Framework Document – Summary

Summary Framework on Environmental and Social Due Diligence

Effective as of January 2025

Deutsche Bank

Contents

1. Environmental and social risk management

Deutsche Bank's aspiration is to operate with the highest standards of integrity. The bank is committed to acting as a responsible partner to all stakeholders and to addressing the impacts that its business operations may have on the environment and society.

Sustainability is a central component of Deutsche Bank's Global Hausbank strategy. Deutsche Bank's sustainability objectives are to promote sustainable business, to ensure that risk management processes are aligned with industry good practices, and to increase transparency.

To this end, the bank regularly provides comprehensive information on its sustainability strategy, including during the **Sustainability Deep Dive in May 2021** and **Sustainability Deep Dive in March 2023**, as well as in its annual reporting available on the Deutsche Bank website.

The bank has made formal commitments to internationally recognized standards and principles such as the Ten Principles of the United Nations (UN) Global Compact, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. In addition, Deutsche Bank became a signatory to the Equator Principles in July 2020. The Equator Principles is a risk management framework, adopted by financial institutions, for determining, assessing, and managing environmental and social (ES) risk in project finance.

As a global bank that offers a wide range of products and services across the Corporate Bank, the Investment Bank, and the Private Bank, Deutsche Bank has clients across all sectors, including those that may be linked to significant ES impacts. The bank, therefore, is required to understand the ES issues associated with an industry, a client, or a transaction, just as it does with more traditional banking risks.

Doing this effectively is essential to mitigate and manage negative impacts on the environment or society, and to uphold the bank's commitments to international standards. Failing to do this may also lead to reputational and financial risks for Deutsche Bank and restrict the bank's ability to benefit from potential business opportunities. Systematic evaluation of ES risks is therefore an integral part of the bank's risk management process.

2. Purpose of this document

The bank's approach to managing ES risks, including its ES due diligence requirements for client and transaction reviews, are embedded in the Sustainability Strategy Implementation Policy, complementary supporting documents, and sectoral guidelines. Furthermore, where reputational risk considerations are identified, these are referred to in the Reputational Risk Framework as appropriate.

This document is a summary of Deutsche Bank's ES due diligence requirements.

3. Introduction

This Summary Framework on Environmental and Social Due Diligence (the Framework) includes information on Deutsche Bank's implementation approach of the ES due diligence process, including an overview of how the bank approaches cross-sectoral and sector-specific environmental and social issues and how the bank manages external disclosure and stakeholder engagement on these topics. Additionally, it includes information on the governance processes in place to ensure that relevant transactions as well as financial products and services, which may present the elevated environmental and social as well as the potential associated reputational risks and that are in scope for ES due diligence requirements, are identified and reviewed in accordance with this Framework and its accompanying documents.

ES due diligence requirements apply to the lending and trade finance activities of the Corporate Bank[1], global lending and capital markets activities of the Investment Bank[2], and commercial lending activities of the Private Bank[3].

DWS operates as a separate legal entity and is not within the scope of the application of this Framework. DWS sets its own sustainability strategy and follows its own (and prevailing) policies in relation to ES matters (**DWS Homepage | DWS**).

The requirements are reviewed annually – or as events occur – based upon continuous dialogue with peers, the industry, Non-Governmental Organizations (NGOs), and other relevant stakeholders to reflect changes in the environment in which we operate. To the extent that such changes affect the statements herein, Deutsche Bank will update the information in this document in a timely manner.

4. Deutsche Bank's related frameworks

The Summary Framework on Environmental and Social Due Diligence is part of a broader set of publicly available frameworks, including:

- **Sustainable Finance Framework**

  This outlines the methodology and associated procedures for classifying transactions as well as financial products and services offered by Deutsche Bank as sustainable, and applies to Deutsche Bank Group globally, to the Corporate Bank and Investment Bank divisions, as well as to the Private Bank except for investments. It is, where feasible, aligned with the EU Taxonomy.

- **Sustainable Instruments Framework**

  This describes the bank's methodology for the issuance of "use-of-proceeds-based" Green and Social Financing Instruments and is aligned with the ICMA's Green and Social Bond Principles.

- **ESG Investments Framework**

  The purpose of the ESG Investments Framework is to have a single, consistent methodology in place for the classification of financial instruments and managed portfolios in the Private Bank as "ESG Investments", to be reported as Assets under Management (AuM) under the bank's Targets.

- **Reputational Risk Framework**

  The purpose of the bank's Reputational Risk Framework is to prevent damage to the bank's reputation by stipulating the process according to which Deutsche Bank makes decisions – in advance – on matters that may pose a reputational risk. The framework provides consistent standards for the identification, assessment, and management of reputational risks. Where relevant, reputational risks can include environmental and social considerations.

