categories in Asia, including #1 ranking in Ex-Japan Asia high-yield ESG bonds by IFR Asia.

The launch of our ESG Centre of Excellence (COE) in Singapore in May – the first such initiative in Asia - with the support of MAS further strengthens our brand and positioning in Asia. We plan to build a sizable team with deep ESG expertise to capture the ESG opportunities in Asia. The COE is client-facing and commercially focused with a mandate to help coverage and product teams structure and execute high quality ESG transactions. It offers our corporate and institutional clients a uniquely strategic, cross-divisional and non-product centric platform for ESG engagements. The COE business model is designed to enhance credibility of our clients through an evidence-based, data-driven approach to ESG.

7.

Q: Where and when will Deutsche Bank expand ESG services in Asia?

A: We expect the ESG market to grow exponentially across Asia. We believe Asia has a key role to play in adding substance (methodology combined with evidence and data) to the development of the global ESG market. We are one of the very few global banks with presence in 14 APAC economies. As Asian companies and MNCs operating in Asia pivot towards sustainable practices we plan to support them through our ESG products and services. Most importantly, our evidence-based, data-driven approach to ESG will continue to focus on measuring and reporting ESG impact to build credibility of our clients and strengthen our brand as a premier ESG bank.

We have already started expanding our ESG presence in Asia and expect to establish a sizeable team with deep ESG expertise in the coming 12 months. Please see the answer to Question 58 above for further details on our plans.

8.

Q: China has announced its goal to reach emission peak in 2030 and reach carbon neutrality in 2060. What are your insights toward China’s ambition? How will Deutsche Bank help China in reaching its goal?

A: The public commitment of China to reach carbon neutrality in 2060 offers hope to the global environment movement. The global climate change targets will start to look much more attainable if China starts to consistently meet its carbon neutrality milestones and targets in the coming years. This can only happen if we can make the pivot towards sustainability commercially viable. And that includes timely and cost-effective provision of capital.

We have a very long history of operating in China, Deutsche Bank sees is determined to support Chinese corporates and national and regional governments in meeting their carbon neutrality targets. As a global bank, we see ourselves ideally positioned to address the key challenge of matching ESG standards in China with globally accepted ESG standards.

Deutsche Bank’s ESG framework is aligned closely with the EU ESG Taxonomy, which is widely considered as a comprehensive set of ESG standards. All ESG transactions at Deutsche Bank are reviewed and classified as ESG-compliant via an internal control function (Group Sustainability) that operates independently of our commercial business units. By maintaining the ESG standards with appropriate controls we have established a high level of credibility among global ESG investors, particularly in Europe. Importantly, we are one of only two foreign banks with a full capital market license to operate in China. This means we can support our Chinese clients on on-shore and off-shore ESG transactions. We are in a position to leverage our credibility with global ESG investors and our deep understanding of the Chinese business practices to help Chinese clients prepare ESG transactions which meet the highest international standards and successfully place them with international investors. We are seeing significant pick-up in net-zero related activity in China.

9.

Q: How do you see emerging technology trends shaping Deutsche Bank's approach to ESG?

A: Deutsche Bank’s approach to ESG is based on 3 aspects of innovative technologies:

1. Adopting new technology – we are working with start-ups and tech-companies to review and integrate new technology, e.g. Optical Character Recognition with Artifical Intelligence (AI), Newsfeed APIs to improve our processes and offerings for our clients.

2. Collaboration with Google – as part of our strategic partnership, we are actively engaging with Google on finding solutions for data ingestion and usage, including AI within Deutsche Bank.

3. Data access and partnerships – expanding on existing data vendor relationships, we are engaging on new products and services based on data specifically for sustainable solutions.

10.

Q: What do we wish to achieve in our planned attendance at the 26th UN Climate Change Conference (COP26) in Glasgow?

A: The COP26 in Glasgow is an attractive platform to demonstrate the role of the financial sector in transitioning toward a more sustainable and climate-friendly economy. We are planning to present a case study in collaboration with a client as well as an academic institution on urban mobility. We will also demonstrate its capabilities across all businesses as well as product categories.

11.

Q: What is your global micro-lending strategy and how do you mitigate potential risks?

A: We don't provide micro lending directly but our Corporate Social Responsibility programme, Made for Good, provides the skills of our people, access to funding and networks that support social, micro and creative entrepreneurs to become investment ready.

Made for Good has supported more than 23,000 social entrepreneurs since 2016, who, in turn, have reached over 1.2 million beneficiaries. We have set ourselves the target of supporting a total of 25,000 enterprises within the five-year period 2021-25.

In the US, our Community Development Finance Group (CDFG) team focuses on lending to regulated Community Development Financial Institutions, including micro-credit CDFIs. CDFIs provide technical assistance and support to micro entrepreneurs and are generally are generally more practised at working with borrowers and commercial small business lenders. In addition to advisory and technical support, US CDFIs generally provide below-market rates and more flexible loan terms, and also comply with anti-predatory lending laws.

Micro-lending in the developing world is outside the CDFG remit. Our asset manager DWS offers social impact funds that make debt investments in microfinance institutions.

12.

Q: What projects concerning sustainability are you realizing with schools?

A: Through environmental education projects within our Born to Be youth engagement programme, we aim to nurture a new generation of conscious youths and encourage them to take an active role in shaping an environmentally-friendly society. For example:

- In Germany, with our Build Your Future project, we raise school students' awareness of environmental topics and support them to develop their own solutions to tackle them.
- In the US, we partner with Brotherhood Sister Sol to provide an environmental education programme that highlights climate change and natural resources for low-income youth of colour and their communities.
- Our Design Ventura project, offers design challenges to 13-16 year old students in the UK, highlighting the importance of considering environmental impacts and the lifecycle of a product, by using sustainable materials and processes.
- In 2020, in partnership with the Jane Goodall Institute, we launched the Oceans Are Us initiative in Taiwan. The programme aims to effectively address ocean pollution in the long run by creating an educational curriculum targeted at public schools.

13.

Q: Could you elaborate on some specific initiatives and requirements that Deutsche Bank is putting in place to lower its own carbon footprint to get to net zero?

A: We are continually enhancing the operational efficiency of our buildings by identifying energy saving opportunities and implementing appropriate measures. These include, but are not limited to:

- investing in latest technology and efficient equipment to optimize our buildings and reduce consumption (two examples below)
- relocation to smarter, high performance spaces
- space optimization strategies

Our projects are required to align with high design standards like the LEED (Leadership in Energy and Environmental Design). Our newest New York and London headquarters projects are on track to receive LEED gold certification.

81% of our operational electricity consumption comes from renewable sources and we aim to achieve a 100% renewable electricity by 2025, which would cut our emissions by a further 35%.

In 2020 we invested in lighting improvements in 53 of our largest sites to install more efficient lighting and optimize controls to make lighting more specific to each part of an office. These projects saved 0.811 gigawatt-hours (GWh) of energy in one year. We were able to make changes to our building management systems that helped maximize building performance during low occupancy of many sites in the pandemic. Many more examples exist.

14.

Q: What sustainability aspects does Deutsche Bank adhere for employees for? What are your core initiatives?

A: The expectation is that employees contribute across our entire sustainability agenda. They are expected to support our business strategies as well as role-model green business practices, for example to reduce the use of company cars, travel, printing and to increase recycling in the office and increase video conferencing. We expect our employees to be inclusive and want to strengthen diversity in the organisation, and we have set specific goals and put in place initiatives to support this objective. To strengthen our governance, our employees must adhere to our Code of Conduct and we have a consequence management framework in place in case individuals fall short of our standards.

2. Sustainable Finance

15.

Q: What are the steps Deutsche Bank is taking to avoid green washing?

A: We take the issue of “green washing” and “green wishing” very seriously as they the credibility of our ESG activity needs to be safeguarded. For us, ESG is about transparency around mid- and long-term risk - encompassing both non-financial and financial risks. In order to avoid green washing, first of all, we have policies and guidelines to ensure adherence to the latest regulations (for example the Sustainable Finance Disclosure Regulation) on classifying what can be considered as sustainable.

