FRAMEWORK EXTERNAL REVIEW

SUSTAINABLE FINANCE FRAMEWORK

Deutsche Bank AG
19 February 2024

VERIFICATION PARAMETERS

Covered Instruments	▪ Green and Social Bonds, Green and Social Loans, Sustainability-Linked Bonds, Sustainability-Linked Loans, Sustainability-Linked Derivatives
Type of Framework	▪ Sustainable Finance Framework
Scope of verification	▪ Deutsche Bank Sustainable Finance Framework (as of 1 January 2024) ▪ Deutsche Bank's Sustainable Finance classification system (as of 1 January 2024)
Validity	▪ Valid as long as the Framework remains unchanged

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SCOPE OF WORK

Deutsche Bank AG ('Deutsche Bank' or 'the Financial Institution' or 'the Bank') commissioned ISS-Corporate to assist with its Sustainable Finance Framework ('SFF' or 'the Framework') by assessing four core elements to determine the quality of its classification system[1] for identifying sustainable financing activities[2] and the sustainability quality of the eligibility criteria:

1. Sustainable Finance Framework - benchmarked against market practices and guidelines[3] for capital and loan markets approaches to environmental and social sustainability (see Annex 1)
2. Deutsche Bank's sustainable finance classification system - the soundness of the eligibility parameters to identifying eligible sustainable financing activities (see Annex 1) and whether the eligible project categories contribute positively to the UN SDGs.
3. ESG Risk Management - assessment of Deutsche Bank's overarching risk management procedures considered relevant in the context of the Bank's sustainable finance activities and the underlying Framework (see Annex 1)
4. The Sustainable Finance Framework and Deutsche Bank's overall ESG profile - drawing on the Bank's overall ESG profile and financing activities integrating ESG considerations (see Annex 1)

[1] The methodology of external reviews provided for sustainable financing, lending, and investment strategies has been developed based on our expertise in assessing a range of sustainable finance-related instruments and frameworks. In general, these types of external reviews are not to be treated as a 'pass or fail' assessment of the sustainability quality of sustainable financing, lending, or investment strategies but rather as an overall assessment. Thus, obtaining an external review of an overarching financing framework does not imply a detailed assessment of the sustainability quality of each underlying transaction. A qualitative assessment of sampled eligible ESG products is not in scope of the verification procedures.

[2] The Framework applies to Deutsche Bank Group globally, to the Corporate Bank and Investment Bank divisions as well as to Private Bank's commercial lending activities. Please note that this commitment excludes DWS, a subsidiary of Deutsche Bank operating as a separate legal entity.

[3] The assessment is based on current market practices for sustainable capital and loan markets referring to different market standards and voluntary guidelines including but not limited to the International Capital Market Association's (ICMA) Green, Social Bond Principles, and Sustainability Bond Guidelines, Sustainability-Linked Bond Principles, Asia Pacific Loan Market Association (APLMA), Loan Syndications and Trading Association (LSTA), and the Loan Market Association's (LMA) Green Loan Principles, Social Loan Principles, Sustainability-Linked Loan Principles, the UNEP-FI PRB, and the Climate Bonds Initiative Standard Version 4.0 (version April 2023) Guidelines proposed by the European Banking Authority (EBA) with respect to environmentally-sustainable lending. and the International Swaps and Derivatives Association (ISDA)'s Sustainability-linked-Derivatives KPI Guidelines

DEUTSCHE BANK OVERVIEW

Deutsche Bank AG operates as a stock corporation company. It is classified in the Commercial Banks & Capital Markets, as per ISS ESG's sector classification.

Deutsche Bank AG engages in the provision of Corporate Banking, Investment Services, Private Banking and Asset Management. It operates through the following segments: Corporate Bank, Investment Bank, Private Bank, and Asset Management. The Corporate Bank segment includes corporate and commercial clients as well as financial institutions, small corporate and entrepreneur clients. The Corporate Bank Segment provides several services, including Cash Management, Trade Finance and Lending, Foreign Exchange, Optimization of working capital & liquidity, Securing global supply chains and distribution channels to Corporates and Commercial clients. The segment also provides services related to Correspondent Banking, Trust and Agency and Securities Services to financial institutions, and business Banking services to small corporate and entrepreneur clients. The Investment Bank segment is involved in origination and advisory businesses as well as fixed-income, currency, sales, and trading. The Investment Bank segment provides these services to corporate and institutional clients. The Private Bank segment focuses on Private Bank Germany, private and commercial business international, and wealth management business units. This segment also includes International Private Bank, which also caters to commercial clients. The Asset Management segment provides investment solutions to individual investors and institutions through the DWS Group GmbH & Co. KGaA brand. The Company was founded on March 10, 1870, and is headquartered in Frankfurt, Germany.

ESG risks associated with Deutsche Bank's Industry

Deutsche Bank is classified in the Commercial Bank & Capital Markets industry, as per ISS ESG's sector classification. Key sustainability issues faced by companies[4] in this industry are: Business ethics, Labour standards and working conditions, Sustainability impacts of lending and other financial services/products, Customer and product responsibility, and Sustainable investment criteria.

This report focuses on the sustainability credentials of Deutsche Bank's classification system. Part IV. of this report assesses the consistency between the Framework and the Bank's overall sustainability strategy.

[4] Please note, that this is not a company specific assessment but areas that are of particular relevance for companies within that industry.

ASSESSMENT SUMMARY

SPO SECTION	EVALUATION SUMMARY
Part I: **Review of Deutsche Bank's Sustainable Finance Framework**	**The Sustainable Finance Framework reflects market practices.** 1. Objectives, Targets & Progress: The Bank has clearly explained the purpose of the Sustainable Finance Framework and defined quantitative targets within a certain timeframe enabling to measure the progress against its commitment. 2. Definition of sustainable financing activities: The Bank has set forth a formal methodology for defining and classifying financing as sustainable and proposes clear parameters under its Framework. 3. Evaluation & Selection Process: The Bank has documented the selection and evaluation process transparently. Responsibilities and accountabilities are defined, and duties are segregated. Besides, the Bank has put in place a process to identify and mitigate risks of negative social and/or environmental impacts and included an exclusion list for controversial sectors. 4. Governance & Monitoring: The Bank monitors the eligibility of sustainable finance transactions on a regular basis and has described the committees' oversight on ESG risks and opportunities. The Bank has an ESG risk monitoring mechanism for all instruments based on both the classification of transactions and inherent risk associated with the client and/or the use of proceeds. The Bank has also disclosed the collecting and tracking process of sustainable finance transactions. 5. Reporting: The Bank conducts relevant reporting regularly and information is made publicly available. The Bank also discloses the most up-to-date sustainable finance framework on the corporate website.
Part II: **Assessment of Deutsche Bank's sustainable finance classification system**	**The Bank's sustainable finance classification system reflects market practice. Where feasible, the Framework may be further improved with regard to:** ▪ **requiring pre- or mandatory post-signing external reviews from its beneficiaries** ▪ **the existence of No Net Impact categories to be financed under the dedicated approach**

	Deutsche Bank has put forth multiple sets of eligibility parameters for its financing activities to be classified as sustainable: Dedicated-Purpose financing, General-Purpose financing, and Sustainability-Linked Financing. A comprehensive assessment of the sustainability quality of the eligible categories defined under the Framework comprising an impact assessment against the SDGs can be found in this section.
Part III: **Assessment of Deutsche Bank's ESG risk management**	**ESG risks relevant in the context of the Bank's sustainable financing activities are considered to be managed.**
	Deutsche Bank has defined environmental and social risk assessment procedures applicable to its sustainable financing activities. Sectorial exposures are taken into consideration. The Bank has set forth measures ensuring the management of environmental and social-related risks. Deutsche Bank publicly discloses the amount of carbon-related financing throughout industry loan exposure. In October 2022, Deutsche Bank published quantitative 2030 (interim) and 2050 (final) decarbonization targets for four carbon-intensive sectors, and in October 2023 for three additional carbon-intensive industries in the bank's corporate loan portfolio – together with the Bank's initial Transition Plan.[5] The Bank estimates and monitors financed emissions using the standard from the Partnership for Carbon Accounting Financials (PCAF) and in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
Part IV: **Consistency of the Sustainable Finance Framework with Deutsche Bank's Sustainability Strategy**	**The Sustainable Finance Framework is consistent with the Group's sustainability strategy.**
	The Sustainable Finance Framework is considered consistent with the Bank's sustainability strategy. The rationale for developing a Sustainable Finance Framework is described by Deutsche Bank. At the date of publication of the report and leveraging ISS ESG Research, the Bank is exposed to a controversy, in failure to prevent money laundering in the United States.

[5] Deutsche Bank, Initial Transition Plan, https://www.db.com/what-we-do/responsibility/sustainability/transition-plan/documents/Transition-Plan.pdf

FRAMEWORK EXTERNAL REVIEW ASSESSMENT

PART I: REVIEW OF DEUTSCHE BANK'S SUSTAINABLE FINANCE FRAMEWORK

In its Sustainable Finance Framework, Deutsche Bank defines its methodology for the classification of eligible financing transactions as sustainable for the purpose of tracking and disclosing the performance against its sustainable finance targets.

This External Review assesses the Framework against current market practices for sustainable capital and loan markets derived from market standards and established guidelines. The assessment focuses on key principles for transparency, public disclosure and non-contamination of sustainable labelled-products, set out in, among other the ICMA Green and Social Bond Principles, Sustainability Bond Guidelines, Sustainability-Linked Bond Principles and best market practices from other market standards for Sustainable Finance, such as the Asia Pacific Loan Market Association, Loan Syndications and Trading Association, and the Loan Market Association's Green and Social Loan Principles and Sustainability-Linked Loans Principles, and the International Swaps and Derivatives Association's Sustainability-Linked-Derivatives KPI Guidelines.

CRITERIA	SUMMARY AND OPINION
1. Objectives, Targets, & Progress	Deutsche Bank defined a Sustainable Finance Framework to outline the methodology and procedures in classifying transactions, financial products and services as sustainable. The Framework applies to Deutsche Bank Group globally, to the Corporate Bank and Investment Bank divisions as well as to Private Bank's commercial lending activities, excluding DWS Group[6], a subsidiary of Deutsche Bank. The Bank commits to facilitating €500bn of sustainable financing and investments from January 2020 to year-end 2025, and has targeted to support United Nations Sustainable Development Goals (UN SDGs) and Paris Agreement on climate change. As of December 2023, Deutsche Bank has achieved a cumulative €279bn in sustainable financing and investments[7]. The Bank specified the scope of the applicable divisions globally, including Corporate Banking, Investment Banking, and Private Bank commercial lending activities. Finally, Deutsche Bank is a member of the UNEP FI's Net-Zero Banking Alliance and Principles for Responsible Banking[8].

[6] Deutsche Gesellschaft für Wertpapiersparen, DWS sets its own sustainability strategy and is not in the scope of the application of the Sustainable Finance Framework.
[7] Deutsche Bank AG, Media Release February1, 2024, https://www.db.com/files/documents/2024/02-FEB/Deutsche-Bank-reports-2023-profit-before-tax-of-EUR-5dot7-billion--EUR-1dot6-billion-of-proposed-capital-distributions.pdf
[8] Deutsche Bank AG, United Nations Environment Programme Finance Initiative (UNEP FI), https://www.unepfi.org/member/deutsche-Bank-ag/

	***Opinion**: The Financial Institution has clearly disclosed the purpose of this Sustainable Finance Framework. In its Sustainable Finance Framework, the Financial Institution puts forth a clear definition of the sustainability objectives for its entire financing activities and sets quantitative and qualitative targets in line with the group's sustainability strategy (as outlined in Part IV.A of this report). Those objectives are expressed in line with key market guidelines and intergovernmental agreements such as the Paris Climate Agreement. Deutsche Bank commits to report on its progress against commitments[9]. Furthermore, Deutsche Bank is a member of various industry alliances and initiatives. Currently, the action plan to reach the sustainable financing targets is disclosed in Deutsch Bank's Non-Financial Report.*
2. Definition of sustainable financing activities	Under Deutsche Bank's Sustainable Finance Framework, 'sustainable finance' is defined as "Any financing products that contribute to the achievement of the Paris Agreement goals and/or the UN SDGs under one of the 3 parameters: Use of Proceeds, Company Profile, and Sustainability-linked Products. Deutsche Bank bases its definition of sustainable finance on established national and international standards, frameworks, and principles. These include the Green Loan Principles (GLP), the Social Loan Principles (SLP), and the Sustainability-Linked Loan Principles (SLLP) of the Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA), the Loan Syndications and Trading Association (LSTA), the Green Bond Principles (GBP), the Social Bond Principles (SBP) and the Sustainability-Linked Bond Principles (SLBP) of the International Capital Market Association (ICMA) and the International Swaps and Derivatives Association (ISDA) Guidance for Sustainability-Linked Derivatives. The Bank applies the EU Taxonomy and the Taxonomy Technical Report published by the EU Technical Expert Group on Sustainable Finance (EU Taxonomy) on a best-effort basis. **Eligible type of financing** Deutsche Bank's Sustainable Finance Framework outlines the types of financing that are eligible as sustainable financing, and also for the purpose of tracking and disclosing its performance against its sustainable financing and investments targets, which include: ▪ **Dedicated economic activity/project** financing where the use of proceeds satisfies environmental or social eligibility criteria set out in the Framework. ▪ **Company profile financing** where at least 90% of revenue derives from environmental or social activities including correspondent

[9] Deutsche Bank Annual Non-Financial Report 2022, https://investor-relations.db.com/files/documents/annual-reports/2023/Non-Financial-Report-2022.pdf?language_id=1

eligibility criteria set out in the Framework, and the company is not involved in any excluded activities.

- **Sustainability-linked financing** where the company has set pre-determined Sustainability Performance targets (SPTs) that meet minimum eligibility criteria set forth in the Framework.[10] In addition, the Bank encourages its clients to adhere to industry standards such as the LMA / LSTA / APLMA Sustainability-Linked Loan Principles, ICMA Sustainability-Linked Bond Principles, and the ISDA Guidance for Sustainability-Linked Derivatives.