[1] Excluding SME lending (BizBanking and MidCorp), Institutional and Corporate Cash Management, TAS and Securities Services
[2] Excluding trading activities
[3] Excluding retail/consumer lending and wealth management lending

5. Implementation of the ES due diligence approach

Deutsche Bank's ES due diligence approach and sector-specific ES provisions define the requirements, roles, and responsibilities for ES risk identification, assessment, and decision-making. They also cover provisions for deal-independent screening and monitoring of companies from an ES perspective.

Group Sustainability within the Chief Sustainability Office is responsible for designing ES standards and policies, including this Framework and the Sustainable Finance Framework, and overseeing business adherence to these. As part of its oversight responsibility, Group Sustainability conducts transactional and client reviews pursuant to the bank's ES standards.

In line with the requirements of Deutsche Bank's Sustainability Strategy Implementation Policy, complementary supporting documents, and sectoral guidelines, as well as the Reputational Risk Framework, the bank's business divisions are initially responsible for identifying ES issues and associated reputational risks.

The ES due diligence process includes a review of transactions/clients by internal ES specialists, a discussion of critical issues with clients, and remediation actions. The final ES risk profile includes an evaluation of the materiality of the identified ES risks and associated reputational risks. If the risks are deemed to pose a moderate or material reputational risk or meet one of the mandatory referral criteria, the transaction will be referred to the Unit Reputational Risk Assessment Process (a first Line of Defence [LoD] Reputational Risk Forum) for consideration, and if deemed a material reputational risk then it is referred for further review to the relevant Regional Reputational Risk Committees (a second LoD Reputational Risk Forum).

Since 2015, the entire ES due diligence process has been supported by a dedicated IT application where matters are assessed and documented.

Environmental and Social Due Diligence – process and responsibilities

Process	Step 1	Step 2	Step 3	Step 4
Responsibilities	**Risk identification** →	**Risk assessment** →	**Decision-making** →	**Post-transaction monitoring**
Business Divisions	Identify potential ES risks as part of the regular due diligence process ↓	Collect client deal data and initiate an ES review by Group Sustainability via web-based platform ↓	Depending on risk profile: – Co-develop mitigation measures and facilitate client discussion – Escalate to next senior management level ↓	Monitor progress towards agreed-upon mitigation measures ↓
Control functions	Verify potential ES risk through: – New client adoption – New product approval process – Regular client reviews	Group Sustainability compiles ES risk profile based on: – Internal guidelines – External knowledge	Group Sustainability: – Proposes mitigation measures – Engages with the client – Contributes to senior management discussion	Group Sustainability supports Business Divisions to monitor agreed measures

Deutsche Bank applies a risk-based approach and focuses its attention on sectors that it has defined as having an inherently elevated potential for negative ES impacts and associated reputational risks. As part of the bank's ES due diligence approach, the following sectors and activities are defined as having an inherently elevated risk for negative ES impacts – for these sectors, detailed sectoral guidelines are available that provide further guidance on the scope of ES due diligence and outline good industry practice benchmarks and principles:

- Metals and mining
- Oil and gas
- Thermal coal, including thermal coal mining and thermal coal-fired power generation
- Nuclear power
- Hydropower
- Agricultural commodities and forestry
- Fisheries and marine aquaculture
- Maritime transport and infrastructure
- Equator Principles relevant transactions, (e.g. infrastructure projects)
- Other activities having a high carbon intensity, impacting sensitive and protected locations, causing deforestation, and/or having the potential for human rights infringements. See Section 5.2 for more information on cross-sectoral issues.

For further information on these sectors, including financing exclusions and due diligence provisions, refer to Section 5.3.

This scope of sectors, as well as related due diligence requirements, are reviewed annually or as events occur. The bank also observes prevailing sector-related ES standards and industry best practices in order to improve the understanding of ES issues and, if necessary, adjust its approach. The bank's assessment takes developments in this area into account as well, such as climate protection and the respect of human rights.

Complementary internal provisions are established for the tobacco industry with a focus on electric cigarettes and cannabis, as well as the defense, gaming, and adult entertainment industries, which are considered to carry elevated levels of inherent social and governance risk. These are currently not part of this process but are under the scope of the Reputational Risk Framework (see Section 4.6). More details can be found in the bank's Annual Reports.

5.1 Due diligence principles

Deutsche Bank expects, as a minimum, that clients meet applicable ES laws and regulations relevant to their business processes, consider international best practice approaches, and hold relevant licenses and permits.

The bank's due diligence process for project finance is based on the requirements of the Equator Principles, including the underlying IFC Performance Standards (PS).

While conducting ES due diligence for non-project finance transactions, Deutsche Bank assesses the client's overall ES risk management systems and performance, including governance and their capacity to address ES risks. The bank looks for policies and commitments, as well as a responsible approach to stakeholder engagement and disclosure. While conducting due diligence, Deutsche Bank considers publicly available information such as corporate sustainability disclosure, ES assessments by independent data providers, and media screening tools. In addition, information from the direct exchange with the client is taken into account, and, depending on the risk profile, more intense ES due diligence may be required in accordance with the bank's general and sector-specific ES provisions, including the on-site review by independent third parties.