Second, we have governance in place to ensure we adhere to these policies and guidelines which are monitored by Group Sustainability.

Lastly, transparency is key. We believe it is important to increase transparency to our clients. For this, in addition to adhering to the latest disclosure requirements, we are investing in our data and systems to increase reporting and transparency to our stake holders, but also building our own capacity (for example through training) to make the data and information more understandable to our clients.

16.

Q: Would you share with us your best advice to help us communicate ESG initiatives to clients in Emerging Markets?

A: Our suggestions for this is first, shift clients’ focus to the mid to long-term, covering both financial and non-financial risks and factors (such as the quality of company's management). We have observed that the more an enterprise abstains from short-term gains at the expense of the environment, or the social context it operates in, the more sustainable its revenues are likely to be in the long-term. Furthermore, we are seeing more local governments for example in China and Singapore developing policies and regulations in ESG (for example on carbon peak and carbon neutrality in China, water sustainability in Singapore). We would welcome it if this became a continuous trend extending to emerging markets as well.

17.

Q: Could you please give more details on the difference between a green mortgage and a regular mortgage?

A: A green mortgage is considered to finance properties with a low energy usage. For example, for new construction projects (which must adhere to strict construction regulations) and mortgages linked to KfW energy programs in Germany. Currently, we restrict green mortgages to new business only. In the future, we will focus on advice for our clients on sustainable building.

18.

Q: What are your thoughts on EU Member States' effort to align Long-Term Renovation Strategies ('LTRS') with the Energy Performance of Buildings Directive ('EPBD')?

A: In the European real estate market Engineering procurement constructions (EPCs) are used as the best practice to estimate energy performance.

We agree with the proposal of the Sustainability Council to the German government to achieve standardized EPCs in Europe which are available to customers, banks and investors.

However, there are two major challenges:

1) In the private client sector a) the majority of buildings are partly historical buildings or constructed before 1980, b) clients don't have the financial resources to enhance energy-efficiency to meet recent requirements, c) the necessary workforce/material are not available to achieve this.

2) The energy cost for building properties are not covered, but have a major contribution.

Additionally, due to 1) and 2) social aspects have to be covered when enhancing private, residential real estate to nearly zero.

19.

Q: Is it planned to "convert" also non-German branches (Spain, Italy) into green branches?

A: We are currently reviewing which elements we can leverage from the German green branches to Spain and Italy.

20.

Q: Can you point to a specific instance in which a client or group of clients expressed reticence to commit to the pursuit of sustainability vis-a-vis capital markets due to more profitable outlets in more traditional debt instruments or financing structures? The essence of my question is: 'how is the spirit of sacrifice applied to discussions with clients?'

A: Rather than clients finding ESG financing more expensive than traditional financing, we are increasingly seeing a funding benefit to clients, as strong growth in ESG Asset under Management (AuM) worldwide supports pricing of ESG issuances. Additionally, ESG-KPI linked deals are sometimes structured so clients get a funding benefit during the lifetime of the transaction when they meet their ESG-KPI targets. This is something we support, as such a benefit in funding costs helps offset other costs they might have incurred, for example capital expenditures in reaching their ESG goals.

21.

Q: What is your view on Impact Investing in third-world countries?

A: Our Fixed Income and Currencies (IB FIC) is looking for critical infrastructure project which are in line with a government development plans and in line with any commitments the sovereign has made to international agencies such as the IMF and which positively contribute to the United Nations Sustainable Development Goals (UN SDG).

Example deal: Last year we arranged EUR 142m financing for the Ivory Coast to fund the construction of two regional hospitals and five new medical units in the country, a critical infrastructure project for the country. This financing was committed during the peak of COVID in the spring of 2020 and was completed with the support of ICIEC, the insurance arm of the Islamic Development Bank.

Deutsche Bank also has developed hedging frameworks which drive transparency around risk mitigation for investors looking at emerging markets risk. Such frameworks will help improve the long-term sustainability of ESG project in emergingmarkets.

Example deal: We closed a derivative risk management transaction for a renewable energy company in India, hedging the client's currency risk on a green bond financing, where we received a third party ESG opinion in relation to the hedge. While getting an ESG opinion on green bonds is quite common, this was the first time that an ESG opinion was obtained for a hedging transaction done on back of the green bond issuance. An ESG opinion-backed green hedge framework has the potential to set new standards for increased transparency and risk management.

Our International Private Bank (IPB) has a number of existing solutions, and are engaging with leading partners to deliver more opportunities for our global offering in the very near future.

Our upcoming offering will focus on both liquid as well as illiquid / alternative funds which invest in a range of projects across the globe, including Emerging Markets especially with a focus on CO_2. Emerging Markets will be impacted substantially here, from both a transition and a performance context. As such impact investing is ensuring future successful implementation of these ambitions and plans.

From a portfolio perspective, the least developed and developing markets will be substantially impacted if we don't act, and our long term performance expectations for Emerging Markets as an asset class may need to be lowered. Here, impact investing will play an important part, while providing an interesting opportunity for our global clients. The emerging markets reference specifically reflects the fact that if that market does not develop toward sustainability (e.g., via impact investing), they will likely incur greater financing and risk costs as a result over time, and this could adversely impact performance expectations.

You may be interested to read about our CIO publication on APAC ESG growth needs here: https://deutschewealth.com/en/our_perspective/esg-specials/asian-growth-needs-esg.html

22.

Q: Isn't arranging green bonds for governments and supranationals, the biggest issuers, an easy way of reaching these targets? And isn't a green government bond less meaningful than other green bonds, say for corporates directly transitioning away for example?

A: Sovereigns, Supranational and Agencies (SSA) borrowers were amongst the first to issue in green/ESG format, and are some of the most advanced and sophisticated issuers in terms of transparency and impact creation. Importantly, they raise visibility and accelerate wider adoption by encouraging other borrowers to follow their lead. Deutsche Bank has led a number of innovative ESG transactions for a range of investment grade (across SSA, Corporates and Financials) and high-yield borrowers. We see a real opportunity to increase ESG issuance into the leverage finance market by using our expertise in the SSA market to help a wider range of companies transition their business models in order to meet their sustainability goals.

23.

Q: Some of your international customers are looking to invest in German real estate. There is however the concern that real estate investments for non-residents of Germany or the EU are at the risk of losing them at the pleasure of mercurial entry requirements. How can your bank ensure that investors shall have automatic Permanent until Reviewed rights of entry into Deutschland for themselves or family or disclosed next of kin to make decisions in relation thereto? What value of minimum investment will ensure access with or without Citizenship of the investor?

A: Please understand that we do not answer questions unrelated to ESG and we do not give advice on immigration/residency/cross-border topics.

24.

Q: 1) What assurances are in place to an International Private Banking Customer from outside EU that his investment will survive him to the benefit of his successors in title without local legal impediments in the event of death of the account holder?

2) Is there a minimum investment sum that grants a tax free residential status for investments in the bank earned from outside Deutschland?

A: Unfortunately, we do not answer questions not related to ESG and we give no advice on succession and tax.

25.

Q: Could you shed more light on the numbers and level of sustainability expertise of Deutsche Bank's ESG specialists/advisors for corporate and investment banking clients?

A:

Corporate Bank (CB):

For Corporate Bank front office, more than 50% have received a training already and we will keep training staff regularly. Additionally, approx. 50 dedicated ESG Product and Coverage Champions have been equipped with deep expertise, and act as the ESG contact for coverage and product when assessing clients and their business models.

An ongoing ESG up-skilling routine has been established for our coverage teams. The teams are provided with a regular flow of ESG information, including case studies, newsletters, deal alerts and thematic deep dives.

The ESG champion network is strengthened continually to build relevant skill sets including sector and regulatory expertise. Dedicated expert teams (regulatory affairs, innovation, and data) are involved on a regular basis to leverage existing expertise.