Deutsche Bank's Group Sustainability, part of the Chief Sustainability Office, verifies the Sustainable Finance classification of all transactions, financial products, and services issued under the Sustainable Finance Framework and conducts a Front Office independent environmental and social due diligence check to confirm that any financing classified as 'Sustainable Finance' does not have material negative environmental and/or social impacts and is compliant with sectoral and cross-sectoral minimum requirements and exclusions as per Deutsche Bank's Environmental and Social Policy Framework.[11]

Instrument Scope

The Bank has defined eligible financial instruments, which e.g. include new financing and refinancing of existing lending facilities subject to certain criteria.[12] Furthermore, multiple ESG products have been launched, for which the Bank provides a defined set of minimum requirements, see Annex 5 of the underlying Framework: Product Note Guidance for the overview of all products.

According to Deutsche Bank's Non-Financial Report, as of December 2022, bond issuances accounted for 42% of total sustainable financing and investments volume, other sustainable financing instruments and assets under management accounted for 41% and 17% respectively.

Opinion*: The Sustainable Finance Framework presents a clear definition of the Deutsche Bank's classification system with criteria for each financing approach and refers to relevant market principles and guidelines. Environmental eligibility criteria are aligned on a best-effort basis with the EU Taxonomy (Climate Delegated Act of June 2021) Technical Screening*

[10] According to the Framework, the pre-determined SPTs need to be (i) ambitious and consistent, (ii) material for the company's business and core economic activities, and (iii) verifiable and reportable.
[11] Deutsche Bank Environmental and Social Policy Framework, May 2023, https://www.db.com/files/documents/csr/sustainability/Deutsche-Bank-ES-Policy-Framework-English.pdf
[12] According to the Framework, the instruments included but not limited to are asset-based lending, corporate-level lending, trade finance as well as capital markets instruments including but not limited to all forms of certified sustainability-linked loans or sustainability-linked hedging or other instruments.

	Criteria. Furthermore, the Bank relies on common market guidelines to define environmental and social eligible categories set forth in the Framework. The soundness of the eligibility parameters to identify eligible sustainable financing activities is further analyzed in Part II. A of this report. Currently, the sustainable finance amount in value and % of total financing portfolio is disclosed in Deutsche Bank's Non-Financial Report. Besides, it is worth noting that the classified sustainable financing volumes are based on the cumulated number of amount (€m) of overall Sustainable Finance volumes financed or facilitated by Deutsche Bank (since 2020).
3. Evaluation & Selection Process	Deutsche Bank has defined a three-step validation process on the eligibility of sustainable financing instruments involving stakeholders that includes Front-office representatives from each business activity, Business Reviewers nominated by respective business divisions, and Group Sustainability. The stakeholders involved and the selection processes are indicated in Figure 1 and Figure 2 below.

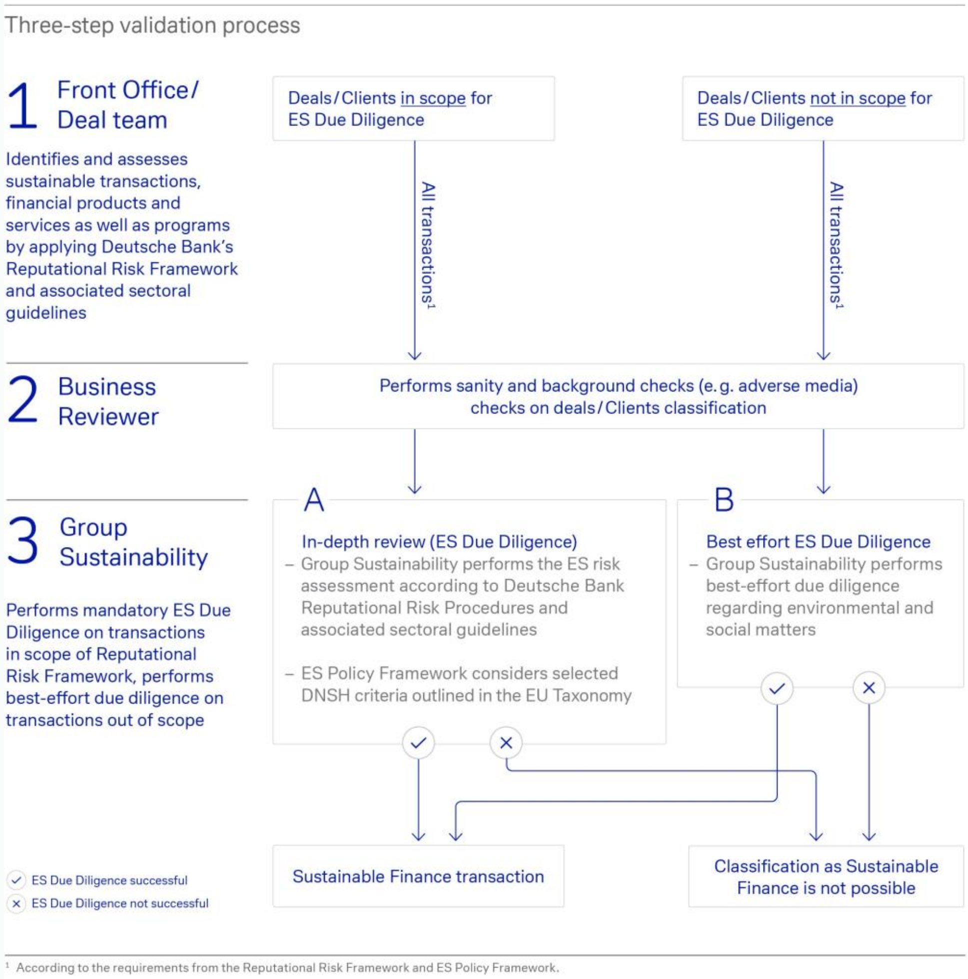

Figure 1. Evaluation, selection, reporting, and monitoring process, "Three-step validation process"

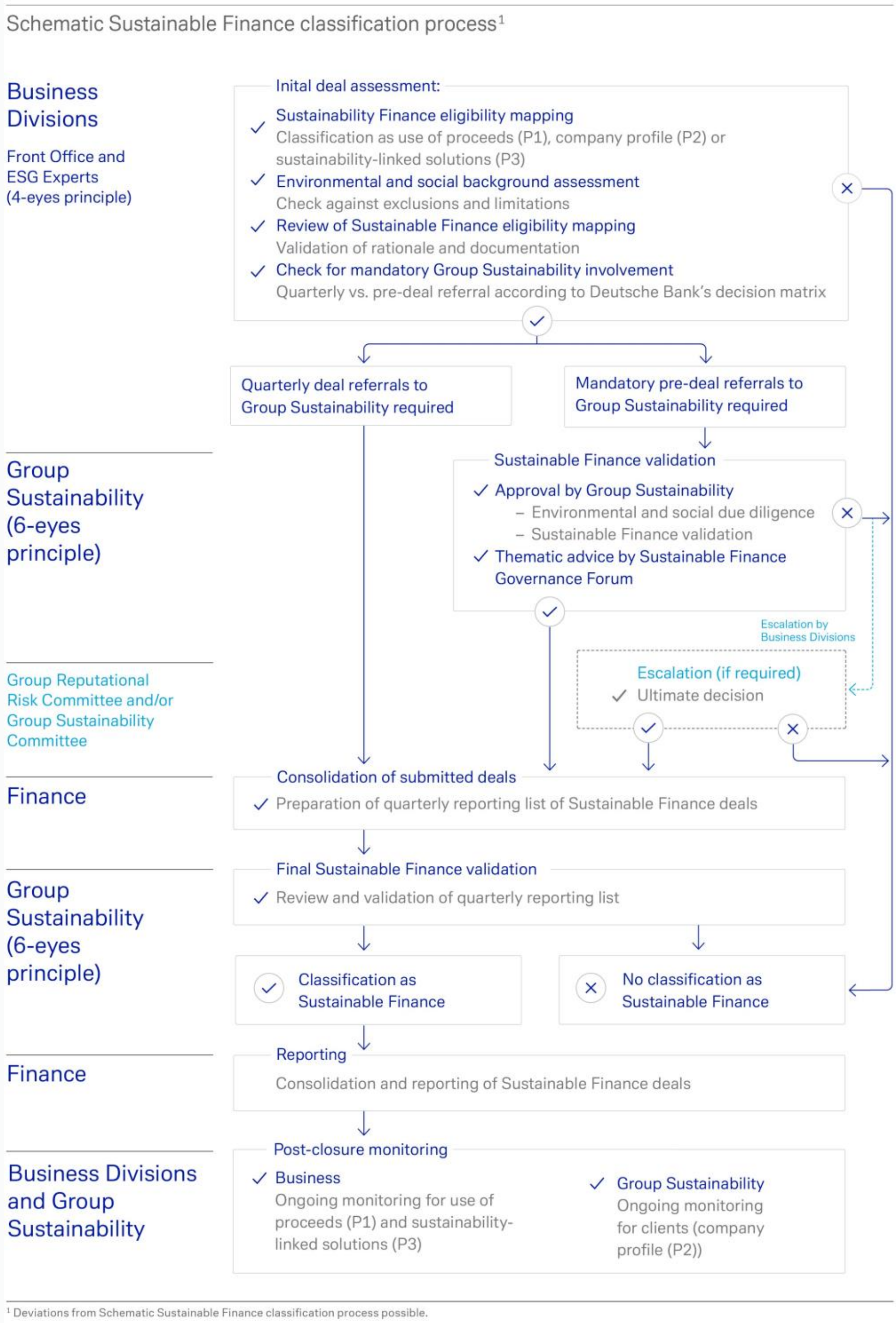

Figure 2. Evaluation, selection, reporting, and monitoring process, "Schematic Sustainable Finance classification process"

Regarding the processes in identifying and managing ESG risks related to activities financed, Deutsche Bank applies a global risk-based approach and will apply Environmental and Social due diligence for all transactions in the scope of the Sustainable Finance Framework at inception. For transactions that relate to project finance/project-related finance in scope of Equator

	Principles (EP), post closure monitoring is a standard requirement as a commitment undertaken by the borrower on a minimum annual basis. For all other transactions, the Front Office will identify all potential risks during the initial inception stage of transaction which will be mitigated as part of the decision-making process above. However, if potential Environmental and Social reputational risks cannot be resolved, Group Sustainability may require further post-closure monitoring by the Front Office. For the evaluation of sustainability-linked products, Group Sustainability may refer to market data and benchmarks as further complementary guidance to internal assessment for the evaluation of SPTs/KPIs. Deutsche Bank has also developed a list of sectoral and cross-sectoral Environmental and/ or Social Standards (Annex 3 of Sustainable Finance Framework), outlining activities exclusions and enhanced due diligence requirements on sectoral activities. ***Opinion:*** *The process for sustainable finance transaction evaluation and selection is defined and structured in a congruous manner. Deutsche Bank set forth a set of eligibility criteria outlined in the Framework to consider which transactions or products are eligible. Every transaction under the Framework undergoes Environmental and Social (ES) due diligence. To conduct the due diligence, the Bank leverages an environmental and social risk assessment defined in the Environmental and Social Policy Framework which applies globally to lending and trade finance activities of the Corporate Bank, lending and capital markets activities of the Investment Bank, and commercial lending activities of the Private Bank. The Framework includes general requirements for Environmental and Social (ES) due diligence and sector-specific ES provisions. Dedicated Business Reviewers for each business unit and Group Sustainability of the Bank have been put in place to be responsible for reviewing eligible transactions, monitoring processes, and escalation if needed. Environmental and Social risks and mitigants associated with sustainable activities to be financed are identified through an appropriate process. Deutsche Bank has clear guidelines in place to conduct enhanced due diligence processes when financing sectors with enhanced inherent environmental and social risks. Roles and responsibilities are defined, and duties are segregated.*
4. Governance & Monitoring	Deutsche Bank's Group Sustainability, a function within the Chief Sustainability Office is responsible for designing standards and policies for environmental and social due diligence and sustainable finance and overseeing compliance with these standards. Group Sustainability will verify the sustainable finance classification of all transactions, financial products, and services issued under the Sustainable Finance Framework and conduct an independent Environmental and Social due diligence check. In addition, Group Sustainability has established the Sustainable Finance Governance

	Forum, e.g. to discuss changes to the Sustainable Finance Framework, monthly and on an ad-hoc basis if required. The Bank's Group Reputational Risk Committee and relevant Regional Reputational Risk Committee serve as escalation routines for non-financial risks raised in the due diligence process. Within the Use of Proceeds (parameter 1) sustainable financing scope, the respective business area will monitor if the proceeds are allocated properly, and Deutsche Bank states that the frequency of monitoring these instruments is instrument-specific and will be based on DB internal requirements and regulations, such as European Banking Authority (EBA)'s Guidelines on Loan Origination and monitoring[13], reviewed annually at least. If the proceeds are not allocated to the dedicated projects, the borrower is required to notify the Bank immediately, and if it is within the Bank's green asset pool, it will be taken out. Within company profile financing (parameter 2), the client profiles will be reviewed by Group Sustainability annually. If the company ceases to qualify, new transactions will not be classified as Sustainable Finance, and existing deals also will be de-classified if Deutsche Bank deems the transaction has major ESG controversies. For sustainability-linked transactions (parameter 3), the compliance criteria will be based on SPT reporting frequency and methodology, and payments will be adjusted according to the specific KPIs, where independent and external verification will be required, and whether the reporting is public or private. Lastly, Deutsche Bank will consider re-classification of transactions under all three parameters based on internal monitoring guidelines, and in the unlikely case that major ESG controversies are screened, the transaction will be de-classified. Deutsche Bank has the following ESG risk identification and monitoring system: For transactions that relate to project finance / project-related finance in the scope of Equator Principles (EP), post-closure monitoring is a standard requirement that is incorporated into the loan documentation as a commitment undertaken by the borrower (minimum: annually or more often depending on risk profile). All other transactions, the Front Office will identify all potential risks during the initial inception stage of the transaction which are then mitigated as

[13] European Banking Authority (EBA) guidelines on Loan Origination and Monitoring, June 2020, https://www.eba.europa.eu/regulation-and-policy/credit-risk/guidelines-on-loan-origination-and-monitoring

	part of the decision-making process. However, for transactions that have the possibility for Environmental and Social (ES) related reputational risk that cannot be resolved, Group Sustainability could require further post-closure monitoring by the Front Office (FO). The respective measures are to be agreed between Front Office and Group Sustainability. Group Sustainability will document agreed measures in the system and follow up if necessary. For instruments under scope 1 parameter: FO employees must monitor that the use of proceeds is allocated to contractually defined eligible activities in accordance with the requirements set out in the SF Policy as well as in the Sustainable Finance Framework. FO employees must ensure that the information on the use of proceeds provided by the client is up to date based on the payment terms, including clear evidence of the intended use. A mere client confirmation (e.g. via statement of intent) of the use of funds is not sufficient. FO Employees must distinguish between two different types of payment terms for monitoring purposes: ▪ Single payment (drawdown): In the case of financing a project/activity via the single payment (drawdown) structure, the verification of the actual allocation of proceeds at drawdown is sufficient – no further verification is required. ▪ Payment in tranches (multiple drawdown): For multiple payouts, verification for each drawdown (payout) is required. ▪ If, after initial classification at execution, the use of proceeds post-closure is not compliant with the contractual agreement, the FO employees must involve Group Sustainability to reassess the sustainable finance classification. If Group Sustainability determines that the use of proceeds is no longer compliant with environmental and/or social eligibility criteria, the solution can no longer be labeled and marketed as "Sustainable Finance." FO employees must ensure that contractually agreed consequences, if applicable, are adhered to. ▪ For instruments under scope 3 parameter: FO Employees must monitor that the instruments continue to meet, throughout the lifetime, the requirements set at the execution for classification as Sustainable Finance by the provisions set forth in the SF Policy. FO employees must agree and fix contractually the monitoring frequency depending on the risk and complexity of the transaction. The monitoring of KPIs should be at least annually. FO employees

must ensure that contractually agreed consequences regarding the meeting or not meeting of KPIs are adhered to.