Across sectors subject to ES due diligence, the bank aims to identify material issues that require attention. Some of these issues are cross-sectoral, while others are sector-specific.

5.2 Cross-sectoral issues

Human rights

Deutsche Bank's long-standing commitment to human rights is reflected in its **Statement on Human Rights**, publicly available since 2015.

Deutsche Bank will not engage in business activities where Deutsche Bank has substantiated evidence of material adverse human rights impacts and it is determined through Deutsche Bank's internal processes that such adverse human rights impacts cannot be avoided or appropriately mitigated.

To address this complex topic, the bank is guided by a wide range of international standards and principles, including the UN's Guiding Principles on Business and Human Rights. The bank integrates human rights considerations into the due diligence of clients and transactions as part of its ES due diligence process.

The bank focuses on the client's measures to avoid any involvement in child and/or forced labor, and the policies and procedures to protect the health and safety of employees and sub-contractors. Furthermore, Deutsche Bank understands that its clients' activities may impact the communities they operate in and expects clients to have processes in place to minimize any negative impact. In particular, during due diligence, the bank focuses on policies and procedures linked to the following areas:

- Labor and working conditions, including forced and child labor, and equal opportunity and fair treatment for workers
- Health and safety of affected communities, including vulnerable groups[4]
- Respect for land rights (including traditional/customary land rights) and cultural heritage
- Engagement with communities, including responding to community concerns (e.g. through grievance mechanisms)

In cases involving resettlement, the bank expects its clients to act in accordance with national laws and regulations, and, where applicable, in alignment with the objectives and requirements of the IFC PS 5 on Land Acquisition and Involuntary Resettlement.

Deutsche Bank recognizes the vulnerability of Indigenous peoples and their connection to ancestral lands, as defined by the UN Declaration on the Rights of Indigenous Peoples. In cases where the bank can identify potential impacts on Indigenous peoples, the bank expects its clients to act in alignment with local regulations and, where possible, with the objectives and requirements of the IFC PS 7 on Indigenous Peoples. For circumstances outlined in the IFC PS 7, the bank expects its clients to obtain the free, prior, and informed consent (FPIC) of affected communities.

[4] Per the IFC definition, vulnerable groups are those who are particularly at risk due to factors such as loss of land and resources, cultural heritage, and social or economic marginalization

The bank acknowledges that in certain contexts, clients may require the use of security; however, for such circumstances, the bank follows the best practices as set out by the IFC PS 4 on Community Health, Safety and Security, and verifies that processes have been put in place to ensure safeguarding and alignment with international standards such as Voluntary Principles on Security and Human Rights.

Sensitive and protected locations

Deutsche Bank recognizes that corporate client activities may have material impacts on areas of international or national biodiversity value and high-sensitivity ecosystems and habitats. The bank expects its clients to identify, assess, and mitigate these risks by applying widely accepted international guidance and good international industry practice.

This means implementing the mitigation hierarchy with regard to areas of high biodiversity and/or high-sensitivity ecosystems/habitats. The mitigation hierarchy requires primary impacts to be avoided through site selection, design, or scheduling of activities.

Where avoidance is not possible, impacts should be minimized by reducing their duration, intensity, and extent; on-site restoration should be implemented for impacts that cannot be completely avoided and/or minimized; and, as a last resort, significant residual impacts can be offset through implementation of measurable conservation outcomes.

Depending on the location of activities that require financing, Deutsche Bank will use the following review approach:

- The bank will not finance activities located within or in close proximity to World Heritage Sites unless there is a prior consensus with both the government and UNESCO that such operations will not adversely affect the Outstanding Universal Value of the site

- For transactions where the bank is able to identify impacts on areas of international or national biodiversity value and high-sensitivity ecosystems/habitats, an enhanced ES review is required; it will consider the implementation of the mitigation hierarchy with further focus on:

  - Alternative site selection

  - Compliance with national laws and regulations

  - Biodiversity action plans where applicable

Areas of high biodiversity and/or high-sensitivity ecosystems/habitats include Biosphere Reserves[5], Wetlands of International Importance[6], legally protected areas according to IUCN categories I–VI[7], and other nationally protected or sensitive areas. The bank further recognizes the need to protect and preserve areas of cultural heritage. For transactions where the bank is able to identify potential impacts on such areas, an enhanced ES review will be conducted.

Deforestation

Deutsche Bank pays particular attention to avoiding financing deforestation of primary tropical forest. Forests do not only hold most of the world's terrestrial biodiversity, but also provide crucial ecosystem services, as they regulate water cycles, provide clean air, and protect soil from erosion. Therefore, the bank will not finance any projects or activities that are directly linked to deforestation of primary tropical forests. Further requirements are embedded in the bank's sectoral provisions.