A dedicated internal website was established as central information and contact repository. A "Train-the-trainer" approach helps with faster regional ESG knowledge transfer.

Investment Bank – Fixed Income and Currencies (FIC)

Claire Coustar heads our ESG effort as the Global Head of ESG in FIC. Her role is to develop and implement the ESG strategy and governance within the Fixed Income & Currencies businesses, develop ESG products and integrate sustainability in the businesses. She also in engaged with clients and with relevant industry forums.

We have also established an ESG Competency and Solutions team to support these efforts and work closely with ESG champions in our sales, trading and structuring teams as well as our 2nd line of defence. In total, we have 65+ colleagues across sales, trading and structuring who are contributing to ESG initiatives in their roles as ESG Champions and/or business-level ESG working group members.

26.

Q: What sustainability measures makes Deutsche Bank different from other investment banks?

A: Deutsche Bank has demonstrated its strong commitment to ESG by joining the Net Zero Banking Alliance (NZBA), which several of our key investment banking peers have not done. We are one of the first banks in Europe to link our definition of environmentally sustainable activities on a best effort basis to the EU taxonomy, which was acknowledged by the consultancy ISS ESG. In Fixed Income, we are well positioned to originate, structure and place green and social assets for our clients, with strong positions in numerous ESG-relevant areas, including: lending and securitisation across renewable infrastructure, social and green real estate, top 5 primary dealing in Europe & the US[1], global FX and Rates enabling tailored ESG risk solutions, Global Emerging Markets funding green and social infrastructure, and offering

[1] Based on individual sovereign rankings

ESG investment products.
On the Origination & Advisory (O&A) side, we are ranked top 3 in EUR ESG issuance in Investment Grade Debt Capital Markets[2] and global ESG issuance for Leveraged Debt Capital Markets[3], and we also have strong positions in our Equity Capital Markets and M&A advisory businesses in industries with high ESG relevance.

27.

Q: What will be the costs to transform for the German branches?

A: The cost of merely reorganizing the market presence of the branches is an average four-digit EUR amount. In addition, we provide all staff with comprehensive ESG-workshops and advanced qualifications.

28.

Q: Do you think in the future we will see a tradable product, like i.e. a CDS, to create a market misuse and hedge instrument against ESG risks of a company or an institution?

A: As more and more market counterparties join the ESG space, we expect hedging counterparty ESG risk as an interesting area for growth. Product development of such hedging products will be supported by Deutsche Bank. However, we also see potential hurdles. The key challenge would be to find investors willing to short the ESG progress of issuers, i.e. such investors would make money when issuers fail to deliver on their ESG commitments. Such an investment strategy would not be an easy sell and would also have reputational risk associated with it. Another challenge is quantifying the ESG parameters and that too in consistent manner. Given these hurdles we expect development of a tradable product that hedges ESG risk of a company or institution to take some time.

[2] Dealogic (Q1 2021)
[3] Internal analysis based on Dealogic data

29.

Q: Is Deutsche Bank going over to a lifecycle assessment of buildings when it comes to financing construction projects? Keyword: Buildings as Materialbanks.

(*Translated from original German question*: Geht die Deutsche Bank in der Finanzierung von Bauvorhaben zu einer Lebenszyklusbetrachtung von Gebäuden über? Stichwort: Buildings as Materialbanks.)

A: The EU taxonomy currently focuses primarily on energy efficiency. From Deutsche Bank's point of view, energy costs for the construction phase should also be taken into consideration when assessing construction financing - especially in order to protect our large stock of historic buildings in Europe. We need to move from building energy efficient houses to sustainable building.

30.

Q: What role do you feel civil society organisations can play to support the successful implementation of your strategy, for example related to your passionate commitment to help create a resilient, healthy and prosperous ocean and SDG14?

A: We believe that the scale of threats to our oceans – for example through pollution, damage to coral reefs and risks to vulnerable local communities – calls for everyone to play their part in protecting and investing in our oceans. Protecting our oceans is important not only for climate change and biodiversity (which is a fundament for a successful fight against climate change) but also for both economic prosperity and social stability - given the large part of global economy that depends on the oceans. Action and investment to protect and preserve our oceans still needs to scale up, and tools and mechanisms will be needed to support that. Most important, though, is awareness and we welcome civil society playing a part in raising awareness. Our concern for this issue as well as our commitment to contributing to SDG14 is why we were the first private bank to partner with the Ocean Risk Resilience Action Alliance (ORRAA) this May. This is a multi-stakeholder global alliance that brings together governments, civil society, the private sector and other partners to drive action and investments to protect our oceans. The alliance aims to drive 500 million US dollars of investment into nature-based solutions by 2030, building resilience in the regions and communities most vulnerable to ocean risk.

31.

Q: How and by when does Deutsche Bank plan to spread its wings especially in the retail banking segment in India especially given that the Indian market presents tremendous opportunities?

A: The International Private Bank in India already offers a number of ESG solutions to private and SME clients. We offer consumer financing of eVehicles in the region, as well as social offerings such as microfinance in line with Indian Government standards like the Udyam certificate. We intend to continue to build on the successes of these programmes and to expand IPB sustainable investment opportunities in the region.

32.

Q: What kind of KPI does Leveraged Finance deals have generally? Which are the sectors in which Deutsche Bank has done this currently? Please provide an example.

A: Leveraged finance deals generally have similar KPIs to those in the investment grade market. In order to be included in an ESG-linked deal, KPIs have to be material and relevant to a company's business model and ambitious.

33.

Q: Will green products be cheaper than conventional ones to stimulate the market?

A: Given strong growth in global ESG assets under management, there are increasing incidences of green products being cheaper than conventional ones. So their being cheaper in some cases is often a result of growing market demand rather than artificial pricing constructs to stimulate the market.

34.

Q: How do you deal with small and medium enterprises where the data collection is much harder than with listed companies?

A: SMEs generally tend to have less ESG data available than listed/private large corporations. However, SMEs are currently being pushed either via their supply chain or by regulatory requirements to collect and report more ESG data. We can use our regulatory know-how and the experience we have gained with listed companies to advise our SME clients on their ESG reporting requirements

35.

Q: For clients requesting machine and equipment financing in future, how important will it be that these machines are used to produce sustainable consumer products?

(*Translated from original German question*: Inwieweit werden bei zukünftigen (Maschinen-) Finanzierungen auch nachhaltige KUNDENprodukte berücksichtigt, die mit diesen Maschinen hergestellt, produziert werden?)

A: Within the DEUTSCHE BANK Sustainable Finance Framework, we specifically look at companies that generate >90% of their revenues through sustainable economic activities. Also, we provide financing to eco-ambitious replacement investments via dedicated Green Loans.

36.

Q: How many of your investments are impact-orientated, focused on supporting social enterprises in emerging and frontier markets? Could you give a brief example of one of Deutsche Bank’s ongoing impact investments?

A: Deutsche Bank's Global Emerging Markets franchise has been very active in promoting sustainability in the emerging markets both through the hedging business as well as the lending business.

Our APAC team developed, structured and executed a landmark derivatives trade in June 2020 that won 'Deal of the Year' at Asia Risk Awards 2020. The trade was a one-year US dollar/Thai baht foreign exchange forward linked to environmental and social key performance indicators (KPIs) with a Singaporean food and agribusiness multinational. The trade provides the company with a financial incentive to address the environmental and social impacts of rice farming, which is accounting for roughly 10% of all global man-made methane emissions. Hence, it is a key contributor to climate change.

In 2021, we also closed a derivative risk management transaction for a renewable energy company in India, hedging the client's currency risk on a green bond financing, where we received a third-party ESG opinion in relation to the hedge.

Through our lending business, in 2021, we supported the Republic of Ghana's social infrastructure initiative to construct roads connecting cities that would improve access to essential services for the Ghanaian people. This transaction was supported by the African Trade Insurance Agency, a regional development finance institution (DFI).