The post-closure monitoring process can be summarized in the three mechanisms below:

Non-Governmental Organization (NGO) and media screening: Group Sustainability will review NGO and media reports regularly to determine if the allegations are material/severe/relevant. Group Sustainability will then decide to engage with the client to better understand the client's perspective, ongoing investigation, and potential remediation method, and if further monitoring is required.

Periodic reviews for clients within critical sectors: DB has an internal client scoring system with indicators including sector criteria, which determines the review cycle. Clients within critical sectors will be required to be monitored on a regular basis. Based on the scoring of the client, DB will carry out periodic reviews with frequency ranging between annually to three years depending on the score. The Know Your Customer (KYC) department can also refer clients not within the critical sectors to Group Sustainability if material environmental and social risks are identified through adverse media screen. The Bank uses internal adverse media screen tool called "RepRisk Tool".

Environmental and Social media monitoring platforms: In the post-closure monitoring stage, Group Sustainability will review alerts from Environmental and Social media platforms and identify relevant alerts of the client or projects. If it leads to reputational risks, the front office and business teams will initiate client discussions and client reviews. In addition, any identified adverse events will also trigger a client review.

If Group Sustainability identifies any known clients with poor environmental and social performance through the above three mechanisms, the relevant Front Office will be informed, and any future transactions may need to be referred to Group Sustainability for approval, the client will also need to provide a response to the concern that has been identified.

The Bank also has an internal data collection and tracking process of the sustainable finance transactions in place with clearly assigned responsibilities within the Business Divisions and Group Sustainability. The Head of respective corporate divisions will ensure that sustainable finance transactions are reported to the finance department quarterly. For transactions, not subjected to a single transaction review and validation by Group Sustainability, FO employees will prepare all relevant information for

	Group Sustainability to conduct a quarterly review process. Group Sustainability's internal operating document outlines the processes in documenting all reviewed deals, the stakeholders' responsibilities, requirements for transaction-related information and the saving locations for these transactions to ensure they are tracked in an appropriate manner. ***Opinion***: *All eligible financial instruments are subject to the Bank's overarching sustainability criteria which considers Deutsche Bank's sustainable finance processes and existing risk management processes, and the financial transaction eligibility is monitored on a regular basis according to internal Deutsche Bank's requirements partly derived from the EBA guidelines. Deutsche Bank describes clearly how the respective committees provide oversight of the sustainable finance classification and ES due diligence processes. The Bank has an ESG risk monitoring mechanism in place for all instruments within the framework, varying by the inherent risk associated with the client or the use of proceeds. The Bank also has a declassification system in place, reflecting market practice. The Financial Institution has a data collection and tracking mechanism of the current and past sustainable finance transactions. Where feasible, the Framework may be further improved by structuring a systematic annual review process for all sustainable finance transactions independent from their risk levels defined by the Bank.*
5. Reporting	Deutsche Bank's finance department will coordinate the sustainable finance quarterly reporting process and consolidate all actual transactions and respective sustainable financing and investment volumes, which will be validated by Group Sustainability quarterly. The validated sustainable finance transactions will then be reported publicly in the Bank's quarterly earnings reports[14] and annually in the Non-Financial Report.[15] The contribution to the overall Sustainable Finance volume financed or facilitated by Deutsche Bank is calculated and reported based on established practices for measuring performance within the categories of Financing, Facilitation, and Investments. In total, it is not a balance sheet value but includes the total flow of capital arranged by Deutsche Bank towards the low-carbon economy and positive societal impacts. Deutsche Bank also publishes its impact of sustainable finance activities through the % of projects that contribute to specific United Nations Sustainable Development Goals and discloses the sustainable financing and investment volumes and client type in its annual Non-Financial Report. The latest version of the Sustainable Finance Framework is published on Deutsche Bank's website.

[14] Deutsche Bank Earnings Report as of September 30, 2030, https://investor-relations.db.com/files/documents/quarterly-results/2023/Earnings-Report-as-of-September-30-2023.pdf
[15] Deutsche Bank Non-Financial Report 2022, https://agm.db.com/files/documents/2023/Non-Financial-Report-2022.pdf

	Opinion: *Deutsche Bank commits to report publicly as part of its quarterly results presentations to investors and on an annual basis its sustainable financing in its Non-Financial Report. In addition, Deutsche Bank clearly describes the total reporting of the sustainable instruments in the Non-Financial Report and provides information on the % of sustainable finance transactions associated with each UN SDGs.*
6.External Review	The Sustainable Finance Framework is dynamic in its nature and is subject to regular reviews. It may be expanded as required to amend and/or add qualifying economic activities and/or eligibility criteria to keep pace with market developments, including regulatory developments related to taxonomies and respective sustainable finance standards. The Framework will be publicly disclosed to clients and business partners on the Bank's website.[16] **Opinion:** *Deutsche Bank discloses the name of the third party, and the scope of work provided in an external review of this Framework. External reviews are sought upon update of the Framework. The Sustainable Finance Framework will be publicly disclosed.*

[16] Deutsche Bank, Sustainable Finance Framework, https://www.db.com/what-we-do/responsibility/sustainability/sustainable-finance?language_id=1&kid=sustainability-finance.redirect-en.shortcut

PART II: ASSESSMENT OF DEUTSCHE BANK'S SUSTAINABLE FINANCE CLASSIFICATION SYSTEM

A. ASSESSMENT OF THE CRITERIA OUTLINED IN DEUTSCHE BANK'S ELIGIBILITY SUSTAINABLE FINANCE CLASSIFICATION SYSTEM

To provide an opinion on the sustainability credibility of each of the key sets of criteria defined by Deutsche Bank, this review evaluates the prevalence and robustness of the selection parameters, taking into account market practices across different sustainable finance asset classes.

Deutsche Bank has set forth the following classification logic.

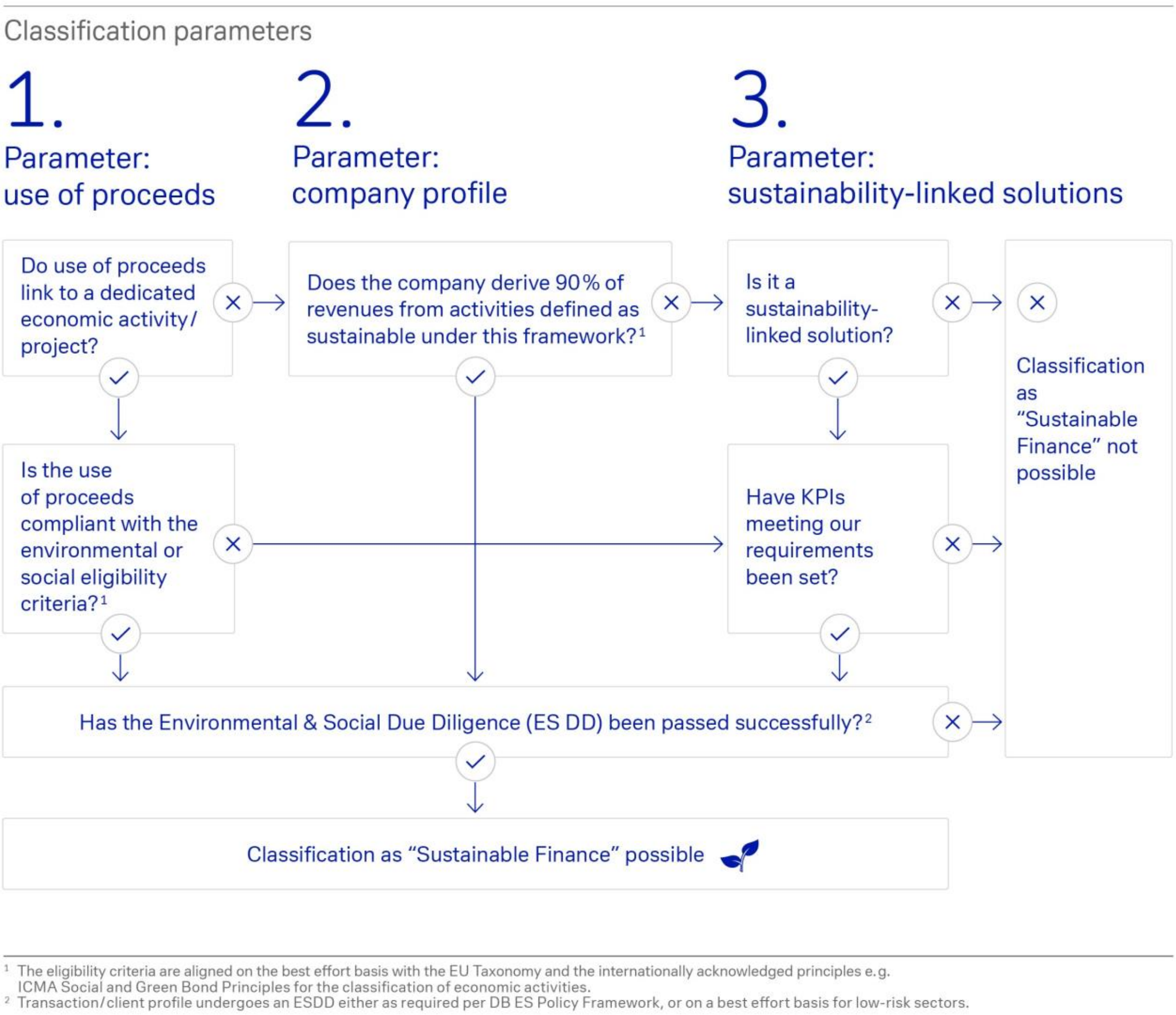

Figure 2. Deutsche Bank's Classification logic

In the below table, each parameter outlined in Deutsche Bank's Sustainable Finance Framework split into different financing approaches[17] is assessed. The evaluation is based on criteria derived from market practices.[18] Deutsche Bank's Group Sustainability verifies the Sustainable Finance classification of all transactions, financial products, and services issued under the Sustainable Finance Framework and conducts an independent environmental and social due diligence.

PARAMETER	CRITERIA	ASSESSMENT OF DEUTSCHE BANK'S SUSTAINABLE FINANCE CLASSIFICATION SYSTEM
Dedicated Purpose Financing (standard approach)	Dedicated Purpose Financing contributes to sustainability objectives if proceeds are exclusively allocated to activities that are subject to specific and credible ESG-related eligibility criteria.	Where a dedicated use of proceeds can be determined, environmental and social eligibility criteria will be applied to determine whether the underlying economic activities can be classified as sustainable. There are two basic considerations: Firstly, activities helping to sustain, improve and protect the environment, and secondly, activities enabling social development, especially in marginalized target groups but also in certain cases for the general public. Additionally, Deutsche Bank systematically implements Environmental and Social due diligence process to ensure that beneficiaries identify and mitigate material environmental and social risks associated with the proposed projects. The Bank has indicated that for asset-specific financing, there is a dedicated use-of-proceeds requirement in the loan agreement, and it will be monitored to ensure proceeds are allocated only to the eligible categories. In addition, Deutsche Bank refers to relevant international market standards such as ICMA SBP and GBP to define its eligibility criteria and on a best effort basis aligns with the EU Taxonomy. A detailed SDG assessment of the eligibility criteria presented in the

[17] Parameter 1: Use of Proceeds, Parameter 2: Company Profile, Parameter 3: Sustainability-linked products.
[18] These include, but are not limited to the ICMA GBP, SBP, and SBG, the SLBP and the Climate Transition Handbook; the GLP and SLP; the SLBP and SLLP, as administered by the LMA; the UNEP FI PRB and the EBA guidelines for environmentally sustainable lending.