[5] Biosphere Reserves are designated under the UNESCO's Man and the Biosphere Programme
[6] Wetlands of International Importance are protected under the Convention on Wetlands of International Importance from 1971 (Ramsar Convention)
[7] Based on their management objectives, there are six categories of protected areas in the IUCN classification system: Ia. Strict Nature Reserve, Ib. Wilderness Area, II. National Park, III. Natural Monument or Feature, IV. Habitat or Species Management Area, V. Protected Landscape or Seascape, VI. Protected Area with Sustainable Use of Natural Resources

Climate considerations

Deutsche Bank acknowledges the risks of climate change and is committed to supporting the transition to a low-carbon, climate-resilient economy. Where possible, we encourage our clients to take a responsible approach toward environmental and climate stewardship, while also having dedicated financing guidelines and due diligence requirements that aim to encourage this transition, for example on thermal coal mining and production (Section 5.3).

The bank has set sectoral decarbonization targets for 2030 and 2050 for the seven most carbon-intensive sectors in the bank's corporate loan portfolio: oil and gas (upstream), power generation, automotive (light-duty vehicles), steel, coal mining, cement, and shipping. Please refer to Deutsche Bank's **Initial Transition Plan** for more information.

5.3 Sector-specific issues

Hydropower

Hydropower is the largest source of low-carbon electricity, accounting for one-sixth[8] of global electricity generation. It is a mature technology, playing a key role as demand for clean, reliable, and affordable energy rises. However, the development of new plants poses complex ES challenges and risks, which depend on the type, place, and scale of the project.

Any transaction involving the financing of a new hydropower plant or the expansion of an existing one requires an enhanced ES review and, potentially, a referral to the Reputational Risk Framework – with potential exclusions based on the outcomes of the ES review.

The bank looks at a number of sector-specific factors, including the client's management systems and track record. Application of the **Hydropower Sustainability Assessment Protocol** by clients is highly valued. The bank also reviews how a utility company and/or project developer has:

- Taken into account the host country's energy situation, including its national energy strategy
- Addressed analyses of site alternatives
- Assessed river ecosystems and evaluated impacts on threatened and endangered species
- Analyzed the impact on sites of cultural, historic, or religious value or on agricultural land
- Addressed the resettlement of people where applicable

Membership of the International Hydropower Association (IHA) and application of the IHA's Sustainability Assessment Protocol are considered to be Good International Industry Practice for clients operating in this sector.

Nuclear power

Nuclear power is the second-largest source of low-carbon electricity generation worldwide, after hydropower. Deutsche Bank views nuclear power as an important low-carbon source of energy in the transition to a more sustainable energy mix. At the same time, the bank recognizes serious risks such as nuclear accidents or improper nuclear waste disposal. Therefore, the bank's financing for civil nuclear power is subject to strict country- and project-specific criteria.

[8] International Energy Agency (IEA): Hydropower Special Market Report, June 2021

Any transaction involving the financing of a new nuclear power plant or the expansion of an existing one requires enhanced ES review and, where relevant, a referral to the Reputational Risk Framework – with potential exclusions based on the outcomes of the ES review.

The bank will look at a number of sector-specific factors, including the client's management systems and track record, focusing specifically on:

- The status of ratification of the relevant conventions and treaties by the project country (e.g. the Convention on Nuclear Safety or Nuclear Non-Proliferation Treaty)
- The robustness of national regulatory frameworks
- The cooperation of the project country with the International Atomic Energy Association and application of internationally recognized safety and security standards
- Assessments addressing seismic and/or flood risks

Thermal coal power and mining

Since 2016, the bank has had a thermal coal policy in place covering thermal coal power and coal mining. For thermal coal power, the policy prohibits financing the development of new thermal coal-fired power plants and the expansion of existing thermal coal-fired power plants, irrespective of their location. For thermal coal mining, the existing thermal coal policy prohibits the financing of new thermal coal mines or material expansion of existing thermal coal mines.

The thermal coal policy was further enhanced in March 2018 by clarifying that the bank will not finance new greenfield thermal coal-related infrastructure regardless of whether the infrastructure is related to a new or existing plant or to a new or existing coal mine.

In March 2023, the requirements of the thermal coal policy were strengthened, and the criteria used to determine the scope of the policy were tightened. Effective May 2023, the following criteria apply to define if companies fall in the scope of the thermal coal policy in power and mining:

- A thermal coal revenue dependency of 30% or above – a company with such revenue dependency is considered a thermal coal company within the scope of the thermal coal policy
- A company with either an absolute thermal coal production of ten megatons per year or above and/or with ten gigawatts of thermal coal power capacity or above is within the scope of the thermal coal policy

For companies within the scope of the updated policy, the following requirements apply:

- For clients to access financing (lending and capital markets), the bank requires credible diversification plans; existing clients are required to present such plans in 2025, while for new clients such plans are a precondition for financing
- In this context, the bank has defined criteria for the evaluation of transition plans for the phasing out of thermal coal; phaseout from thermal coal is expected for companies in OECD countries by 2030 and for companies in non-OECD countries by 2040; at the same time, the existing requirement with regard to clients with a thermal coal revenue dependency of more than 50% remains, stipulating the end of financing for such thermal coal companies if there are no credible plans to reduce this dependency to below 50% by 2025 in OECD countries or below 30% by 2030 in non-OECD countries
- State-owned enterprises in Just Energy Transition Partnership (JETP) countries will be allowed to have trajectories for the phaseout from thermal coal business that are aligned with the country's commitments under the JETP program

Mountain Top Removal
Mountain Top Removal (MTR) is defined as a surface mining method that involves the removal of mountain tops to expose coal seams and the disposal of the associated mining overburden into adjacent valleys. Deutsche Bank recognizes that MTR, while being an established and regulated mining method, continues to be subject to political, judicial, and regulatory scrutiny.

Accordingly, Deutsche Bank will not provide financing and advisory services, including M&A, to mining companies that use MTR as an extraction method.

Metals and mining

Although the mining industry is an important source of metals and minerals for the global economy, mining operations present a range of ES impacts requiring management and mitigation.

Therefore, any transaction involving financing of mining (the extraction of minerals and metals) requires enhanced ES review, with potential exclusions based on the outcomes of the ES review.

The bank looks at a number of sector-specific factors, including the client's management systems and track record. This includes assessing how the client's ES management system addresses:

- Contamination of water and soil
- Waste management
- Impacts on local ecosystems
- Workplace and community health and safety
- Community consultation, especially where operations are close to tribal areas or places of worship

The bank's review also considers whether the ES management system is certified according to internationally recognized standards such as ISO 14001 and ISO 450001. Furthermore, the bank will positively value the application of best practices such as the Sustainable Development Principles of the International Council of Mining and Metals; the IFC's Environmental, Health and Safety Guidelines for Mining; and the Voluntary Principles on Security and Human Rights.

While the bank observes global developments around deep-sea mining and the respective ES research that is being undertaken, it has introduced the following requirement, which became effective in Q4 2024:

- No direct financing of deep-sea mining projects

Oil and gas

Oil and gas (O&G) (exploration, production, processing, and transport) can result in major adverse impacts on the environment and host communities if not adequately managed. Deutsche Bank applies enhanced ES due diligence for transactions in the O&G sector. Where relevant, an escalation to the Reputational Risk Framework will be required.

According to the policy in place, the bank will not knowingly finance:

- Oil and gas extracted by hydraulic fracturing projects in countries with "extremely" high water stress
- New oil and gas projects in the Arctic region (Arctic region being defined based on a 10°C July isotherm boundary, meaning the area does not experience temperatures above 10°C)

- New projects involving exploration, production, transport or processing of oil sands

Financing means direct lending and capital market business where the majority of the use of proceeds is linked to the projects outlined above.

Maritime transport and infrastructure

Global warming, extreme weather, sea level rise, pollution, overfishing, and rising levels of acidity and biodiversity loss are jeopardizing the health of the ocean. Restoring "blue nature" means protecting the ocean's biodiversity reservoirs that provide social and economic security to billions of people around the world.

Deutsche Bank recognizes the importance of the ocean and has been supporting ocean protection by becoming a member of the Ocean Risk and Resilience Action Alliance (ORRAA) in 2021 and a signatory of the Blue Finance Commitment #BackBlue in 2023.

As part of the #BackBlue commitment, the following requirements have been developed considering some aspects of international frameworks such as the Sustainable Blue Economy Finance Principles hosted by the United Nations Environment Programme Finance Initiative (UNEP FI) and the Global Biodiversity Framework agreed in December 2022 by COP15.

Maritime transport

The bank has defined contractual requirements to monitor ship lending and ship mortgages used for the civil transportation of passengers or goods and industrial activities:

- Compliance with the ES conventions defined by the United Nations and its specialized agencies, the International Maritime Organization (IMO) and the International Labour Organization (ILO)
- Alignment with standards and conventions on health, safety, and labor rights[9], maritime pollution prevention[10], ship recycling[11], marine sensitive and protected areas[12]
- Certification of ships by a member of the International Association of Classification Societies (IACS), which periodically verifies compliance with applicable international conventions

Maritime infrastructure

For project and project-related finance, Deutsche Bank follows the Equator Principles. Additional due diligence requirements have been specified for the following marine infrastructure projects:

- Port construction and expansion into the marine environment or an overall port capacity increase of ≥15%
- Marine dredging in support of capital projects (opening of waterways in support of port development) and infrastructure (material recovery for land reclamation, coastal protection)
- Offshore renewable energy (wind and tidal)
- Coastal and marine tourism development

These include, as applicable: evidence of compliance with the Port State Control (PSC) regime or of the commitment to enforce IMO/MARPOL limits with regards to air quality, waste management, safety, and clean-up and MLC/ILO labor provisions; consideration of local Marine Spatial Planning (MSP); and application of Global Sustainable Tourism Council (GSTC) Industry Criteria for Hotels & Tour Operators.