In 2020, we arranged financing for the Republic of Ivory Coast to fund the construction of two regional hospitals and five new medical units, a critical infrastructure project for the country. This financing was committed during the peak of COVID in the spring of 2020 and was completed with the support of ICIEC, the insurance arm of the Islamic Development Bank.

In APAC, Deutsche Bank has acted as Mandated Lead Arranger and Sole Hedge Arranger for a USD 3bn financing to support renewable energy projects in Taiwan.

37.

Q: Do you accept carbon credits as loan collateral?

A: Carbon credits are a useful tool to support the transition to a net zero economy. Currently, we do not accept Carbon Credits (CC) as collateral though, mainly because there is no homogeneous CC market standard yet. We will continue to monitor market developments closely.

38.

Q: To what extent does Deutsche Bank engage in carbon credit trading activities?

A: Deutsche Bank does not currently engage in carbon credit trading activities. We do monitor market developments closely, though.

39.

Q: In terms of fees / yield / income from the ESG products: do they tend to yield more or less or similar to conventional product offerings from the bank? E.g., Sustainable bonds arranged by Deutsche Bank, do they provide less interest for investors and income for Deutsche Bank? Is there any difference compared to other products? If not specific for Deutsche Bank, could you comment on the trends in the industry? This question is for the Investment Bank and Corporate Bank.

A:

Corporate Bank:

ESG products currently offer similar or slightly less yield due to the discounts offered to borrowers. An example for this would be sustainability-linked loans that offer a margin discount as long as pre-agreed ESG KPIs are fulfilled. Another example is green deposits that offer lower yields for clients in comparison to a plain vanilla alternative.

Investment Bank:

It varies by product area, but given the ever increasing amounts of global ESG Assets under Management, we are increasingly seeing a pricing benefit for clients of incorporating ESG elements in their funding. We don't see any particular fee benefit for Deutsche Bank, and we take care to ensure that we don't benefit from penalty payments stemming from clients not meeting their targets in ESG KPI-linked deals, where instead such payments are often directed to charities.

40.

Q: I really like the idea the possibilities of measuring the emission of spending with my Deutsche Bank debit card.

Is it possible to get some advice from you to "improve" to a more sustainable life?

A: With the CO_2 calculator our customers get scientifically based information about the CO_2-emissions of all payments that are transferred from their debit card / account. In order to further improve the benefit for users, we are continuously working on extending the scope of functions. This also includes information and knowledge on how to reduce your personal carbon footprint. The latest update allows you to offset your carbon emissions.

3. Managing ESG Performance

41.

Q: What do you think of ESG ratings? How do they influence sustainable finance?

A: ESG ratings provide a valuable indication of how companies manage ESG matters. However, in using ESG ratings for decision making or benchmarking, the differing methodologies of ESG rating agencies need to be taken into account.

42.

Q: Of the 200bn EUR sustainable finance target, can you discuss the general percentage breakdown between own balance sheet lending, AuM, and capital markets advisory?

A: Our business heads have outlined divisional ESG targets in their presentations, and you can broadly derive product split from them.

As you would expect, the EUR 75bn O&A target for FY23 will be predominantly delivered through capital markets products, the majority of EUR 60bn target in IPB will consist of investments, EUR 26bn in the Private Bank Germany is a mix of investments and financing, and EUR 60bn across Corporate Bank and FIC will mostly fall into the financing category.

So the targets for 2023 are roughly equally split across the three product types.

43.

Q: How does Deutsche Bank's 200 billion EUR target compare with competitors?

A: Competitor targets need to be put into context, taking account of factors like time horizon and products in scope. A number of leading peers have communicated a timeframe which stretches to 2030. We are consciously staying out of the race for the highest volume targets and focus on the near-term, transparent and measurable delivery. Additionally, it's important to look at the quality of targets, not just the quantum. For example, we consciously exclude M&A from our range of products within scope because it's very difficult for a bank to influence or measure the impact, or lack of impact, of a given M&A transaction.

Our accelerated target of EUR 200bn by year-end 2023 is over the most concentrated time horizon of any of our peers.

44.

Q: In December 2020, Deutsche Bank announced that it will link executive compensation to sustainability ratings from five leading rating agencies - which are the 5 five agencies? What are the baseline and target ratings to be achieved?

A: We are using an index of 5 equally weighted scores from sustainability rating agencies – MSCI, ISS ESG, SAM, Sustainalytics and CDP – as our internal ESG Rating Index. The Rating Index is based off 2020 values. We aim to achieve at least 10% improvement in our Rating Index over the year based on our internal methodology (cumulative uptick across five ratings in scope).

45.

Q: What percentage or fraction of Deutsche Bank's total assets for investment does the 200 bn in Sustainability Funds constitute?

A: Our EUR 200bn commitment includes cumulative volume of financing and capital markets issuance by year-end 2023 and the value of ESG investments as at the year-end 2023. We are committed to further increasing the granularity of our disclosure over time, and providing more details on the linkage between our sustainable finance targets and balance sheet in the future.

46.

Q: 1. In terms of the financing and investment targets that have been provided, how have these targets been set, and for each of the businesses what proportion of total financing and investment volumes are these?

2. How are the management team and employees incentivised to deliver on the target/ what are the consequences if targets are not met?

3. How does the group do cost benefit analysis when thinking about which areas to invest in, esp. in areas where the benefits are harder to measure?

4. How does the group benchmark their performance in these areas relative to peers, are there any areas where the group is playing catch up?

A: Our EUR 200bn commitment includes cumulative volume of financing and capital markets issuance until year-end 2023 and investments at the year-end 2023 and is based on the bottom up commitments by our businesses.

Our business heads have outlined divisional ESG targets in their presentations, and you can broadly derive product split from them.

We are committed to further increasing granularity of our disclosure in time, also providing more details on the linkage between our sustainable finance targets and balance sheet in the future.

As outlined in the "Managing ESG performance" presentation, our compensation system is closely linked to Deutsche Bank's ESG strategy – several ESG KPIs can be found on individual senior management scorecards and delivery against target feeds into annual compensation decisions.

Cost benefit analysis and peer benchmarking are indeed challenging due to the lack of uniformly accepted definitions of what an ESG activity actually is, as we discussed during the Deep Dive.

47.

Q: Lots of banks are now focusing on sustainability. How do you measure your achievements in sustainability against your competitors?

A: We have worked along the value chain to make sure ESG is embedded in all key performance management processes at Deutsche Bank. Our approach is driven by three key levers:

- Target setting – our accelerated target of EUR 200bn by year-end 2023 is over a more concentrated time horizon than any of our peers
- Incentives – we include ESG Key Performance Indicators or KPIs on the balanced scorecards we use for senior management compensation and
- Reporting – we are committed to enhancing granularity of our disclosure as shown with our inaugural Sustainability Deep Dive

We believe that all these pillars are essential to turn our targets into action. In all these three areas we will internally compare ourselves consistently to competitors where possible. Methodologies differ significantly, though.

48.

Q: It seems that by adding all the divisional volumes we get to EUR221bn (while your target is EUR200bn). Is there some degree of double-counting or fixing a EUR200bn layer a way to be more conservative?

A: We are committed to providing at least EUR 200bn of sustainable financing and investments by the end of 2023. Our targets are based on the bottom-up commitments of our businesses. There is no double counting, all numbers are result of conservative planning. This is also the reason why we took a discount on the group number.

49.

Q: How do you plan to measure your impact and who will be measuring it?

A: Our path to enhanced reporting has three clear steps:

- The first was to set decisive volume targets and to build a performance management infrastructure around them.
- The second was to split the enhanced granularity along the different dimensions presented in our Sustainability Deep Dive
- The third will be to measure and report the concrete impact of our sustainable financing and investment activities (e.g. Green Asset Ratio, greenhouse gas emissions or impact of businesses on water consumption, land usage, biodiversity and social aspects).

50.