		Sustainable Finance Framework can be found in Annex II of this report. Based on our proprietary SDG Solutions Assessment (SDGA) methodology, 90.27% (above 90%[19]) of the eligibility criteria contribute to the Sustainable Development Goals. **Opinion:** *9.73%% of the categories are considered to have 'No Net Impact', limiting the contribution to sustainability objectives for these particular categories. At Framework level, no information is available on the future share of sustainable financing transactions to the eligible categories assessed by ISS ESG SDGA proprietary methodology as having 'No Net impact'. The Bank refers to relevant international market standards to define its eligibility criteria and on a best effort basis aligns with EU Taxonomy, reflecting market practices.*
General Purpose Financing (standard approach)	General-purpose financing contributes to sustainable objectives if the funds are allocated to companies for whom a majority of their revenue/CAPEX R&D or OPEX derive from designated eligibility criteria. Generally accepted thresholds in the market are ≥ 90%[20] to designate green or social 'Pure	According to Deutsche Bank's Sustainable Finance Framework, to be classified as sustainable, the beneficiary needs to derive from its core business at least ≥ 90% of its revenues from eligible environmental and/or social categories as listed in the Sustainable Finance Framework. In exceptional cases, when revenues are not a possible or meaningful indicator, a reasonable substitute can be considered by Group Sustainability. Furthermore, the Bank sets exclusion criteria outlined in the Sustainable Finance Framework, applied at the group level. For sectors that are currently not subject to mandatory Environmental and Social due diligence under the Bank's Environmental and Social Policy

[19] It is noted that at least 90% of the eligible categories considered under the underlying Framework (i.e., 100% that are classified as sustainable) should contribute positively to the SDGs, in conformity with the ISS ESG SDGA methodology.
[20] Green Bond Principles, Appendix I (June 2022), Note I, and Climate Bonds Initiative Standard Version 3.0 (December, 2019), Green Bond Database Methodology, July 2022

	Players' with a defined exclusion list for the remaining share.	Framework[21], respective business lines and Group Sustainability will conduct due diligence on a best-effort basis. In addition, Deutsche Bank refers to relevant international market standards such as ICMA SBP and GBP to define its eligibility criteria and on a best-effort basis aligns with the EU Taxonomy. The Bank has communicated that CAPEX may be used as a metric for companies in the early stage where the use of proceeds is not yet available. The Bank has indicated that for asset-specific financing, there is a dedicated use-of-proceeds requirement in the loan agreement and will be monitored to ensure proceeds are allocated only to the eligible categories. ***Opinion:*** *The 90% threshold proposed is considered to be appropriate and in line with market practices. The Bank uses a revenue-based threshold for companies and may apply screening for companies in early stage based on CAPEX when the use of proceeds is not yet available. The Bank refers to relevant international market standards to define its eligibility criteria and on a best-effort basis aligns with EU Taxonomy, reflecting market practices. Based on our proprietary SDG Solutions Assessment (SDGA) methodology, 90.27% (above 90%) of the eligible categories contribute to the Sustainable Development Goals. 9.73% of the categories are considered to have 'No Net Impact', limiting the contribution to sustainability objectives for these particular categories. At Framework level, no information is available on the future share of sustainable financing transactions to the eligible*

[21] Deutsche Bank Environmental and Social Policy Framework, May 2023,
https://www.db.com/files/documents/csr/sustainability/Deutsche-Bank-ES-Policy-Framework-English.pdf

		categories assessed by ISS ESG SDGA proprietary methodology as having 'No Net impact'. Exclusion criteria are further described in Part III of this report.
General Purpose Financing (Sustainability-Linked Financing)	Sustainability-linked Financing contributes to sustainable objectives if the associated KPIs[22] are material, core and relevant to the borrowers business model and the associated targets are ambitious. Further, it is considered as best market practice that transactions are subject to an external review, providing verification of the alignment against ICMA/LMA core principles, the aforementioned dimensions, and, in particular, the ambition of the selected SPTs.[23]	According to the Deutsche Bank's Sustainable Finance Framework, the requirements set for sustainable-linked transactions are derived from recognized industry standards such as the LMA / LSTA / APLMA Sustainability Linked Loan Principles or the ICMA Sustainability-Linked Bond Principles. The pre-determined SPTs need to be ambitious and consistent, material for clients' business and core economic activities, and verifiable and reportable. According to the Sustainability-linked loan principles set forth by the LMA, borrower's performance against each SPT for each KPI is externally reviewed at least annually. For transactions where the borrower is a non-listed entity, or not subject to any mandatory disclosure, Deutsche Bank internally conducts a comprehensive review of the transaction against the five core components outlined in the sustainability-linked principles, namely, selection of KPIs, calibration of SPTs, loan characteristics, Reporting and Verification. The Bank has confirmed to ISS that a list of described principles and standards[24] are applied when selecting material KPIs, and SPTs are determined based on benchmarks such as the borrower's performance over time, Peer comparison,

[22] Key Performance Indicators, which can be external or internal and fit into the sustainability strategy of the borrower should be relevant, measurable, externally verifiable and able to be benchmarked.
[23] Sustainability Performance Targets, which should be ambitious, represent a material improvement in the respective KPIs, where possible be compared to a benchmark, be consistent with the borrowers' overall ESG strategy and be determined on a predefined timeline.
[24] ICMA's KPI Materiality Matrix, materiality to the sectoral ESG challenges and the borrower, and alignment with the borrower's sustainability and transition strategy. Additional standards are also considered such as MSCI's ESG Industry Materiality Map, SD-KPI Standard, and SASB Materiality Filter.

		Science-based targets. In addition, the Bank strongly encourages clients to have the SPT being verifiable by an external provider and reported ideally annually. ***Opinion**: ISS favourably notes the reference and commitment to adhere to the relevant market standards and guidelines for sustainability-linked financing[25]. However, it is noted that Deutsche Bank at the Framework level does not mandatory require but recommends pre- or mandatory post-signing external reviews[26] from its beneficiaries. Deutsche Bank assesses the SPTs and underlying KPI information internally to ensure the key sector-specific ESG challenges faced by a borrower and its industry in a holistic way, and they are linked to the client's overall sustainability and/or transition strategy. Deutsche Bank also prefers clients to verify the SPTs to be measured and audited by a recognized and reputable external provider and encourages clients to adhere to recognized industry standards for any sustainability-linked products. In the absence of comprehensive external reviews assessing the ambition level of associated targets, general-purpose financing may be granted to entities that have not set adequate sustainability goals and/or credible action plans to reach sustainability goals. Finally, due to the general fungible nature of financing flows, the general-purpose financing may indirectly benefit financing that is not classified as sustainable.*

[25] Please note that ISS cannot assess the materiality of KPI and ambition level of SPT for future Sustainability-Linked Transactions in this report.
[26] As opposed to pre-signing external review, which is recommended, post-signing verification of the SPT(s)' performance or progress is a necessary element of the Sustainability-Loan Principles and Sustainability-Linked Bond Principles

ESG-linked Hedging/Trading (Sustainability-Linked Derivatives)	Sustainability-Linked Derivatives (SLD)[27] contribute to the sustainable objective if it embeds or creates a sustainability-linked cashflow using KPIs that are material, core and relevant to the borrower's business model to monitor compliance with ESG targets[28] that are ambitious. To ensure the KPIs chosen are credible, counterparties should ensure they are specific, measurable, verifiable, transparent, and suitable. Accurate KPIs (i) can be objectively verified and (ii) have legal certainty over how they operate and impact cashflows should enhance the credibility of the corresponding SLD and, by extension, the wider	According to Deutsche Bank's Sustainable Finance Framework, the minimum requirements for SLD transactions are based on recognized industry standards such as the ISDA guidance for Sustainability-Linked Derivatives. Furthermore, the Bank encourages all clients to seek adherence to these standards. The Bank confirms that the scope of KPI is set in a clear manner to minimize the possibility of the counterparties reaching different interpretations. In each instance, the Bank ensures that the financial incentive/payment changes related to KPI achievement are appropriate to the structure and material. The Bank seeks for clients to have KPIs verified at least annually externally either separately or reported in published accounts. The Bank has communicated that a list of described principles and standards[30] are applied when selecting material KPIs, and SPTs are determined based on benchmarks such as the borrower's performance over time, Peer comparison, Science-based targets, Compliance with the Issuer's framework, and SPT being verifiable by an external provider and reportable ideally annually. ***Opinion**: At the Framework level, Deutsche Bank will adhere to the structuring guidelines under Sustainability-linked Products (Parameter 3) and also the Sustainability-Linked Derivatives*

[27] ISDA Guidance, Sustainability-Linked Derivatives - Where to begin?, May 2022, https://www.isda.org/a/ZfVgE/Sustainability-linked-Derivatives-Where-to-Begin.pdf

[28] Both KPIs and the corresponding pricing and cashflows can take a number of forms

[30] ICMA's KPI Materiality Matrix, materiality to the sectoral ESG challenges and the borrower, and alignment with the borrower's sustainability and transition strategy. Additional standards are also considered such as MSCI's ESG Industry Materiality Map, SD-KPI Standard, and SASB Materiality Filter.

	sustainability-linked market.[29]	*Guidelines, as administered by the International Swaps and Derivatives Association (ISDA) among other requirements, ensuring that KPIs chosen are specific, measurable, verifiable, transparent, and suitable. Furthermore, it is considered market practice to obtain KPI verification by an independent third party or performed by one of the counterparties on a frequent basis. ICS favourably notes the reference to the relevant market standards for Sustainability-Linked Derivatives[31]. It is also noted that Deutsche Bank does not systematically require an external review on the materiality of the KPI.*

[29] International Swaps and Derivatives Association, Inc. (ISDA) Sustainability-Linked Derivatives: KPI-Guidelines September 2021, https://www.isda.org/a/xvTgE/Sustainability-linked-Derivatives-KPI-Guidelines-Sept-2021.pdf
[31] Please note that ISS cannot assess the materiality of KPI and ambition level of SPT for future Sustainability-Linked Transactions in this report.

PART III: ASSESSMENT OF DEUTSCHE BANK'S ESG RISK MANAGEMENT

The table below evaluates Deutsche Bank's ESG-specific risk management measures and policies that are considered relevant at group level and that are considered relevant in the context of its sustainable financing activities. The KPIs emphasize sustainability-related risks considered relevant to the banks' operations. The KPIs are derived leveraging the ISS ESG Corporate Rating to identify the relevant topics based on its industry; these KPIs are then further integrated with additional elements derived from market principles such as the task force on Climate-Related Financial Disclosure.[32] The minimum requirements for a positive assessment are based on the number of sub-indicators (specific to each KPI) that are satisfied as part of any KPI.

The Framework applies to Deutsche Bank Group globally, to the Corporate Bank and Investment Bank divisions as well as to Private Bank's commercial lending activities.

ASSESSMENT AGAINST KPIs
ESG guidelines into financing process
Deutsche Bank integrates the environmental and social due diligence provisions as part of its Reputational Risk Framework. The due diligence provisions consist of cross-sectoral and sector-specific requirements that jointly form the Deutsche Bank's Environmental and Social (ES) Policy Framework[33]. The Framework was approved by the Group Reputation Risk Committee and applies to lending and trade finance activities of Corporate Bank, lending and capital market activities of Investment Bank, as well as to Private Bank's commercial lending activities. For the purpose of asset selection under this Framework, the Bank leverages the ES due diligence defined by the ES Policy Framework. During the environmental and social risk review process, the materiality of identified environmental and social risks will be evaluated, along with the associated reputational risks. If the risks are deemed to pose material reputational risks, or meet one of the mandatory referral criteria, the transaction will be referred to one of the four Regional Reputational Risk Committees. If issues are not resolved, the governance structure requires escalation to the Group Reputational Risk Committee whose authority is delegated by the Group Risk Committee and the Management Board. Depending on the risk profile, mitigation measures will be proposed,

[32] Task force on Climate-related Financial Disclosures, 2022 Status report, https://assets.bbhub.io/company/sites/60/2022/10/2022-TCFD-Status-Report.pdf
[33] Deutsche Bank Environmental and Social Policy Framework. https://www.db.com/files/documents/csr/sustainability/Deutsche-Bank-ES-Policy-Framework-English.pdf.

and the clients will be engaged. Deutsche Bank will monitor progress towards agreed-upon mitigation measures.

Deutsche Bank manages environmental and social risks in line with Deutsche Bank's Code of Business Conduct and Ethics, applicable to all employees, as well as interactions with internal and external stakeholders.

Financed emissions	
✓	Deutsche Bank measures its financed emissions in line with relevant methodologies. The key metrics used to assess transition risk in the Bank's portfolios are carbon intensity and financed emissions. The Bank estimates and monitors financed emissions using the standard from the Partnership for Carbon Accounting Financials (PCAF) and in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Carbon-related financing	
✓	**Carbon-related financing** Deutsche Bank publishes the carbon footprint of its corporate loan exposure to, and financed emissions of, key carbon-intensive industries as well as quantitative 2030 (interim) and 2050 decarbonization targets for seven carbon intensive sectors in the Group's corporate lending book on its website.[34] **Measuring the Bank's financed emissions** As of 31 December 2021, Deutsche Bank's total loan portfolio was €476 billion. Of this, €105 billion, or 22%, consists of loans to our corporate industry sectors.[35] Initial estimates, based on the PCAF standard, suggest that financed emissions from the corporate loan book are 30.8 million tonnes of CO_2 equivalent (scope 1 and 2). Sixty-eight percent of financed emissions are generated by three sectors which account for 16% of corporate lending and just 3.6% of Deutsche Bank's overall loan portfolio. Moreover, emissions are heavily concentrated in a small number of larger exposures within each of those portfolios. For recent developments refer to 2022 Non-Financial Report (pp.45; Non-Financial-Report-2022.pdf (db.com)). **Net zero targets in seven key sectors**

[34] Deutsche Bank's Transition Plan, Available at: https://www.db.com/what-we-do/responsibility/sustainability/transition-plan/index
[35] For the purposes of this disclosure, corporate loans represent total lending to the 17 corporate industry portfolios which Deutsche Bank manages under its industry risk management framework.

Deutsche Bank announced net zero aligned targets for 2030 and 2050 in seven carbon-intensive sectors, and published an initial transition plan in October, 2023[36]. The Bank's goal is to reduce the amount of financed emissions (Scope 3) significantly by 2030. The targets represent a core element of Deutsche Bank's sustainability strategy and reflect the Bank's commitments as a founding member of the Net Zero Banking Alliance (NZBA). To achieve this target, Deutsche Bank has founded a Net-Zero Forum with participation of the Businesses as well as Risk and the Chief Sustainability Office.