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[9] Maritime Labour Convention (MLC); Safety of Life at Sea (SOLAS) Convention; and Standards of Training, Certification and Watchkeeping for Seafarers (STCW) Convention
[10] Including, but not limited to ballast water management, antifouling coating, IMO requirements for shipment of oil or other hazardous substances in tankers
[11] IMO Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships
[12] IMO-defined Particularly Sensitive Sea Areas (PSSAs)

Furthermore, the bank will not knowingly finance marine infrastructure projects involving the following:

- Activities located within or in close proximity to marine World Heritage Sites
- Marine dredging (including waste material disposal) activities that will have an impact on sensitive marine environments/critical habitats (e.g. living coral reefs, mangroves, sea grass beds) and Ramsar sites
    - Exceptions apply if activities are undertaken for environmental/social protection or enhancement (e.g. flood protection, intertidal flow improvement)
- Coastal and marine destination development in designated protected areas categorized as IUCN Type 1, Ramsar sites, UNESCO Biosphere reserves, and critical site-specific biodiversity[13]
    - Exemptions apply for projects located inside of the above biodiversity areas, if such projects are designed for ecotourism and meet recognized ecotourism standards and best practices and create opportunities for enhanced biodiversity protection or reduced biodiversity threat (e.g. flood defense, creation of alternative livelihoods)

Agricultural commodities and forestry

Industrial agriculture and forestry are important to produce a diverse range of soft commodities such as palm oil, soy, beef, coffee, tea, tobacco, cocoa, cotton, rubber, and pulp paper and timber. Industrial developments in these areas are positive for economic growth in certain countries but may have adverse impacts such as deforestation, loss of biodiversity, poor labor conditions, and conflicts with local communities. To address these concerns and to promote sustainable production, Deutsche Bank has introduced a set of guiding principles for clients active in these areas.

As such, the bank will not finance projects or activities located in or involving the clearing of primary tropical forests, leading to conversion of High Carbon Stocks (HCs) into new plantations and peatlands, illegal logging, or uncontrolled and/or illegal use of fire.

Any transaction involving financing for companies active in the upstream production and primary processing of the above outlined soft commodities (for example growers or operators of mills) in non-OECD countries requires enhanced ES review. In addition to verifying compliance with national legislation and the availability of applicable permits, the bank looks at a number of sector-specific factors, including the client's management systems and track record. An important element of the bank's review is the status of certification, notably:

- For **palm oil,** the bank requires, as a minimum, that the client is a member of RSPO; furthermore, the bank expects the client's operations to be certified in accordance with RSPO or the client's time-bound commitment to achieve RSPO certification in a reasonable timeframe but no later than 2025
- For **timber,** the bank expects clients to be certified according to the Forest Stewardship Council (FSC) (preferred) or the Programme for the Endorsement of Forest Certification (PEFC)
- For **soy,** the bank prefers clients to be either certified according to the **Roundtable on Responsible Soy Association** or to demonstrate commitment to the **Basel Criteria for Responsible Soy Production** or the Amazon Soy Moratorium
- For other commodities such as **beef, rubber, coffee, tea, cocoa,** and/or **cotton**, the bank generally expects clients to be guided by their own industry best practices and initiatives such as the Global Roundtable for Sustainable Beef, the Cattle Agreement, the Sustainable Natural Rubber Initiative, Common Code for the Coffee Community (4C), Tropical Commodities Coalition (TCC) for Sustainable Tea, Coffee and Cocoa, Ethical Tea Partnership (ETP), World Cocoa Foundation (WCF), and/or the Better Cotton Initiative

[13] Critical habitat and/or includes sensitive marine environments (e.g. mangroves, salt marches, dunes)

Deutsche Bank observes developments of the different certification standards and initiatives in the areas outlined above and will update the guidelines if and when necessary.

Furthermore, the bank expects clients to demonstrate:

- Their public commitment (ideally in a policy document) to the No Deforestation, No Peat and No Exploitation standards
- Policies on new developments, including a commitment to conduct a HCV assessment before any new plantation development, which involves identifying and conserving land with a high ecological, cultural, or social value
- Water management and protection provision (e.g. considering water scarcity, the recycling of wastewater, and the responsible use of pesticides and herbicides)
- Measures to protect biodiversity or endangered species and to prevent soil erosion, land degradation, and natural stock depletion

Fisheries and marine aquaculture

According to the UN Food and Agriculture Organization (FAO), nearly three billion people were provided with almost 20% of their intake of animal protein by fish in 2019. Fisheries and aquaculture support the livelihoods of 10–12% of the world's population[14]. But today's fishery industry faces a number of challenges such as illegal, unregulated, and unreported fishing, and over-exploration of important fish stocks. Therefore, responsible fishery practices are essential to "ensuring the effective conservation, management and development of living aquatic resources, with due respect for the ecosystem and biodiversity."[15]