Q: You plan to do a carbon footprint of your loan portfolio by the end of 2022. Will this also cover your financing activities for clients in bond and equity markets, and loans you arrange but do not keep on your balance sheet. When will you publish targets for reducing the carbon footprint of loans, and of other financing activities?

A: We will indeed be starting the carbon footprint assessment with our loan portfolio. Over time, the market might develop models that not only measure the impact of business on various parts of the environment but also for various product classes. We are committed to further increasing the granularity of our disclosure over time.

4. Sustainable Finance Taxonomy

51.

Q: TCFD, SFDR and other national and international regulation, including the EU Taxonomy, are changing the ESG market and therefore impacting the financial investment market. How are you helping investors to understand the difference between "green washing" and real opportunities for ESG investment?

A: We acknowledge that regulation is shaping what can and cannot be considered as ESG-compliant. We are following these discussions closely and have already implemented regulations applicable to jurisdictions where we operate – the Sustainable Finance Disclosure Regulation (SFDR) Europe for example. At the same time, we can observe that regulation is still in flux. Given this context, we help investors to realise real opportunities for ESG investment in a number of ways. First and foremost: ESG is about providing transparency on mid to long-term risks – and this includes both non-financial and financial risks. Second, our policies and guidelines ensure we adhere to the latest regulations on classifying what can be considered as sustainable. Third, we have governance in place to ensure we adhere to these policies and guidelines. Last but not least, transparency is key. We believe it is important to increase transparency to our clients. Therefore we are investing in our data and systems to increase transparency and reporting to our clients; we are also enhancing our expertise (for example through training) so we are able to make the data and information around ESG more understandable to our clients.

52.

Q: In your presentations, so far "Themes" have been highlighted with the common symbol for "nuclear energy". How does this as a source of CO_2 neutral energy, fit from your point of view into ESG?

A: Nuclear power is not classified as a sustainable source of energy production under Deutsche Bank's Sustainable Finance Framework.

53.

Q: How will Deutsche Bank deal with trading / investment partners who do not adhere to ESG regulations and who put economic interests above social responsibility, ethically and morally correct motives?

(Translated from original German question: Wie wird man mit Handelns-/Investitionspartner umgehen, welche sich nicht an ESG Vorschriften halten und ökonomisches Interesse über soziale Verantwortung, ethisch und moralisch korrektem Motiven stellen?)

A: Our approach is to support customers in their transformation to sustainable business models. We believe that this is the right way to move towards a more sustainable economy. This includes social aspects as well as environmental issues or aspects of good corporate governance. We have started or will start profound transition dialogues with clients that are facing headwinds over environmental, social and governance issues by the end of 2021. While there might be public pressure to stop a client relationship entirely, we will first and foremost try to support our clients in accelerating their sustainability transition and are convinced that this is the right thing to do. This means: a credible transition plan is key, and we see it as our duty to support our clients exactly on this.

54.

Q: When screening ESG aspects of transactions, E&S elements are generally taken into account. How do you clearly consider governance issues at the selection level? What are the key aspects assessed?

A: Deutsche Bank has a robust framework in place that covers E, S, and G aspects. While environmental and social aspects related to transactions are covered by our Environmental and Social Policy Framework, governance related aspects are covered by policies including the bank's Anti-Financial Crime Framework and Know Your Customer (KYC) processes. Moreover, governance structures for ESG management are considered at corporate level as part of our assessment processes.

55.

Q: How is it possible to have 95% of deals being classified as "sustainable" if 95% of the economy is not on a "sustainable" track?

A: In Q1 2021 our sustainability team screened 244 deals and clients that were classified as sustainable, applying the criteria defined by Deutsche Bank's Sustainable Finance Framework. As a result of the subsequent review process, 230 deals were confirmed as sustainable. The screened deals represent only a fraction of all deals done by Deutsche Bank. As our business people have been trained they increasingly know by themselves if a deal could be classified as sustainable.

56.

Q: After sustainability concerns (deforestation, displacement of indigenous peoples, pollution) raised by Greenpeace over a loan to Halcyon Agri and their Sudcam rubber plantation in Cameroon, can you when you will report on progress regarding these concerns?

A: With permission of Halycon Agri Corporation Limited, we published a statement on our business relationship on our Responsibility website: https://www.db.com/what-we-do/responsibility/sustainability/sustainable-finance

57.

Q: As there are clients who received credit in the past and will not in the future for sustainability concerns - are there on the other side clients that have not received credit before and will in the future because of their sustainable business model?

A: Our decision to start a business relation with a client and/or provide financing is based on a number of financial and non-financial criteria. These include but are not limited to minimum requirements and due diligence processes for environmental and social issues, related to e.g. deforestation, and human rights violations. Results on our environmental and social due diligence is available in our Non-Financial Report 2020:
https://www.db.com/ir/en/download/Non-Financial_Report_2020.pdf

58.

Q: The world "taxonomy" is being used quite a lot. In simple words, what does it mean for one "lambda" client of yours?

A: Generally, a taxonomy is a classification scheme based on defined criteria. Deutsche Bank's Sustainable Finance Framework - its sustainable finance taxonomy - outlines our bank's methodology and associated procedures to be applied to classify financial products and services offered by Deutsche Bank as sustainable finance - meaning contributing in particular to the goal of the Paris Climate Agreement and the UN Sustainable Development Goals. https://www.db.com/files/documents/csr/sustainability/2020July_Deutsche-Bank-Sustainable-Finance-Framework.pdf?language_id=3

59.

Q: Have you defined what Deutsche Bank means by zero-emissions? Or net neutral? And if so, where is the definition and will business lines be measured against the criteria?

A: Regarding carbon neutrality: Deutsche Bank achieved carbon neutrality in 2012 and has maintained it since. Our bank is investing in measures to reduce CO_2-emissions from its own operations. Unavoidable emissions are offset by purchasing and retiring high-quality emission reduction certificates on a voluntary market. For more information please see: https://www.db.com/reports (e.g. in chapter In-house ecology of the Non-Financial Report).

Regarding net zero carbon: In 2021 Deutsche Bank joined the Net Zero Banking Alliance as a founding member. In doing so, the bank committed itself to align not only the operational but also attributable emissions from its credit portfolios with pathways to net-zero by 2050. While it may not be possible to reduce all emissions, a limited amount of emissions may still require some offsetting. https://www.db.com/news/detail/20210421-deutsche-bank-joins-new-net-zero-banking-alliance?language_id=1

60.

Q: Wouldn't it make sense from a governance perspective to separate out "Sustainability", esp from Comms to ensure - also for public perception - that it's NOT for Comms and Marketing purposes only? Classic reporting lines for Sustainability Heads (and their teams) we see are directly to the CEOs, CFOs or COOs or with the Public Policy Function.

A: We have decided recently that Group Sustainability is a separate department in the Chairman area. But also within Communications it was managed not mainly under reputational aspects. Deutsche Bank has established a robust governance structures for sustainability, with the bank's Management Board-level Sustainability Committee as the key decision body. Please see the Sustainability Deep Dive presentations, which can be downloaded at https://www.db.com/what-we-do/responsibility/sustainability/sdd/1-SDD-Sustainability-Journey-Presentation.pdf?language_id=1.

61.

Q: Great to see your commitment to end all global business activities in coal mining by 2025 at the latest. We are wondering how thermal coal-linked power generation is being considered? We are seeing Unicredit, Credit Mutual and Credit Agricole clearly leading the pack in this space, and would encourage Deutsche Bank to follow suit.

A: On coal power: we have barred financing of any new coal power since 2016, including any associated infrastructure. We reviewed clients involved in coal power in Europe / US – and we are in the middle of such a review for APAC. We will consider our clients' transitional plans and if there are no credible transition plans we might consider terminating the relationship. But our primarily objective is to support and engage with our clients on their sustainability transformation.

62.

Q: Why is SDG 15 (Life on Land) not among the 9 SDGs you mentioned Deutsche Bank wants to focus on and why do you want to stop deforestation only in primary tropical forests instead of all forests?