Deutsche Bank's methodology, which is designed to be in line with emerging best practice, aims to support a progressive and orderly phase-out of fossil fuel usage while incentivizing the financing of lower carbon-intensity technologies and clients with credible transition plans.

Deutsche Bank's targets cover sectors accounting for a significant proportion (approximately 60%) of financed emissions of the bank's total loan exposure of € 489 billion as of 31 December 2022, as well as key sources of global Scope 3 emissions of clients. Targets for each sector are as follows :

- Oil & Gas (Upstream): 23% reduction in Scope 3 upstream financed emissions by 2030, and 90% reduction by 2050, in millions of tonnes of CO_2
- Power Generation: 69% reduction in Scope 1 physical emission intensity by 2030 and 100% reduction by 2050, in kilogrammes of CO_2 equivalent per megawatt hour
- Automotive (light-duty vehicles): 59% reduction in tailpipe emission intensity by 2030 and 100% reduction by 2050, in grammes of CO_2 per vehicle kilometer
- Steel: 34% reduction in Scope 1 and 2 physical emission intensity by 2030 and 92% reduction by 2050, in kilogrammes of CO_2 equivalent per tonne steel
- Coal Mining: 49% reduction in Scope 3 financed emissions by 2030, and 97% reduction by 2050, in metrics tonnes of CO_2
- Cement: 29% reduction in Scope 1 and 2 physical emission intensity by 2030 and 98% reduction by 2050, in kilogrammes of CO_2 equivalent per tonne cement
- Shipping: scope 1 scoring of 0% achieved by 2030 and 2050 based on the Poseidon Principles Portfolio Level Alignment Score in percent

[36] Deutsche Bank Initial Transition Plan, October 19, 2023, https://www.db.com/what-we-do/responsibility/sustainability/transition-plan/documents/Transition-Plan.pdf

In addition, Deutsche Bank joined the EP100 initiative, committing to net-zero operational carbon at owned occupied assets globally by 2030 and the RE100 initiative under The Climate Group, committing to 100% of renewable energy used for own operations by the end of 2025.

Labour, Health and Safety

✓

Deutsche Bank is a member of the Equator Principles which apply respective labour, health and safety standards for in-scope projects. Moreover, Deutsche Bank has made formal commitments to the UN Global Compact, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. Deutsche Bank requires for all projects compliance with local E&S laws and regulations, and the borrowers of project in non-designated countries to comply with the requirements of IFC Performance Standards and the World Bank Group Environmental, Health and Safety Guidelines.

Deutsche Bank has due diligence processes in place that focus on its clients' policies and procedures to protect the health and safety of its employees and subcontractors, including having a Health and Safety Management System that is aligned with Good International Industry Practice or OHSAS 18001. Deutsche Bank will not engage in business activities where DB has substantiated evidence of material adverse human rights impacts such as child or forced labor.

Biodiversity

✓

The Bank has a due diligence process in place to all financed assets, to ensure there's no material negative environmental and/or social impacts. For clients in high or enhanced environmental and social risk sectors[37], the Issuer follows the environmental risk assessment as outlined in the Environmental and Social (ES) Policy Framework. Moreover, according to Deutsche Bank's ES Policy Framework, the Issuer will not knowingly finance the following: Activities that fall within close proximity to a World Heritage Site unless there is a consensus with both government and UNESCO confirming it will not affect the value of the site.

Projects that involve clearing of primary tropical forests, areas of High Conversion Value (HCV) or peatlands, or illegal use of fire.

Deutsche Bank requires its clients in scope of Equator Principles to represent and warrant in loan documentation that Equator principles requirements will

[37] Agriculture and forestry, chemicals, infrastructure projects in certain countries, metals and mining, oil and gas (including hydraulic fracturing and exploration in the Arctic), utilities and other activities either with a high carbon intensity and/or potential for human rights infringements.

be implemented including to develop associated Environmental and Social Management Systems and Plans, and to report on compliance with the above systems and plans.

Community Dialogue

✓ Deutsche Bank is an Equator Principles Financial Institution, and it confirms to integrate community dialogue into part of the planning process for all in-scope projects. Deutsche Bank requires its clients to represent and warrant in loan documentation that IFC Performance standards will be implemented to develop associated Environmental and Social Management Systems and plans. Additionally, Deutsche Bank requires borrowers to report on compliance with the above systems and plans. For high-risk projects[38], an external environmental and social consultant is engaged to audit borrower's adherence to IFC standards. The Issuer tracks all identified corrective actions through a Borrower Corrective Action Plan, where penalties may be required if not adhered to.

For out-of-scope projects, the Issuer considers all transactions in relation to the implementation of Good International Industry Framework and in line with its Environmental and Social Risk Policy Framework.

Inclusion

✓ The Bank ensures universal access, especially to vulnerable or disadvantaged populations financed under the Framework. Deutsche Bank refers to the national or state regulation as guideline when selecting eligible social assets, and therefore exclude luxury units. The Bank provided that currently, the identified assets of Essential Services in the United States are all supported by a federal or/and state-run scheme[39].

Responsible treatment of customers with debt repayment problems

✓ Deutsche Bank has established processes to responsibly treat customers with debt repayment problems, that including a variety of steps to mitigate hardship in conjunction with nonperforming loans, notifies clients early if they fail to repay loans or repay late, and various measures to deal responsibly with clients having debt repayment problems.

The Bank's Global Client Suitability and Appropriateness Policy includes minimum standards that must be met with regards to the implementing

[38] Ibid.
[39] Medicare and Medicaid, U.S. Department of Health and Human Services https://www.hhs.gov/answers/medicare-and-medicaid/what-is-the-difference-between-medicare-medicaid/index.html

controls related to performance, the clarity of warnings and notification provided to clients along with the effectiveness.

Exclusion criteria

Deutsche Bank's due diligence assessment includes a negative screening of exclusion criteria. The Bank excludes the following:

- Controversial Weapon, conflict countries, private military security companies, along with automatic and semiautomatic firearms and human-out-of-the-loop weapon systems.
- Business associated with adult entertainment, associated branded products or service or prostitution.
- Online Gambling

Deutsche Bank will not engage in business operations where there is substantiated evidence of significant adverse human rights consequences and where it has been determined that human rights impacts cannot be prevented or properly mitigated. Additionally, Deutsche Bank shall refrain from any actions or associations where there is undeniable proof of environmental harm. Hence, the Bank will not finance the following:

- Actions that fall under the definition of child or forced labor as defined in the International Labor Organization's basic treaties.
- Actions that fall under close proximity to a World Heritage Site unless there is a consensus with both the government and UNESCO confirming it will not affect the value of the site.
- Projects that involve clearing of primary tropical forests, areas of High Conversion Value (HCV) or peatlands, or illegal use of fire.
- New coal power plants and new thermal coal mining projects or the associated infrastructure. Mining activities, that make use of Mountain Top Removal (MTR) as their extraction method and contribute to the total annual MTR coal production in the United States.
- Oil sands: no financing of new projects involving exploration, production, and transport/processing; Arctic region: no financing of new oil and gas projects in the Arctic region (as demarcated by the 10°C July isotherm boundary); Oil and gas extracted using hydraulic fracturing: no financing of projects in countries with extremely high-water stress.

Deutsche Bank has an internal process in place along with due diligence processes, within the Environmental and Social Sustainable Finance standards. Additionally, the Bank manages risks in accordance with its Environment and Social Policy Framework.

PART IV: CONSISTENCY OF THE SUSTAINABLE FINANCE FRAMEWORK WITH DEUTSCHE BANK'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Bank

TOPIC	THE BANK'S APPROACH
Strategic ESG topics	The Bank focuses on providing sustainable growth and driving the transition towards a sustainable and climate-neutral economy. These sustainability pillars are anchored in the Code of Conduct.[40] The cumulative sustainable financings and investments facilitated by Deutsche Bank reached € 279 billion as of December 2023.
ESG goals/targets and action plan	To achieve its strategic ESG topics, Deutsche Bank has set the following six goals: ▪ Achieve cumulative sustainable financing and investment volumes since January 2020 of over € 200 billion by the end of 2022 and a cumulative € 500 billion by the end of 2025 (excluding DWS) ▪ Fulfill Deutsche Bank's net-zero commitments for key carbon intensive sectors by accompanying clients in their transformation (Transition Dialogue) ▪ Strengthen policies and controls to guide the Bank's actions and ensure compliance ▪ Empower employees and establish sustainability as core value of the Bank's culture ▪ No financing of thermal coal mining from 2025 onward for clients in scope of the policy and without credible transition plans ▪ More female leadership: 35 percent of Managing Director, Director and Vice President positions are to be represented by women by 2025 The goals are publicly disclosed on the Bank's website.[41]
Climate Transition Strategy	Deutsche Bank targets to achieving climate neutrality in all of its operations by 2050 and reduce 50% of scope 1 and 2 emissions on defined assets by 2030. Concerning Deutsche Bank's sustainability strategy and its commitment to the Net Zero Banking Alliance[42], the

[40] Deutsche Bank 2022, Code of Conduct, 2022 https://investor-relations.db.com/files/documents/documents/code-of-business-conduct-and-ethics-for-deutsche-Bank-group.pdf?language_id=1&kid=code-of-conduct.redirect-en.shortcut
[41] Deutsche Bank Website https://www.db.com/what-we-do/responsibility/sustainability/sustainability-strategy
[42] Deutsche Bank 2022, Decarbonization plan https://www.db.com/news/detail/20221021-deutsche-Bank-publishes-targets-for-carbon-footprint-reduction?language_id=1

	Issuer has set 2030 and 2050 net zero aligned targets, and 2030 reduction target for financed scope 3 emissions in seven carbon-intensive sectors.
Top three areas of breaches of international norms and ESG controversies in the industry[43]	Failure to mitigate climate change impacts, Failure to prevent money laundering, Anti-competitive behavior, and Failure to pay fair share of taxes.
Breaches of international norms and ESG controversies by the Issuer	At the date of publication and leveraging ISS ESG Research, a controversy in which the Issuer would be involved has been identified: The New York State (NY) Department of Financial Services (DFS) announced in July 2020 that it had fined Deutsche Bank AG and two of its subsidiaries, including Deutsche Bank AG/New York Branch, $150 million over anti-money laundering (AML) compliance infringements and lax oversight of financial transactions of convicted sex offender Jeffrey Epstein, who was a client at Deutsche Bank between 2013 and 2018. The media previously reported in June 2019 that Deutsche Bank was under investigation by the United States Federal Bureau of Investigation (FBI) over potential AML compliance violations, including the Issuer's handling of so-called suspicious activity reports (SARs) in relation to former U.S. President Donald Trump. As part of a 2017 settlement with the U.S. DFS and the United Kingdom's Financial Conduct Authority (FCA), Deutsche Bank has been working with an independent compliance monitor, whose scope was widened to address the infringements mentioned in the July 2020 NYDFS consent order. At the time, the FCA noted the Bank's cooperation and commitment to a remediation program to mitigate money laundering risks. In communication with ISS ESG in May 2022, Deutsche Bank stated that it is not legally permitted to disclose the overall status of the independent monitorship. However, the Bank stated that its control functions and business divisions "are working hard to put the processes and structures in place to prevent a recurrence of a large number of litigation cases and regulatory investigations." ISS ESG notes the Bank's enhancement efforts and awaits confirmation of the efficacy of its AML measures from the independent monitor.

[43] Based on a review of controversies identified by ISS ESG over a 2-year period, the top three issues that have been reported against companies within the Commercial Banks and Capital Markets industry are displayed above. Please note that this is not a company specific assessment but areas that can be of particular relevance for companies within that industry

	In the context of this External Review, Deutsche Bank has provided the following information: ▪ The Bank has invested more than EUR 4 billion to bolster controls, training, and operational processes in an effort to mitigate and prevent AML compliance violations.
Sustainability Reporting	The Bank reports on its ESG performance and initiatives on an annual basis. The report is prepared in accordance with the Global Reporting Initiative (GRI). Deutsche Bank reports climate risks following the Task Force on Climate-Related Financial Disclosures (TCFD). Over the 2020 – 2022 period.
Industry associations, Collective commitments	Deutsche Bank joined the RE100 initiative under the Climate Group in 2022, committing to source 100% renewable electricity for its own operations by the end of 2025. Also, Deutsche Bank has joined the EP100 initiative and is committed to achieving net zero operational carbon at owned occupied assets globally by 2030. Moreover, Deutsche Bank is a signatory to the ten principles of the UN Global Compact, a member of the UN's Environment Program Finance Initiative (UNEP FI) and a signatory of the UNEP FI Principles for Responsible Banking. It is the founding signatory to the Net-Zero Banking Alliance, committing to align the operational and attributable emissions from its portfolios with the pathways to net zero by 2050 or sooner. Furthermore, the Bank is a signatory to the Equator Principles, who commits to report on project-related transactions that fall within the scope of the Equator Principles, and a signatory to the Paris Pledge for Action to commit to accelerating the transformational changes needed to reduce global warming to within acceptable limits.
Previous sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework	The Bank has issued two benchmark Green Bonds following the Green Financing Framework, respectively in June 2020 and March 2021. The first one raised EUR 500 m and the second one EUR 800 m.[44] These instruments have been externally verified by ISS. The Bank published its first Sustainable Finance Framework in 2020.

[44] Deutsche Bank Green Financing, https://investor-relations.db.com/files/documents/green-financing/DB_Green_Financing_Instruments_Report_2020.pdf?language_id=1

Rationale for establishing the Framework

By publishing the Sustainable Finance Framework applied to lending and financing as well as Green Financing Framework applied to DB's own, and issuance of sustainable financing instruments, Deutsche Bank aims to contribute to the transition to a climate-neutral economy. Moreover, Deutsche Bank aims to give its clients access to financing to pursue a transition to an environmentally sustainable and socially inclusive future.