Financing in the following areas requires enhanced ES review:

- Companies active in catching and in the primary processing of fish outside the EU and USA
- Companies active in marine aquaculture (i.e. breeding, rearing, and harvesting of fish, shellfish, algae, and other organisms)

This is based on a number of factors specific to the industry, including a client's management systems, track record, and ability to demonstrate:

For fisheries:

- Policies and procedures to regularly monitor the status of targeted fish stocks
- Processes to ensure no breaches of internationally agreed catch limits for the targeted fish stocks, including measures to reduce by-catch
- A commitment to align management systems with recommendations of the FAO's Code of Conduct for Responsible Fisheries and/or plans to attain the Marine Stewardship Council certification or any other equivalent certification

For marine aquaculture:

- Evidence that the aquaculture farming is located in legal and permitted zones
- Compliance with national legislative health and safety requirements as a minimum

[14] FAO: The State of World Fisheries and Aquaculture 2022
[15] FAO: Code of Conduct for Responsible Fisheries

- Aquaculture Stewardship Council (ASC) certification without exceptions or time-bound plans to obtain such certification no later than by 2025

Additionally, the following exclusions apply:

For fisheries: We will not provide financial services to clients where there is clear and known evidence of the following:

- Recurring material breaches of imposed catch limits
- Non-compliance with existing laws and regulations

For marine aquaculture: No financing/financial services should be provided to companies involved in unlicensed activities or activities that do not now follow national regulation as a minimum, such as:

- Operating in marine aquacultures outside of country Allocated Zones for Aquaculture (AZA) or legally protected areas that do not allow multiple uses
- Undertaking unlicensed operations or the farming of invasive non-native species against national regulations
- The utilization of banned chemicals, anti-microbials, or pesticides that result in non-compliance with national or applicable international regulatory standards

5.4 Summary of key ES standards

The table below summarizes the bank's main positions and minimum standards of ES due diligence. Complementary internal provisions are established for the tobacco industry with a focus on electric cigarettes and cannabis, as well as the defense, gaming, and adult entertainment industries, which are considered to carry elevated levels of inherent social and governance risk. These are currently not part of this process but are under the scope of the Reputational Risk Framework. More details can be found in the bank's **Annual Reports**.

Main positions and minimum standards of ES due diligence

Area	Enhanced due diligence/norm compliance	Environmental and/or social principles applied
Cross-sectoral		
Human rights	Yes	No engagement in business activities where the bank has substantiated evidence of material adverse human rights impacts without appropriate mitigation, e.g. child and forced labor
Deforestation	Yes	No financing of any projects or activities that are directly linked to deforestation of primary tropical forests
World Heritage Sites	Yes	No financing of activities within or in close proximity to World Heritage Sites, unless the respective government and UNESCO agree that such activity will not adversely affect the site's outstanding universal value
Sectoral		
Agricultural commodities and forestry	Yes	No financing of projects or activities located in or involving the clearing of primary tropical forests, involving illegal logging or uncontrolled and/or illegal use of fire No financing of projects or activities leading to conversion of HCVs into new plantations and peatlands Mandatory requirement of Roundtable on Sustainable Palm Oil (RSPO) membership and RSPO certification, or a timebound implementation plan for RSPO-certification by 2025 at the latest for palm oil clients Expectations regarding membership and industry-relevant certifications as well as ES management schemes for growers and primary processers, including public commitment to the No Deforestation, No Peat and No Exploitation standard
Fisheries and marine aquaculture	Yes	No financial services to clients where there is evidence of recurring material breaches of imposed fish catch limits and non-compliance with existing laws and regulations No financing/financial services should be provided to companies involved in unlicensed activities or activities that do not now follow national regulation as a minimum, such as operating in marine aquacultures outside of country Allocated Zones for Aquaculture (AZA) or legally protected areas that do not allow multiple uses; undertaking unlicensed operations or the farming of invasive non-native species against national regulations; and the utilization of banned chemicals, anti-microbials, or pesticides that result in non-compliance with national or applicable international regulatory standards Expectations regarding certification for fisheries; minimum requirement of a time-bound implementation plan for Aquaculture Stewardship Council certification by 2025 at the latest
Maritime transport and infrastructure	Yes	No financing of marine dredging that will have an impact on sensitive marine environments or critical habitats (e.g. living coral reefs, mangroves, sea grass beds) and Ramsar sites, unless activities are undertaken for environmental/social protection or enhancement (e.g. flood protection) No financing of coastal and marine destination development in: designated protected areas that are categorized as International Union for Conservation of Nature (IUCN) Type I, Ramsar sites, UNESCO Biosphere reserves, and critical site-specific biodiversity Contractual clauses, certification, and/or Port State Control requirements to ensure compliance with the applicable ES conventions as defined by the United Nations and its specialized agencies, the International Maritime Organization (IMO), and the International Labour Organization (ILO)