A: We have selected those SDGs where we believe we can contribute the most. It does not mean that we are not contributing to other SGDs. On deforestation of primary tropical forest - for several years we have had a clear commitment to not support it.

63.

Q: Regarding the net zero emission strategy:

- What is your strategy apart from compensate the emissions?
- Do you plan investing in companies or solutions with carbon positive strategy?
- As an investor, I want to invest not only in carbon neutral but in carbon positive portfolios. Do you already have a product already for this?

A: Compensation is definitely not our strategy. Our strategy is to reduce emissions in our own operations and we have been very successful in this with a 40% reduction since 2012 so far, and have the target to reduce energy consumption by a further 10% by end of 2021.

Regarding our loan book: we have a clear commitment to align the lending book to the Paris Agreement target and as member of the Net-Zero Banking Alliance - we are committed to reduce and in future make only limited use of offsets.

64.

Q: The new IEA report clearly outlines that new oil & gas projects need to stop to achieve net zero by 2050. What are the plans of the bank to align its environmental and social risk criteria accordingly?

A: We have amended our oil & gas policy introducing new restrictions such as no new financing for oil & gas in the Arctic and no financing for oil sands. We are in the middle of a portfolio review which includes more than 80 corporates.

Already last year, we discontinued oil & gas financing in the Arctic and oil sands projects anywhere. Our overall fossil fuel financing has come down by a fifth in the past 5 years. We'll publish the specifics of our pathway to Paris next year.

Transition discussion follow sector definitions and decarbonisation pathways; so naturally some sectors have had more active engagement such as oil & gas.

We see our role as twofold.

- Firstly, working with our clients to place them on a better ESG footing and guide them to ESG best in class practices and industry standards. This will include financing our client's transformation needs.
- Secondly, to help them understand the way the market is evolving in its ESG investment thought process and the implications, from a cost perspective or market

access perspective, of not transitioning or not transitioning according to Paris-Agreement Aligned pathways.

A general observation on outright stopping of financing across sectors:

- We want to ensure that the transition to a low carbon economy is managed rather than abrupt and disruptive
- We want to support our clients in that journey
- An abrupt and disruptive transition could have detrimental effects as it would not guarantee that ESG relevant assets would disapper. They would rather end with less transparent investors. We also need to keep the social aspects in mind.

65.

Q: In the innovation community we often talk about 'innovation culture' in organizations as a condition for successful innovation. Is the same true for sustainability? How are you planning to create a 'sustainability culture'?

A: Deutsche Bank is currently undergoing a fundamental transformation and sustainability is a central pillar of this change. To establish a "sustainability culture" – among other things – the bank established a robust governance for sustainability to include all business areas and infrastructure units in the transformation. It set tangible targets for all sustainability dimensions and ensures a consistent dialogue with our people. Sustainability indicators are included in holistic balanced scorecards to measure and manage performance. In 2021, we have added three key performance indicators covering our sustainable finance target, ESG ratings, and targets for the bank's own operations. These indicators also drive compensation decisions.

66.

Q: I am quite interested in the bank’s policy of much reduced carbon emission in new and existing investments in the energy sector. In my country Nigeria, the dependence on fossil fuel export income has caused the greatest ecological disaster in the fragile equatorial rainforest belts of the Niger Deltsic regions due to gas flaring and relentless contamination of the waters from very toxic associated production waters pumped into the environment. My question is: how can Deutsche Bank encourage investment in the production and use of solar/electric energy on the one hand and the rapid conversion of benzene/ diesel powered autos to electric powered vehicles as well as investment in electric powered train systems?

A: For many years, Deutsche Bank has been involved in a wide range of renewable energy lending and financing activities including e.g. trade finance, green bonds and project finance. Our €200bn in Sustainable Finance until 2023 has a clear target of facilitating development of sustainable activities globally also in the sectors like energy and transportation. For more information including examples please Deutsche Bank's Non-Financial Report 2020, chapter Sustainable Finance: https://www.db.com/reports

67.

Q: What will be Deutsche Bank's advice to clients in sectors such as gambling or tobacco where probably no real sustainability transition is possible?

A: As with any business that the bank undertakes, if there are concerns regarding potential activities in the gambling or tobacco sectors that the activity may conflict with the bank's values or be considered negatively by the bank's stakeholders, then they are assessed through a dedicated governance framework (the Reputational Risk Framework). This framework can, and does, lead to matters being discussed all the way up to the Management Board. In addition, in relation to the gambling sector, business activities are reviewed by a dedicated team and are subject to enhanced due diligence.

68.

Q: All larger banks have by now set up ESG taxonomies, all based on the same principles but differing slightly in details. As the banking community has to cooperate for delivering JOINT solutions to corporate clients by multiple banks (e.g. loans syndicated between different banks in a consortium, large individual StandbyLCs, etc.): How will Deutsche Bank go about assessing and acknowledging other banks' ESG taxonomies, in order to leverage the work already done by another bank partner? Or in any case will each bank do its own full assessment of a deal and/or a client?

A: First of all transparency is what we push for: we have disclosed our taxonomy. Of course, we observe and analyse the market and any standards, but more important is to work together to come up with a joint definition and this is what we started in 2019 by joining the UN Environment Programme (UNEP) / European Banking Federation (EBF) led initiative on testing the application of the EU taxonomy.

However, due to other regulatory requirements we need to assess any client transaction.

69.

Q: Why is Deutsche Bank's Environmental and Social Policy Framework still part of its Reputational Risk Framework?

A: Environmental and social due diligence is performed to identify whether or not proposed transactions or initiatives present any risks to the environment or society. Governed by the bank's Environmental and Social Policy Framework, these specific non-financial risks are also part of the bank's Reputational Risk framework.

70.

Q: How do you square your strict quantitative target to exit coal financing with the need of coal companies to transform beyond your deadline? Will you shift their problem to somebody else as you exit or will you continue to finance them in one way or another to make an impact?

A: Deutsche Bank will stop financing companies with business models that are highly dependent on coal unless they have credible transition plans as is documented in our policy. Our bank's general approach is to support its clients in accelerating their transition toward a more sustainable and climate-friendly business model.

71.

Q: The oil and gas industry was briefly mentioned at the beginning of the presentation. Could you please elaborate on what kind of activities would no longer be eligible for financing activities?

A: Deutsche Bank stopped financing new projects in the Arctic region in 2020. In addition, the bank does not finance oil sands exploration, transportation and processing. We are committed to review clients in the oil and gas sector with a focus on their reduction of carbon emissions and on targets that are aligned with the Paris Agreement.

72.

Q: Which industries will Deutsche Bank no longer finance in the future?

A: Deutsche Bank's approach is to support the transition toward a more sustainable and climate-friendly economy. While we do not exit entire industries, there are certain projects and practices which we do not tolerate. These include for example: new oil and gas Arctic drilling, deforestation (of primary tropical forests) as well as child labour and slavery.

73.

Q: I'm interested in how your commitment to phase out coal exposure by 2025 applies to corporate finance. Where you have corporate finance exposure to companies pursuing thermal coal mining projects, with that exposure due to mature within the next few years, can you confirm those exposures would not be renewed before 2025?

A: The commitment to exit by 2025 is a relatively short-term goal that is not only one of the most ambitious in the financial sector but also in line with the common capital markets and lending product maturities. Our relationship managers have informed the affected clients about our 2025 target. Once the existing maturities have been reached, an extension will not be possible, unless a client presents and implements credible transition plans. Group Sustainability will ensure that we do not enter into any new exposure that would be inconsistent with our commitment to exit thermal coal mining by 2025.

74.

Q: I'm interested in how your commitment to phase out coal exposure by 2025 applies to existing clients. Where you have financial exposure to a coal mining company that matures before 2025, can you confirm that this means the exposure would not be renewed if the company has no plans to diversify beyond coal?

A: As to its commitment to exit thermal coal financing by 2025, the bank will not renew coal mining financing, unless a client presents and implements credible transition plans.