Opinion: *The Sustainable Finance Framework is consistent with the Bank's sustainability strategy. The rationale for establishing a Sustainable Finance Framework is clearly described by the Bank.*

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1. Validity of the External Review ("External Review"): Valid as long as the cited Framework remains unchanged.
2. ISS Corporate Solutions, Inc. ("ICS"), a wholly-owned subsidiary of Institutional Shareholder Services Inc. ("ISS"), sells, prepares, and issues External Reviews, on the basis of ICS' proprietary methodology. In doing so, ICS adheres to standardized procedures designed to ensure consistent quality.
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The parent company of Institutional Shareholder Services ("ISS"), ISS HoldCo Inc., has since February 2021 been principally owned by Deutsche Börse AG ("DB") with the remainder owned by Genstar Capital ("Genstar") and ISS management. In April 2023, DB announced its intention to combine ISS with Qontigo, another entity controlled by DB, with General Atlantic to become the sole minority shareholder of the combined entity. The combination is expected to be completed in the third quarter of 2023. In July 2023, the stakes of Genstar and ISS management in ISS HoldCo Inc. were acquired by DB. The non-interference and similar policies implemented by ISS related to Genstar are no longer applicable and disclosures regarding Genstar and ISS management's ownership of ISS are withdrawn.

ANNEX 1: Methodology

PART I: REVIEW OF THE SUSTAINABLE LENDING FRAMEWORK

We consider relevant market guidelines in the assessment of sustainable finance strategies. The analysis considers criteria from a set of different market standards, voluntary guidelines, and market practices e.g. the Loan Market Association's Green Loan Principles, Social Loan Principles, Sustainability-Linked Principles[45] the UNEP-FI PRB[46], and the Guidelines proposed by the European Banking Authority with respect to environmentally-sustainable lending. The application of the LMA principles, comprising voluntary guidelines is limited to the assessment of characteristics of a specific transaction.

SECTION	ASSESSMENT CRITERIA
1. Objectives, Targets & Progress	For a lending strategy to be classified as sustainable, banks should embed these within the context of their overarching sustainability objectives. The institutions should further include relevant qualitative and, where feasible, quantitative targets to measure the progress on its commitments. Banks provide transparency on how to increase positive impacts, reduce negative impacts, and mitigate ESG risks. The sustainability strategy is expressed by referring to alliances such as the UN Sustainable Development Goals, the Paris Climate Agreement, or national or regional frameworks.
2. Definition of Sustainable Lending Activities	The sustainable lending strategy should define clearly and comprehensively what transactions are deemed as sustainable based on precise parameters. Ideally, the Bank should provide an exhaustive list of eligible sustainable activities. Those criteria should ensure a positive contribution to relevant sustainability objectives and be sufficiently precise to ensure a minimum level of contribution to those objectives (e.g., clear definition, quantified thresholds, or impact indicators) while ensuring that other objectives are not harmed.
3. Evaluation & Selection Process	Banks should have a comprehensive and documented process in place to ensure that the classified projects align with the eligibility criteria for sustainable lending instruments. The borrower of a green/social loan should clearly communicate the environmental/social objective(s) of the projects, the process by which the borrower determines how the project(s) to be funded fits within the eligible project categories; and complementary information on the processes by which the borrower identifies and manages perceived, actual or potential environmental and social risks associated with the relevant project(s). Where applicable, information about sustainability-related business objectives

[45] Loan Market Association, Sustainable Finance, Principles, https://www.lma.eu.com/sustainable-lending/documents
[46] United Nations Environmental Programme – Finance Initiative Principles for Responsible Banking, https://www.unepfi.org/banking/bankingprinciples/

	of the borrowers should be collected. For lenders to incentivize sustainability performance of its borrower(s), they should ensure collecting from their borrower(s) the rationale of KPI/SPT selection, the KPI definition and calculation methodology as well as the SPT calibration, documentation on materiality and ambitiousness of the KPIs and SPTs. Lenders should encourage its borrowers to obtain a pre-signing external review and KPI/SPT assessment on a deal-by-deal basis.
4. Governance & Monitoring	Clear governance mechanisms should be in place to ensure that the products classified as sustainable remain in line with the criteria for sustainable lending instruments throughout their lifecycle. This should include a process to deal with products that cease to meet the eligibility criteria. Effective governance procedures pertaining to sustainability, assigning clear roles and responsibilities, and segregating duties are in place to promote sustainable business practices. Management of proceeds should be attested by the borrower in a formal internal process linked to the borrower's lending and investment operations for green or social projects. The borrower should make known to the lenders any intended types of temporary placement for the balance of unallocated proceeds. Where appropriate, it is recommended that borrowers appoint (an) external review provider(s) to assess the alignment of their green loan or green loans program with the four core components of the LMA principles. The lender has processes in place for evaluation of the borrower's SPT performance and linking the loans characteristics to the latter. As opposed to pre-signing external review, which is recommended, post-signing verification of the SPT(s)' performance or progress is a necessary element of the Sustainability-Loan Principles.
5. Reporting	Relevant reporting should be conducted frequently and, where feasible, made publicly available to communicate the classified sustainable transactions, as well as the impact and progress of the sustainable lending strategy. Elements to be reported on should be communicated clearly at the inception of the strategy and capture the most significant areas of impact on environmental and social topics.
6. Verification	It is recommended that in connection with the establishment of a sustainable lending framework, banks obtain external reviews. External reviews should be made publicly available.

PART II: ASSESSMENT OF DEUTSCHE BANK'S SUSTAINABLE FINANCE CLASSIFICATION SYSTEM

This section examines the sustainability quality of each of the parameters included in Deutsche Bank's sustainable finance classification system and discusses the sustainability quality of the products complying with those. To corroborate this assessment and using a proprietary methodology, we identify the extent to which Deutsche Bank's eligibility criteria contribute to the UN SDGs.

Assessment of the contribution and association to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, the extent to which the Bank's eligible categories contribute to related SDGs has been identified.

PART III: ASSESSMENT OF DEUTSCHE BANK'S ESG RISK MANAGEMENT

ESG Risk Management KPIs

The Risk Management KPIs serve as a structure for evaluating the sustainability quality – i.e., the social and environmental added value – of the proposed selection criteria as well as the Bank's overall financing operations.

It comprises firstly the definition of the selection criteria offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance can be clearly identified and described.

If a majority of the criteria fulfill the requirement of an indicator, this indicator is then assessed positively. Those indicators may be tailor-made to capture the context-specific environmental and social risks. In addition, the KPIs assess sustainability-related risks considered relevant to the financing operations of the Bank. The evaluation was carried out based on information and documents provided on a confidential basis by the Bank (e.g., Due Diligence procedures).

PART IV: SUSTAINABLE FINANCE FRAMEWORK'S LINK TO DEUTSCHE BANK'S SUSTAINABILITY STRATEGY

This section provides an assessment of the sustainability quality of the Group and how the underlying Sustainable Finance Framework contributes to its sustainability strategy. Drawing on the ISS ESG Corporate Rating, a focus is put on the Group's overarching sustainability policies as well as the management of related ESG risks.

ANNEX 2: Assessment of the contribution to the SDGs[47]

Financial Institutions can contribute to the achievement of the SDGs by financing eligible services/products which help address global sustainability challenges, and by being responsible actors, contributing to minimize negative externalities in their operations along the entire value chain. The aim of this section is to assess the SDG impact of the eligible categories by the Bank in two different ways, depending on whether the proceeds are used to (re)finance:

- specific products/services,
- improvements of operational performance.

1. **Products and services**

The assessment of eligible categories for (re)financing products and services are based on a variety of internal and external sources, such as the ISS ESG SDG Solutions Assessment (SDGA), a proprietary methodology designed to assess the impact of an issuer's products or services on the UN SDGs, as well as other ESG benchmarks (the EU Taxonomy Climate Delegated Acts, the ICMA Green and/or Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of eligible categories for (re)financing specific products and services is displayed on 3-point scale (see Annex 1 for methodology):

Obstruction	No Net Impact	Contribution

Each of the eligible categories has been assessed for its contribution to, or obstruction of, the SDGs[48]:

ELIGIBLE ENVIRONMENTAL CATEGORIES	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS[49]
Electricity generation from renewable sources *Generation of electricity from:* ▪ *Solar Photovoltaic (PV) technology*	Contribution	

[47] The impact of the UoP categories on UN Social Development Goals is assessed with proprietary ISS ESG methodology and may therefore differ from the issuer's description in the framework.
[48] The assessment in this section was run based on detailed criteria which cannot be reflected in this version of our External Review for confidentiality reasons.
[49] The impact of the UoP categories on UN Sustainable Development Goals is assessed with proprietary methodology and may therefore differ from the Bank's description in the framework.

▪ *Concentrated solar power (CSP)* ▪ *Wind Power (Onshore/ offshore)* ▪ *Ocean energy technologies* ▪ *(<25MW) hydropower: Run-of-river plant without an artificial reservoir* ▪ *(<100MW) hydropower: Power density of the electricity generation facility is above 5 W/m^2; or Life-cycle emissions threshold of 100gCO_2e/kWh for electricity production* ▪ *From geothermal energy if defined standards as acceptable in induced seismicity are met*		
Production of heating/cooling or cogeneration of heating/cooling and power from renewable sources *The construction and operation of facilities producing heating/cooling or co-generating heating/cooling from:* ▪ *Solar thermal heating* ▪ *Solar energy* ▪ *Geothermal energy (if defined standards as acceptable in induced seismicity are met*	**Contribution**	
Production of or cogeneration of heating/cooling and power from renewable non-fossil gaseous and liquid fuels *The activity generates heating/ cooling or cogenerates heating/ cooling and power using renewable non-fossil gaseous and liquid fuels of renewable origin meeting defined emissions thresholds.*	**Contribution**	

Electricity generation from fossil gaseous fuels *The activity generates electricity from gas and fulfils either one of the following criteria:* ▪ *High-efficiency gas power plant meeting defined emissions thresholds, with a clear transition pathway to switch to 100% CO2-free fuels (e.g. biogas or green hydrogen) or to carbon capture and storage (CCS) in the second part of the asset lifetime and not later than 2035. In addition, the gas power plant and replacing an existing high emitting electricity generation activity* ▪ *High-flexibility gas power plant meeting defined emissions thresholds that operates only at times where peaking power is required*	**No Net Impact**	
Electricity generation from renewable non-fossil gaseous and liquid fuels *The activity generates electricity using 100% renewable non-fossil gaseous and liquid fuels of renewable origin (e.g. Power-to-Gas or Power-to-Liquid fuels, green hydrogen etc.).*	**Contribution**	
Production of Electricity from Bioenergy (biomass, biogas, or bioliquids) *Facilities that meet defined emissions thresholds and use the following eligible feedstock:* ▪ *First generation sources limited to certified sustainable food/feed crops with low indirect land use change (iLUC) risk.*	**No Net Impact**	

▪ *Third generation sources from algae.* *Any feedstock production that competes with food production, sacrifices forest areas, or areas with high biodiversity or carbon pools in soil (e.g. grass or wetlands is excluded. Biomass or biogas from first-generation palm, soy, peat and non-sustainably produced crops is excluded.*		
Production of Electricity from Bioenergy (biomass, biogas, or bioliquids) *Facilities that meet defined emissions thresholds and use the following eligible feedstock:* ▪ *Second generation sources, including waste, residues and certified sustainable non-food/feed crops (i.e. grasses, miscanthus)* *Any feedstock production that competes with food production, sacrifices forest areas, or areas with high biodiversity or carbon pools in soil is excluded. Biomass or biogas from first-generation palm, soy, peat and non-sustainably produced crops is excluded.*	**Contribution**	
Cogeneration of Heat/cool and power from Bioenergy (Biomass, Biogas, Biofuels) *Facilities that meet defined emissions thresholds and use the following eligible feedstock:* ▪ *First generation sources limited to certified sustainable food/feed crops with low indirect land use change (iLUC) risk.* ▪ *Third generation sources from algae.* *Any feedstock production that competes with food production, sacrifices forest*	**No Net Impact**	

areas, or areas with high biodiversity or carbon pools in soil (e.g. grass or wetlands) is excluded. Biomass or biogas from first-generation palm, soy, peat and non-sustainably produced crops is excluded.		
Cogeneration of Heat/cool and power from Bioenergy (Biomass, Biogas, Biofuels) *Facilities that meet defined emissions thresholds and use the following eligible feedstock:* ▪ *Second generation sources, including waste, residues and certified sustainable non-food/feed crops (i.e. grasses, miscanthus)* *Any feedstock production that competes with food production, sacrifices forest areas, or areas with high biodiversity or carbon pools in soil (e.g. grass or wetlands) is excluded. Biomass or biogas from first-generation palm, soy, peat and non-sustainably produced crops is excluded.*	**Contribution**	
Production of Heat/cool from Bioenergy (biomass, biogas or bioliquids) *Facilities that meet defined emissions thresholds and use the following eligible feedstock:* ▪ *First generation sources limited to certified sustainable food/feed crops with low indirect land use change (iLUC) risk.* ▪ *Third generation sources from algae.* *Any feedstock production that competes with food production, sacrifices forest areas, or areas with high biodiversity or carbon pools in soil (e.g. grass or wetlands) is excluded. Biomass or biogas from first-*	**No Net Impact**	

generation palm, soy, peat and non-sustainably produced crops is excluded.		
Production of heat/cool from bioenergy (biomass, biogas or bioliquids *Facilities that meet defined emissions thresholds and use the following eligible feedstock:* ▪ *Second generation sources, including waste, residues and certified sustainable non-food/feed crops (i.e. grasses, miscanthus)* *Any feedstock production that competes with food production, sacrifices forest areas, or areas with high biodiversity or carbon pools in soil (e.g. grass or wetlands) is excluded. Biomass or biogas from first-generation palm, soy, peat and non-sustainably produced crops is excluded.*	**Contribution**	
Manufacture of biogas or biofuels for use in transport of bioliquids *Manufacture of biogas or biofuels for use in transportation, including sustainable aviation fuels, and of bioliquids meeting defined emissions thresholds and using eligible feedstock.* *Eligible feedstocks include:* ▪ *Third-generation sources from algae; or* ▪ *First-generation sources limited to certified sustainable food/feed crops with low indirect land use change (iLUC) risk* *Any biofuels produced from biomass that sacrifices forest areas, or areas with high biodiversity or carbon pools in soil are excluded. Biofuels from first-generation palm, soy, peat, and non-sustainably produced crops are excluded.*	**No Net Impact**	