Area	Enhanced due diligence/norm compliance	Environmental and/or social principles applied
Metals and mining	Yes	No direct financing of deep-sea mining projects Enhanced ES due diligence requirements; potential exclusions based on outcome
Oil and gas	Yes	No direct financing of new projects involving exploration, production, and transport, or processing of oil sands No direct financing of new oil and gas projects in the Arctic region (as demarcated by the 10°C July isotherm boundary) No direct financing of oil and gas extracted by hydraulic fracturing projects in countries with extremely high water stress
Thermal coal power and mining	Yes	No financing of new and material expansion of existing thermal coal-fired power plants and thermal coal mining projects or the associated infrastructure Exclusions for financing Mountain Top Removal mining Scope of the policy effective as of May 2023 includes companies with a) a thermal coal revenue dependency of 30% or above, b) an absolute thermal coal production of 10 megatons p.a. or above, or c) a thermal coal power capacity of 10 gigawatts or above For corporations within the scope of the policy: No financing if no credible diversification plans, including the phasing-out of thermal coal by 2030 in OECD-countries and 2040 in non-OECD countries. Existing clients are granted a grace period until 2025 to develop such transition plans
Hydropower	Yes	Enhanced ES due diligence requirements; potential exclusions based on outcome
Nuclear power	Yes	Enhanced ES due diligence requirements; potential exclusions based on outcome and exclusion for certain jurisdictions

6. Stakeholder engagement

Regular and meaningful stakeholder dialogue with shareholders, clients, employees, and society at large is fundamental to how Deutsche Bank conducts its business responsibly. It allows the bank to:

- Understand stakeholder concerns
- Prepare for potential future impacts on the bank's business model caused by global trends or regulation
- Minimize risks and detect business opportunities early on
- Make informed decisions, for the bank and when dealing with clients
- Define or improve standards and voluntary commitments across the sector
- Explain the bank's position on sensitive topics
- Promote mutual learning by recognizing the complexity of global issues

The results of the bank's dialogue feed into Deutsche Bank's sustainability as well as ES risk management and annual reporting. They also help the bank to respond constructively to critics, articulate its position on key issues, and explain the functionalities and limitations of financial products and services. Deutsche Bank is aware that the interests of shareholders, clients, employees, and the general public are sometimes in conflict, and that the bank has to negotiate between these interests. The bank remains open to meeting critical stakeholders and considering their input with care and attention.

In addition to regular Investor Relations activities and the Annual General Meeting, the bank's communications with stakeholders follow a threefold strategy: running Deutsche Bank's own events and activities on sustainability themes; taking part in forums, events, and working groups; and exchanging with critical stakeholders on ad hoc issues.

7. Transparency toward internal and external stakeholders

Deutsche Bank's senior management receives regular and ad hoc updates on how the bank is managing ES topics covered by this process. Deutsche Bank publishes information on the process, including the overview of "Transactions and clients reviewed under the Environmental and Social Due Diligence Framework," and in its annual Non-Financial Reports, which will be replaced by Sustainability Statements that will be part of the Annual Report and which will be publicly available.

In addition, as a signatory to the Equator Principles, the bank has expanded its annual reporting and provides information on project finance-related transactions within the scope of the Equator Principles.

The bank also regularly publishes sustainability information on its website and social media channels.

8. Governance

Deutsche Bank has put in place governance processes to ensure that relevant transactions and financial products and services, which may present elevated ES and potential associated reputational risks and are in-scope for ES due diligence requirements, are identified and reviewed in accordance with this process and its accompanying documents. This includes having multiple stakeholders that contribute to the ES due diligence process. These include: i) Business Lines, which are responsible for identifying potential ES issues and associated reputational risks as part of the regular due diligence process and assist in collecting deal data and engaging with clients (if required), and ii) Group Sustainability, which conducts the ES due diligence and is responsible for escalation of any moderate or material reputational risk matters to the Reputational Risk Framework.

Deutsche Bank's ES due diligence requirements and processes are reviewed annually or as events occur. The bank also observes prevailing sector-related ES standards and industry best practices in order to improve the understanding of ES issues and, if necessary, adjust its approach.

9. Disclaimer

This document includes metrics that are subject to measurement uncertainties resulting from limitations inherent in the underlying data and methods used for determining such metrics. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary. We reserve the right to update measurement techniques and methodologies in the future.

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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 Aktiengesellschaft. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the USA, and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets, the development of asset prices and market volatility, potential defaults of borrowers or trading counterparties, the implementation of our strategic initiatives, the reliability of our risk management policies, procedures, and methods, and other risks referenced in our filings with the U.S. Securities a Exchange Commission. Such factors are described in detail in our most recent SEC Form 20-F under the heading “Risk Factors.” Copies of this document are readily available upon request or can be downloaded.

Past performance and simulations of past performance are not a reliable indicator and therefore do not predict future results.

Imprint

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Online
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