75.

Q: What are your thoughts on recent updates to the EU Taxonomy Treatment for New Construction of Buildings and revisions to the Technical Screening Criteria for Climate Change Mitigation?

A: Deutsche Bank's own Sustainable Finance Framework is linked on a best effort basis to the EU Taxonomy, however remains flexible to allow transitional activities to be supported. We are reviewing the recent update by the EU and will consider amending our screening criteria where we consider appropriate.

76.

Q: How exactly will ESG trainings look like? Is it just about teaching employees what ESG is? How will you ensure that employees understand sustainability as part of their DNA and act accordingly (possibly also in a trade-off for easy short-term profits/wins). Related to that, how will incentives be shifted to promote more sustainable behaviour across the whole organisation?

A: We have provided staff with ESG primer trainings which explain what Sustainable Finance means at Deutsche Bank and what our taxonomy is. We have also launched a number of training sessions that deal with specific ESG products and regulatory changes. ESG training will continue in 2021.

77.

Q: When I saw the CEO of Hapag Lloyd, I immediately thought of wrecked container ships and oil spills at sea. How does the bank intend to support sustainability there?

(Original German quesion: Als ich den CEO von Hapag Lloyd sah, dachte ich sofort an havarierte Containerschiffe und Ölteppiche auf dem Meer. Wie will die Bank hier in Nachhaltigkeit unterstützen?)

A: We do not comment on potential client relationsships. Deutsche Bank's approach is to support the transition toward a more sustainable and climate-friendly economy. This approach applies to the transportation sector as well.

78.

Q: Do you believe that there will still be a steel, ceramics, glass or paper industry in Europe in 2050?

A: Yes, we do. Please see our dbResearch report "Decarbonisation: Can Mining & Steel sustain in a low carbon world?".

(Link: https://research.db.com/Research/Article?rid=7db083b4-6d29-41c1-a90a-6948a55ea545-604&kid=RP0001&documentType=R&wt_cc1=IND-4842-3526)

79.

Q: The future of all speakers was painted in pink colors. Glas phere read are unrealistic fantasy's for me. It would be more important for me to receive answers to the planned figures for the current year. Where do all these sustainability experts at Deutsche Bank suddenly come from?

A: Sustainability has been a key theme for all Deutsche Bank businesses in the last two years. A strong and sophisticated governance helps to manage the strategy acress the bank. We have been continuously investing in ESG expertise and proficiency. For example, in 2020, the Investment Bank established a Sustainable Finance team in Global Capital Markets. It also created a Sustainability Forum to promote ESG-related product innovation. The Corporate Bank established an ESG competence team focusing on client engagement and product development. Deutsche Bank also appointed a Head of ESG for the Asia-Pacific region. Furthermore, the bank is expanding the Group Sustainability team to ensure the implementation of its sustainability strategy across the group.

80.

Q: How do you combine sustainability with the facts

- that more than 680 employees in Deutsche Bank earn more than 1 Mio. EUR (2020) and
- that Deutsche Bank is still providing company SUV/cars and
- that Deutsche Bank is still financing the arms industry (e. g. Rheinmetal, Heckler&Koch), oil production (e. g. Exxon in Guyana-Surinam-region) and coal power (e. g. Adani Australia), and
- that Deutsche Bank had to pay billions for penalties in the last few years?

A: For information on employee compensation please see the bank's Compensation Report. (Link: https://www.db.com/ir/en/download/Compensation_Report_2020.pdf). While we understand the public attention for the number it is mainly a result in staying competitive in markets where we compete with global banks on capital markets.

In answer to the question on Deutsche Bank's car fleet: We just announced the change in our company car fleet policy. By 2030, Deutsche Bank aims to reach a carbon zero car fleet in Germany. Furthermore, Deutsche Bank set itself the target to reduce company car fuel consumption by 30 % by 2025, measured against 2019. Incentives are also planned to increase the share of electric cars in its fleet.

In general we cannot comment on any existing or potential client relationships, however we adhere to our existing policies in doing business.

Regarding the oil sector: Deutsche Bank stopped financing new projects in the Arctic region in 2020. In addition, the bank does not finance oil sands exploration, transportation and processing. While we do not comment on a potential client, we are committed to reviewing clients in the oil and gas sector with a focus on the reduction of carbon emissions and targets that are aligned with the Paris Agreement.

In addition for project finance we apply strict due diligence requirements. To emphasise our commitment to a sorrow environmental and social (ES) due diligence we signed up in July 2020 to the Equator Principles which is a recognised ES due diligence Framework used by the financial industry.

Regarding the coal power sector: we do have strict policies covering financing of coal. Since 2016 we do not finance any new coal development be it coal power or coal mining. We do not finance any development of coal related infrastructure. In 2020 we additionally committed exiting financing of the thermal coal mining by 2025.

Regarding controversial weapons: Deutsche Bank via its policy commitment do not tolerate the use of several weapon systems. Deutsche Bank's Cluster Munitions Policy was replaced in May 2019 by the Controversial Weapons Policy. This rules out the direct financing of any controversial weapons including cluster munitions but also chemical, biological radioactive and nuclear weapons as well as anti-personnel mines. In case of still existing relationships with a nexus to controversial weapons we will respect those due to contractual obligations until maturity. However, commitments will not be renewed.

5. Climate Risk Management

81.

Q: Are you planning to use the International Energy Agency (IEA) net zero scenario in your scenario analysis exercise?

A: We use a range of different scenarios in our scenario analysis. This includes scenarios from the Intergovernmental Panel on Climate Change (IPCC), Network of Central Banks and Supervisors for Greening the Financial System (NGFS) and IEA. We continue to review relevant scenarios to further inform our scenario analysis work.

82.

Q: Your overall optimism on transition seems prima facie far-fetched. How can we be optimistic on the transition where it is clear that mankind consumes more resources than the earth can generate? Isn't the whole transition thing simply a damage limitation exercise? In this context, what are the technical hurdles preventing you from publishing the carbon composition of your loan portfolio now? As well as your green asset ratio for that matter?

A: We are working with the industry to align standards, definitions and scope for the reporting of various metrics such as portfolio intensity, emissions and pathway alignment. At present the lack of comprehensive data and various methodological approaches are key challenges to harmonisation and consistency in disclosures across peers in order. We are already active for internal risk management and reporting purposes whilst we collaborate and improve these approaches in order to come as quickly as possible from ambition to impact. As a founding member of Net Zero Banking Alliance we are committed to disclosing alongside our peers.

83.

Q: What are your thoughts on prospects for amendments to the EU Securitisation Regulation and the Capital Requirements Regulation to integrate sustainability factors and their impact on risk-based capital adequacy?

A: The recently adopted changes to the Securitisation Regulation (dated 25 March 2021) mandate the European Banking Authority (EBA), European Securities and Markets Authority (ESMA) and European Insurance and Occupational Pensions Authority (EIOPA) to work on a report outlining a specific sustainable securitisation framework. The report is to be published by 1 Nov 2021 and shall assess, in particular, the introduction of sustainability factors, the implementation of proportionate disclosure and due diligence requirements, the content, methodologies and presentation of information in relation to environmental, social and governance-related adverse impacts, and any potential effects on financial stability and on the scaling up of the Union securitisation market and of bank lending capacity.

As the European Commission currently is already targeting end of this year to review the wider securitisation framework, potential recommendations of this report could be taken on board in this review. This review in itself would then lay the groundwork for concrete legislative proposals.

With regard to the Capital Requirements Regulation, the EBA is currently assessing whether a dedicated prudential treatment of exposures related to assets or activities associated substantially with environmental and/or social objectives would be justified as a component of Pillar 1 capital requirements.

As feedback to the EBA consultation we stated that the impact of ESG risks materialises in the form of existing prudential risks. Existing credit risk models are based on historical data. In contrast, a separate ESG charge (if any) could be applied based on categories of activity and the ESG factors/ risks that the institution is subject to – this is analogous to transfer risk, which is a separate charge to a normal credit risk capital charge for those affected exposures. In this context, it is key to ensure the flexibility that this charge could be positive or negative. Therefore, the existing model calibration would be preserved, and the forward looking nature of ESG risks could be incorporated into the solvency framework.

The outcome of the assessment could be filtered into the next CRR, but as the EBA is still in the assessment process, it will be process wise challenging to still take this on board in the CRR III package the Commission is currently finalising.

6. Diversity & Inclusion

84.

Q: What is Deutsche Bank's position on the inclusion of people with disabilities?

(Translated from original German question: Wie steht die Deutsche Bank zur Inklusion von Menschen mit Behinderung?)

A: The inclusion of people with disabilities is an integral part of our Human Resources agenda. We actively partner with, e.g., the German Representation of People with Disabilities and Deutsche BankEnable, our employee-led Employee Resource Group to make Deutsche Bank an even more inclusive workplace. We place strong focus on building bridges and also addressing challenges of living and working with hidden disabilities. In Germany we have exceeded the legal quota of 5% of workplaces to be filled by people with disabilities for many years. Our Technology, Data & Innovation division ran the bank's largest 'Banking on AI for Accessibility' virtual 24-hour global hackathon. Additionally, we are a signatory of the 'The Valuable 500' pledge.

85.

Q: Does Deutsche Bank face opposition to its sustainability strategy from clients that are close to the Republican and if so how does Deutsche Bank respond to it?

A: Commitment to ESG principles does not always follow political lines. We keep working alongside our clients on their journey towards a more sustainable future regardless of their political agenda.

86.

Q: While diversity is normally measured through data on demographics, how does the bank intend to measure inclusion?

A: As well as the usual criteria covering age, gender and tenure, the People Survey 2021 will contain five questions that will help us understand the level to which our employees feel 'included' at the bank, i.e. whether they feel:

- actively encouraged to assess, report and escalate potential risks
- encouraged to discuss problems and concerns
- that communication is open and honest

- they are treated with respect
- that Deutsche Bank shows care and concern to employees

87.

Q: I'd like to ask how Deutsche selected the target for a third of its senior management to be female by 2025 - why not 50%?

A: The goals we have set followed an extensive process that included scenario building analysis, interviews with the majority of the Group Management Committee (GMC), peer benchmarking and factoring in regulation. Throughout the process we acknowledged that challenges differ between areas, and that is why we set divisional goals. Our goals represent meaningful, ambitious and realistic, progress towards our gender diversity aspirations.

88.

Q: If aspects other than ability play a role in filling leadership positions (whether consciously, unconsciously, historically, culturally ...), then serious deviations from the optimum occur and recruitment mechanisms become suboptimal and dysfunctional. A simple quota for women would change the external outcome, but not necessarily improve it.

What has made the selection process dysfunctional in the past and how do you ensure that it will be different in the future?

A: Promotion of inclusive hiring practices has seen an improvement in the number of women hired at almost all levels over the last 12 months. This includes ensuring a diverse slate of candidates is considered (UK/US), gender neutral job ads, diverse interview panels, engaging with suppliers and organizations specializing in gender and racial diversity. We launched an Inclusive Culture Employer Brand campaign in 2020 to position Deutsche Bank as an employer of choice, embracing gender and racial diversity. Targeted attraction and hiring campaigns across Early Careers and Technology, Data & Innovation division (TDI) have seen positive results. Increased assessment capabilities to facilitate objective and independent selection e.g. structured assessments for senior hires, Situational Judgment Tests (SJTs) for Early Careers and coding assessments across TDI globally. Close partnership with Hiring Managers, introduction of Business Diversity Champions and engagement with Employee Resource Groups (ERGs) to promote hiring practices has improved awareness and engagement across the bank.

We are also leveraging data to track hiring progress throughout the year and to educate Divisional Senior Sponsors and Diversity Champions.

89.

Q: How will Deutsche Bank make use of working from home in order to save CO_2 emission by saving travelling to work every day?

A: We see many benefits to working from home, giving our people flexibility and making use of technology to stay connected. We may see some reduction in CO_2 emissions – especially in locations where driving to work remains commonplace. But overall - it is not a primary consideration in our efforts as we strongly believe that collaboration in the offices is necessary.

90.

Q: Where does wellness/mental health fit in to ESG? I understand this is an important topic for the bank so wondered how it could be included in wider strategy, beyond just D&I?

A: Deutsche Bank has a comprehensive wellbeing offering for its employees, with global and local services to suit all circumstances. Across the globe, we offer around 900 wellbeing programs and corporate benefits. So, we already consider physical and mental health management to be an integral part of our leadership and good governance.

Wellbeing was first measured globally in January's Future of Work survey with follow up measurement planned for inclusion in this year's People Survey. Additionally, a global role will assess and align the bank's wellbeing programmes.

91.

Q: What does 35% women in leadership positions mean in numbers, also in comparison to today?

A: Unfortunately, we do not disclose these numbers.

92.

Q: I like the overall strategy. The strong focus on ESG is convincing to me.

The first 6 presentations today were all held by western males.

6% increase in the ratio of females in senior positions in the next 4 years does not sound ambitious to me especially as you highlighted that you outperformed most of your targets so far. Why not set a really ambitious target such as a 50% female share of women at all leadership levels, including the Management Board, in the next 5 years.

This would be a clear signal that Deutsche Bank takes it seriously.

A: The goals we have set were the result of an extensive process that included scenario building analysis, interviews with the majority of the GMC, peer benchmarking and factoring in regulation. Throughout the process we acknowledged that challenges differ between areas, and that is why we set divisional goals. Our goals represent meaningful, ambitious and realistic progress towards our gender diversity aspirations.

93.

Q: I'd like to compliment you on having Diversity & Inclusion as part of the Sustainability Programme! How will you ensure that this topic, and in particular the commitment to the LGBTIQ community, also receives the same sustained attention at Postbank? So far, the topic has hardly been considered there. How do you plan to make sure the Postbank brand is not accused of "pinkwashing" because the parent company is focusing so prominently on the issue?

(<u>Translated from original German question:</u> Ein große Kompliment, dass Diversity & Inclusion Teil des Sustainability Programms ist! Wie werden Sie sicherstellen, dass diese Thema, insbesondere das Commitment zur LGBTIQ Community, auch in der Postbank diesen nachhaltigen Stellenwert bekommt? Bisher fand das Thema dort kaum Berücksichtigung. Wie kann als sichergestellt werden, das der Marke Postbank kein "Pinkwashing" vorgeworfen wird, weil nur die Mutter das Thema so prominent verfolgt.)

A: Our Postbank teams have the same Values & Beliefs and Diversity & Inclusion agenda as the rest of the bank. We recognise that Deutsche Bank has made more progress on LGBTQI+ inclusion, but Postbank also has a dedicated LGBTQI+ employee resource group, pbPride, that was launched in 2017 and collaborates closely with dbPride. We are proud of our executive role models across the Postbank organisation, some of whom were recognized on

Germany's Top 100 Out Executives list. As one bank and with the full support of our management team we will build on the group's experience to make further progress together.

94.

Q: Is there a concrete action plan for creating diversity and inclusion targets that are not driven by -regulations in Germany and EMEA? Especially for identities that are inter-sectional Woman and Black, LGBTQI+ and Wearing a Head Scarf etc.

A: Everyone should be able to be themselves at work. Our gender diversity goals already go beyond legal requirements. Additionally, we plan to increase the representation of Black colleagues in the US and UK. Opportunities to set specific targets for other groups of individuals remain limited, but we do send strong messages beyond our own company, for example by making a strong public stance on LGBTQI+ inclusion. (For more details please see: https://www.db.com/who-we-are/our-culture/hr-report/embracing-diversity/progress#suppdignity)

Disclaimer

This document 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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This transcript also contains non-IFRS financial measures. For a reconciliation to directly comparable figures reported under IFRS refer to www.db.com/ir.