Manufacture of biogas or biofuels for use in transport of bioliquids *Manufacture of biogas or biofuels for use in transportation, including sustainable aviation fuels, and of bioliquids meeting defined emissions thresholds and using eligible feedstock.* *Eligible feedstocks include:* ▪ *Second-generation sources, including waste, residues, and certified sustainable nonfood / feed crops* *Any biofuels produced from biomass that sacrifices forest areas, or areas with high biodiversity or carbon pools in soil are excluded. Biofuels from first-generation palm, soy, peat, and non-sustainably produced crops are excluded.*	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Transmission and Distribution of Electricity *All transmission & distribution infrastructure on trajectory to full decarbonization*[50] *and irrespective of this e.g.:* ▪ *Infrastructure directly connecting renewable energy or integrating renewable energy into existing transmission networks* ▪ *Electric Vehicle (EV) charging stations and electric infrastructure for public transport* ▪ *Equipment and infrastructure where the main objective is an increase of the renewable electricity generation or use of renewable electricity generation*	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION

[50] A system is deemed to be on a trajectory to full decarbonisation if either (A) more than 67% of newly connected generation capacity in the system is below the generation threshold value of 100 g CO2e/kWh measured on a product carbon footprint (PCF) basis, over a rolling five-year period; or (B) the average system grid emissions factor is below the threshold value of 100 g CO2e/kWh measured on a PCF basis, over a rolling five-year average period

▪ *Installation of highly efficient transmission and distribution transformers* ▪ *Installation of equipment to increase the controllability and observability of the electricity system and to enable the development and integration of renewable energy sources* **Storage of electricity** *The construction and operation of facilities that store energy and return it at a later time in the form of electricity*[51].	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Storage of electricity *The Construction and operation of facilities that store energy and return it at a later time in the form of electricity. The source of the electricity is to be from undefined energy sources.*	**No Net Impact**	
Storage of thermal energy *The activity stores thermal energy, including Underground Thermal Energy Storage (UTES) or Aquifer Thermal Energy Storage (ATES).*	**Contribution**	13 CLIMATE ACTION
Transmission and distribution networks for renewable and low-carbon gases *The activity consists in one of the following:* ▪ *Construction or operation of new transmission and distribution networks dedicated to green hydrogen or other low carbon gases;* ▪ *Conversion/repurposing of existing natural gas networks to 100% green hydrogen;*	**Contribution**	13 CLIMATE ACTION

[51] Source of electricity assessed positively by ISS-Corporate.

▪ *Retrofit of gas transmission and distribution networks that enables the integration of green hydrogen and other low-carbon gases in the network, including any gas transmission or distribution network activity that enables the increase of the blend of green hydrogen or other low carbon gasses in the gas system.* *The activity includes leak detection and repair of existing gas pipelines and other network elements to reduce methane leakage.*		
District heating/cooling *Installation / Modernisation of district heating/cooling systems meeting defined requirements where the system is not in any way reliant on new heating / cooling capacity powered by fossil fuels.*	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Installation and operation of electric heat pumps *The activity of Installation and operation of electric heat pumps meeting defined refrigerant threshold.*	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Production of heat/cool using waste heat *The construction and operation of facilities that produce heat/cool using waste heat.*	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Storage of Hydrogen *The activity is one of the following:* ▪ *Construction of green hydrogen storage facilities;* ▪ *Conversion of existing underground gas storage facilities into storage facilities dedicated to green hydrogen-storage*	**Contribution**	13 CLIMATE ACTION

Manufacture of renewable energy technologies ▪ *Manufacturing of renewable energy technologies and key components in relation to renewable energies defined in the Framework (e.g., wind, solar (solar thermal and solar photovoltaic) and geothermal energy).*[52]	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Manufacture of renewable energy technologies ▪ *Rechargeable batteries, battery packs and accumulators that result in substantial GHG emission reductions in transportation, stationary and off-grid energy storage and other industrial applications.*	**Contribution**	13 CLIMATE ACTION
Manufacture of renewable energy technologies ▪ *Recycling of end-of-life batteries.*	**Contribution**	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Manufacture of low carbon technologies for transport (as per the transport section) *The activity manufactures, repairs, maintains, retrofits, repurposes or upgrades vehicles to transport passengers or freight (on rail, road or water) that either already meet, or with the activity going forward, will meet the criteria defined for the respective vehicle in the Transport & Storage section.* *Any activity related to vehicles that are dedicated to the transport of fossil fuels or any blended fossil fuels are not eligible even if meeting the criteria mentioned for the respective vehicle section.*	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION

[52] Please note that ISS-Corporate can only opine on the examples laid out in the Framework.

Manufacture of energy efficiency equipment for buildings *The following products and their key components meeting defined standards:* ▪ *Building envelope and windows*	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Manufacture of energy efficiency equipment for buildings *The following products and their key components meeting defined standards:* ▪ *For heat generation: electrical heat pumps and district heat exchangers only*	**No Net Impact**	
Manufacture of energy efficiency equipment for buildings ▪ *Smart home, Automations, Monitoring system that aims to improve energy efficiency* ▪ *Key product/components for buildings that improve energy efficiency*[53] *Exclude gas/oil-boilers and combination/hybrid systems of both or partly power-based*	**Contribution**	13 CLIMATE ACTION
Manufacture of energy efficiency equipment for buildings ▪ *Key product/components for buildings that improve energy efficiency*[54]	**No Net Impact**	
Manufacture of other low carbon technologies ▪ *The manufacturing, distribution and/or installation of products or services that increase the energy efficiency of non-GHG intensive industrial processes by minimum 20% of life-cycle emission savings*	**Contribution**	13 CLIMATE ACTION

[53] Energy efficiency classes assessed positively by ISS-Corporate.
[54] Energy efficiency classes assessed a having no net impact by ISS-Corporate.

compared to the best performing alternative technology/ product/ solution available on the market. ▪ *This threshold doesn't apply to manufacturing activities for which eligibility criteria are defined in this document (e.g. steel, cement etc.)* ▪ *For economic activities which fall in the EU Taxonomy scope, the EU Taxonomy thresholds of Activity 3.6 of Annex I Climate Change Mitigation will be applied as a guidance.*		
Manufacture of cement *The activity manufactures one of the following:* ▪ *Cement from gray clinker or alternative hydraulic binder meeting defined CO2e emissions thresholds per tonne of gray cement clinker / cement and clinker / alternative hydraulic binder*	**Contribution**	13 CLIMATE ACTION
Manufacture of Aluminum *The activity manufactures one of the following:* ▪ *Primary aluminum where the economic activity complies with two of the following criteria until 2025 and with all of the following criteria after 2025 meeting the defined thresholds for (a) GHG emissions (Scope 1) in CO2e/t Al; (b) Average carbon intensity for the indirect GHG emissions in CO2e/kWh; (c) Electricity consumption for the manufacturing process in MWh/t Al.*	**Contribution**	13 CLIMATE ACTION

▪ *Secondary Aluminum*		
Manufacture of iron and steel *The activity manufactures iron and steel with one of the following technologies (EC 2019):* ▪ *Direct reduction with natural gas for production of DRI combined with electric arc furnaces (EAF) steelmaking;* ▪ *Scrap-based electric arc furnaces (EAF) steelmaking (so called secondary steel)* ▪ *Technologies that utilize significant amount (> 20%) of CO_2-free hydrogen or CCS (cf. Agora 2019)* *The activity excludes coking and on-site sintering plants.*	**No Net Impact**	
Manufacture of Hydrogen ▪ *Green hydrogen or green hydrogen-based synthetic fuels with electrolyzers powered by renewable energy.* ▪ *Key equipment for the production of green hydrogen*	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Manufacture of organic basic chemicals ▪ *Organic basic chemicals with GHG emissions resulting from production processes meeting defined emissions thresholds*	**Contribution**	13 CLIMATE ACTION
Manufacture of ammonia *The activity manufactures ammonia from green hydrogen*	**Contribution**	13 CLIMATE ACTION

Construction, extension and operation of water collection, treatment and supply systems *Water management systems meeting defined energy consumption thresholds (kWh/m3).*	**Contribution**	6 CLEAN WATER AND SANITATION 13 CLIMATE ACTION
Renewal of water collection, treatment and supply systems *Water management systems meeting defined energy consumption thresholds (kWh/m3).*	**Contribution**	6 CLEAN WATER AND SANITATION 13 CLIMATE ACTION
Construction, extension and operation of wastewater collection and treatment *Wastewater treatment plants meeting defined capacity / energy consumption thresholds.*	**Contribution**	6 CLEAN WATER AND SANITATION 13 CLIMATE ACTION
Renewal of wastewater collection, treatment and supply systems *Wastewater treatment plants meeting defined capacity / energy consumption thresholds.*	**Contribution**	6 CLEAN WATER AND SANITATION 13 CLIMATE ACTION
Collection and transport of non-hazardous waste in single or comingled fractions *All collected and transported non-hazardous waste that is segregated / separated and intended for preparation for reuse or recycling operations.*	**Contribution**	13 CLIMATE ACTION
Material recovery from separately collected non-hazardous waste *The activity converts at least 50%, in terms of weight, of the processed separately collected non-hazardous waste into secondary raw materials that are suitable for the substitution of virgin materials in production processes.*	**Contribution**	13 CLIMATE ACTION

Anaerobic digestion of bio-waste ▪ *The produced biogas incl. controls for methane leakage is either used directly for the generation of electricity or heat, upgraded to bio-methane for injection in the natural gas grid, or used as vehicle fuel or as feedstock in chemical industry.*	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Anaerobic digestion of sewage sludge ▪ *The produced biogas incl. controls for methane leakage is either used directly for the generation of electricity or heat, upgraded to bio-methane for injection in the natural gas grid, or used as vehicle fuel or as feedstock in chemical industry.*	**Contribution**	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Composting of bio-waste ▪ *The compost produced is used as fertilizer or soil improver and meets the defined requirements.*	**Contribution**	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Landfill gas capture and utilization ▪ *Landfill gas capture and utilization in permanently closed landfills, meeting defined requirements* *The landfill gas produced is used for the generation of electricity or heat as biogas, or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle fuel or as feedstock in chemical industry.*	**Contribution**	13 CLIMATE ACTION
Building Construction and Acquisition *Construction, acquisition and operation of new and existing highly energy-efficient buildings in the commercial and residential real estate sector, meeting defined criteria or disposing of an*	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION

internationally and/or nationally recognized certification, e.g. by: ▪ *BREEAM* ▪ *DGNB* ▪ *HQE* ▪ *LEED*		
Building Construction and Acquisition ▪ *Renovation of residential and commercial buildings leading to energy savings of at least 30% in comparison to the baseline performance of the building before the renovation* ▪ *The building renovation complies with the energy performance standards set out in the applicable building regulations for "major renovations" transposing the Energy Performance of Buildings Directive* ▪ *For buildings built before December 31, 2020: after the renovation, the building is within the top 15% of the national or regional building stock*	Contribution	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Installation, maintenance and repair of energy efficiency equipment *Activities meeting defined energy-efficiency standards include e.g.:* ▪ *Addition of insulation to the existing envelope* ▪ *Replacement of existing windows / doors* ▪ *Installation and replacement of energy efficient light sources* ▪ *Installation, replacement, maintenance and repair of heating, ventilation and air conditioning*	Contribution	13 CLIMATE ACTION

(HVAC) and water heating systems, incl. equipment related to district heating service, with highly efficient technologies *Note: For standardized retail business, individual measures that support local energy efficiency targets in the respective countries* will be accepted following a case-by-case assessment.		
Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings *Installation, maintenance or repair of charging stations for electric vehicles.*	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings *Instruments and devices for measuring, regulating, and controlling energy performance of buildings.* *For standardized retail business, individual measures that support local energy efficiency targets in the respective countries will be accepted following a case-by-case assessment.*	**Contribution**	13 CLIMATE ACTION
Installation, maintenance and repair of renewable energy technologies *Installation, maintenance and repair of renewable energy technologies.* *For standardized retail business and individual measures that support local energy efficiency targets in the respective countries will be accepted following a case-by-case assessment.*	**Contribution**	13 CLIMATE ACTION

Passenger interurban rail transport ▪ *Locomotives, passenger railcars with zero direct (tailpipe) emissions or meeting defined emissions thresholds in g CO2/pkm.* ▪ *Rail fleet improvement or replacement with non-emitting technologies.* *Leasing- or Renting-companies are eligible if the company is providing its services only for equipment that meets the above criteria.*	**Contribution**	13 CLIMATE ACTION
Freight Rail Transport ▪ *Locomotives, freight wagons with zero direct (tailpipe) emissions or meeting defined emissions thresholds in gCO2/pkm.* ▪ *Rail fleet improvement or replacement with non-emitting technologies* Leasing- or renting-companies are eligible if the company is providing its services only for equipment that meets the above criteria. *Vehicles that are dedicated to the transport of fossil fuels or any blended fossil fuels are not eligible even if meeting the criteria above.*	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Urban and suburban transport, road passenger transport ▪ *Zero-direct emission vehicles for urban or suburban passenger transport activities (e.g. light rail transit, metro, tram, other rapid transit systems, trolleybus, bus and rail)*	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION

Urban and suburban transport, road passenger transport ▪ *Other vehicles for urban or suburban passenger transport meeting defined emissions thresholds in g CO2/pkm* *Leasing- or renting-companies are eligible if the company is providing its services only for equipment that meets the above criteria.*	**Contribution**	13 CLIMATE ACTION
Operation of personal mobility devices and cycle logistics *Personal mobility or transportation devices meeting defined criteria*	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Freight transport services by road ▪ *Vehicles for freight transport with a mass over 3.5 tons meeting defined emissions thresholds in g CO2/tkm* ▪ *Transport infrastructure energy efficiency* *Vehicles that are dedicated to the transportation of fossil fuels or fossil fuels blended with alternative fuels are not eligible.*	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Transport by motorbikes, passenger cars, light commercial vehicles and category L vehicles ▪ *Vehicles for passenger or freight transport with a mass below 3.5 tons (motorcycles, passenger cars, light commercial vehicles) meeting defined emissions thresholds in g CO2/tkm* ▪ *Transportation infrastructure energy-efficiency measures (e.g. Management of the empty running issue)* ▪ Leasing or renting companies are eligible if the company is providing its	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION

services only for equipment that meets one of the above criteria. *Vehicles that are dedicated to the transportation of fossil fuels or fossil fuels blended with alternative fuels are not eligible*		
Inland passenger water transport *Passenger vessels on inland waters involving vessels that are not suitable for sea transport with zero direct (tailpipe) CO2 emissions or meeting defined criteria.* *Leasing or chartering companies are eligible if the company is providing its services only for equipment that meets the above criteria.*	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Inland freight water transport *Freight vessels on inland waters involving vessels that are not suitable for sea transport with zero direct (tailpipe) CO2 emissions or meeting defined criteria.* *Leasing or chartering companies are eligible if the company is providing its services only for equipment that meets the above criteria.* *Vessels that are dedicated to the transportation of fossil fuels or any blended fossil fuels are not eligible even if meeting the criteria above*	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Retrofitting of inland water passenger and freight transport *Retrofitting of inland water passenger or freight transport vessels involving vessels that are not suitable for sea transport if defined requirements are fulfilled.* *Retrofitting vessels that are dedicated to the transport of fossil fuels or any blended fossil fuels are not eligible even if meeting the criteria above.*	**Contribution**	13 CLIMATE ACTION

Sea and coastal freight water transport, vessels for port operations, and auxiliary activities *Vessels designed and equipped for:* ▪ *The transportation of freight or for the combined transport of freight and passengers on sea or coastal waters* ▪ *Port operations and auxiliary activities* ▪ *The vessels either have zero direct (tailpipe) emissions or have to comply with defined emissions thresholds.* *Leasing or chartering companies are eligible if the company is providing its services only for equipment that meets the above criteria.* *Vessels that are dedicated to the transport of fossil fuels or any blended fossil fuels are not eligible even if meeting the criteria above.*	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Sea and coastal passenger water transport *Vessels designed and equipped for performing passenger transportation on sea or coastal waters (e.g. ferries, water taxies and excursions, cruise, or sightseeing boats):* *The vessels either have zero direct (tailpipe) emissions or have to comply with defined emissions thresholds.* *Financing leasing- or chartering-companies is eligible in case the company is providing its services only for equipment that meets the above criteria.*	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Retrofitting of sea and coastal freight and passenger water transport *Retrofitting and upgrading of existing vessels for the transport of freight or passengers on sea or coastal waters, and of*	**Contribution**	13 CLIMATE ACTION

vessels required for port operations and auxiliary activities if defined minimum fuel consumption reduction thresholds are met. *Retrofitting or replacement of vessels that are dedicated to the transport of fossil fuels or any blended fossil fuels are not eligible even if meeting the criteria above.*		
Infrastructure for personal mobility, cycle logistics *Construction, modernization, maintenance and operation of infrastructure dedicated to personal mobility, e.g.:* ▪ *Pavements and pedestrian zones, bike lanes and other infrastructure ("park and ride")* ▪ *Electrical charging and hydrogen refueling installations for personal mobility devices*	**Contribution**	
Infrastructure for rail transport ▪ *Construction of railways and subways including adjacent infrastructure meeting defined requirements.* ▪ *Modernization of railways and subways including adjacent infrastructure meeting defined requirements* *Infrastructure that is dedicated to the transportation of fossil fuels or any blended fossil fuels is not eligible.*	**Contribution**	
Infrastructure enabling low-carbon road transport and public transport *Construction, modernization, maintenance and operation of infrastructure that enables the shift to a low-carbon road and public transport meeting defined*	**Contribution**	

requirements (e.g. electric charging points, signaling systems for metro and tram). *Infrastructure that is dedicated to the transportation of fossil fuels or any blended fossil fuels is not eligible.*		
Infrastructure enabling low-carbon water transport *Construction, modernization, maintenance of infrastructure that enables the shift to a low-carbon water transport infrastructure meeting defined requirements (e.g. operation of vessels with zero direct CO2 emissions, provision of shore-side renewable electrical power to vessels at berth).* *Infrastructure that is dedicated to the transportation of fossil fuels or any blended fossil fuels is not eligible.*	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Low carbon airport infrastructure *Construction, modernization and maintenance of infrastructure that enables the shift to a low-carbon aerial transport infrastructure meeting defined criteria (e.g. electric charging points, electricity grid connection upgrades, hydrogen refueling stations).* *Infrastructure that is dedicated to the transportation of fossil fuels or any blended fossil fuels is not eligible.*	**Contribution**	13 CLIMATE ACTION
Information and Communications Technology (ICT) *Energy-efficient data centers and equipment for data processing, hosting, and related activities that help ensure:* ▪ *The operator of the activity has implemented all relevant practices listed as "expected practices" in the most recent version of the European Code of Conduct on Data*	**Contribution**	13 CLIMATE ACTION

Centre Energy Efficiency, or in the CEN-CENELEC document CLC TR50600-99-1 "Data center facilities and infrastructures– Part 99-1: Recommended practices for energy management"; and the implementation of these practices is verified by an independent third party and audited at least every three years; ▪ *The global warming potential of refrigerants used in the data center cooling system does not exceed 675, OR* ▪ *The data center meets the Power Usage Effectiveness (PUE) thresholds defined by the Bank as the key metric used under the European Code of Conduct.*		
Data-driven solutions for GHG emissions reductions *The rollout or replacement of ICT solutions that are predominantly used for the provision of data and analytics enabling GHG emission reductions.*	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Agriculture *Growing of perennial and non-perennial crops that both:* ▪ *Avoid or reduce absolute GHG emissions through the application of appropriate management practices, incl. e.g. nutrient management plans.* ▪ *Maintain and/or increase existing carbon stocks.*	**No Net Impact**	
Agriculture *Soil management plan*	**Contribution**	13 CLIMATE ACTION 15 LIFE ON LAND

Agriculture *Activities supporting biodiversity protection and promotion will be considered for classification on a case-by-case basis (e.g. pollution / wastewater treatment, replacement of nitrogen- and phosphate-based fertilizers).*	**No Net Impact**	

Agriculture
Activities carried out under organic food labels meeting defined minimum criteria.
In addition to above, any activity must meet the following criteria:
▪ *Production is not undertaken on land that had any of the following status in or after January 2008 and no longer has that status:*
    ▪ *Wetlands, namely land that is covered with or saturated by water permanently or for a significant part of the year;*
    ▪ *Continuously forested areas (as defined by the FAO); or*
    ▪ *Peatland, unless evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously undrained soil;*
▪ *Activity doesn't use fertilizers/pesticides following international norms such as the Stockholm Convention on Persistent Organic Pollutants .*
	Contribution	15 LIFE ON LAND

Forestry *Afforestation activities on non-forested land, reforestation (including after extreme events), rehabilitation, forest*	**Contribution**	15 LIFE ON LAND

management/conservation activities meeting defined criteria such as: ▪ *Continued compliance with the Sustainable Forest Management (requirements is demonstrated by PEFC, SFI and/or FSC certification);* ▪ *Plans to increase above ground carbon stocks over longer period of time;* ▪ *An afforestation / reforestation / forest conservation plan that follows the best relevant practices laid down and can be evidenced.* *Forest management for productive use in compliance with the Sustainable Forest Management requirements demonstrated by PEFC, SFI and/or FSC certification.* *In addition, any activity that takes place in one of the following areas is excluded:* ▪ *Areas with High Conservation Value (HCV) or HCV Forests (HCVF) that are converted into new plantations;* ▪ *Areas on UNESCO World Heritage Sites, wetlands on the Ramsar list;* ▪ *Any other areas that represent carbon sinks or stocks or other habitats that are already under sustainable agricultural or forest management;* ▪ *Areas surrounded by preserved environment that would be affected by the planned activity and where the preservation status aligns with commonly accepted principles (to be decided case by case); and* ▪ *Areas that would not be considered as forest according to the FAO definition.*		
Activities adapting to climate change *Activities in all sectors meeting the following general criteria:* ▪ *The activity reduces material physical climate risks identified in a risk assessment to the extent possible and*	**Contribution**	13 CLIMATE ACTION

on a best-effort basis by integrating physical and non-physical measures and under consideration of context- and location - specifics ▪ *The activity and its adaptation measures do not increase risk for or adversely affect the adaptation efforts of other people, nature[55], and assets, i.e. are consistent with sectoral, regional, and/or national adaptation efforts* ▪ *The activity favors nature-based solutions or relies on blue or green infrastructure to the extent possible* ▪ *The activity's reduction of physical climate risks can be measured by monitoring adaptation results and measuring them against defined indicators* ▪ *Activity related to the extraction, transportation, distribution, and sale of fossil fuels are excluded* ▪ *Activities for rehabilitation, mitigation or offsetting detrimental impacts by the same entity / project owner are excluded*		
Climate change adaptation – Real Estate[56] ▪ *Green roofs*	**Contribution**	11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION
Climate change adaptation - Water ▪ *Rainwater harvesting systems* ▪ *Flood and stormwater defense*	**Contribution**	13 CLIMATE ACTION
Climate Change adaptation - Cement *Increase capacity of drainage systems in plants to make the facilities resilient to flooding*	**Contribution**	13 CLIMATE ACTION
Sustainable Water and Wastewater Management	**Contribution**	6 CLEAN WATER AND SANITATION

[55] Consideration should be given to the viability of "green" or "nature-based-solutions" over "gray" measures to address adaptation

[56] An assessment will be conducted by the loan beneficiary to identify the risks and vulnerabilities, and the Bank will check that the project financed will address the specific risks and vulnerabilities.

▪ *Desalination Plants*[57]		
Climate change adaptation *Real Estate:* *Green walls, water retention gardens, porous pavements*	**Contribution**	11 SUSTAINABLE CITIES AND COMMUNITIES
Climate change adaptation – Real Estate *Increase of plants and parks in urban areas*	**Contribution**	13 CLIMATE ACTION
Climate change adaptation - ***Energy (excluding fossil fuels)***[58] ▪ *Grid resilience, back-up generation, and storage* ▪ *Adoption of structural strengthening of hydropower facilities (e.g. dams, spillways, turbine houses, switchyards, ancillary infrastructure, etc.)* ▪ *Increasing the height of poles supporting power lines* ▪ *Installing conductors with hotter operating limits* ▪ *Using 'low-sag' conductors*	**Contribution**	13 CLIMATE ACTION
Climate change adaptation – ICT[59] ▪ *Data collection for vulnerability reduction to loss of power and direct disruption during extreme events* ▪ *Information support systems, such as climate observation, systems for monitoring GHG emissions* ▪ *Early warning systems*	**Contribution**	13 CLIMATE ACTION

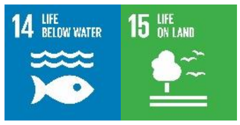
[57] This category is compliant with the CBI criteria (Average carbon intensity of a plant's energy must be at or below 100g CO2 /kWh over the remaining lifetime of the plant)
[58] The Issuer confirmed that the loan beneficiary will conduct a lifespan risk assessment for the Climate Change Adaptation projects and that Deutsche Bank check that projects address these risks and vulnerabilities. The Issuer also request a lifespan risk assessment for the due diligence and makes sure that the project is consistent with the applicable local, regional and national adaptation plans.
[59] Ibid.

▪ *Development and/or use of ICT solutions for the exclusive purpose of collecting, transmitting, storing and using data to facilitate GHG emission reduction.*		
Climate change adaptation - Health ▪ *Infrastructure for the provision of emergency medical response and disease control services* ▪ *Treatment and monitoring for diseases that might increase due to climate change (e.g. vector-borne diseases)* ▪ *Treatment of respiratory conditions from wildfires*	**Contribution**	3 GOOD HEALTH AND WELL-BEING 10 REDUCED INEQUALITIES
Climate change adaptation[60] *Nature-based climate adaptation solutions:* ▪ *Regeneration or extension of natural forests and coastal natural buffer zones*	**Contribution**	14 LIFE BELOW WATER 15 LIFE ON LAND
Activities enabling adaptation of an economic activity *Activities are referred to as enabling per Article 11(1), point (b), of Regulation (EU) 2020/852, need to provide a technology, product, service, information, or practice, or promote their uses with one of the following primary objectives:* ▪ *Increasing the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets, and of other economic activities; or* ▪ *Contributing to adaptation efforts of other people, of nature, of*	**Contribution**	13 CLIMATE ACTION

[60] These activities refer either to an entity's/project's core business or value-added activities undertaken by an entity/a project unrelated to its own previous detrimental impacts is not eligible.

cultural heritage, of assets, and of other economic activities *Activities that develop and / or facilitate the adaptation solutions demonstrated through an assessment of the risks the activity will address and an assessment of the effectiveness of the activity in reducing those risks.* *Activities need to support other activities to make a substantial contribution to at least one of the principles outlined in the EU Taxonomy.* *All activities must meet the same general criteria as outlined for activities adapting to climate change.* *Activities must show a positive impact on the environment over its life cycle.* *Exclusion of activities that lead to a "lock-in" of assets that would undermine long-term environmental goals.*		
Protection, restoration and promotion of natural resources and healthy ecosystem/biodiversity[61] *Case-by-case assessment of activities in all sectors that contribute to protecting, conserving, or restoring biodiversity or to achieving the good condition of ecosystems, or to protecting ecosystems that are already in good condition, through:* ▪ *Nature and biodiversity conservation,* ▪ *Sustainable land use and management,*	**Contribution**	15 LIFE ON LAND

[61] These activities refer either to an entity's/project's core business or value-added activities undertaken by an entity/a project unrelated to its own previous detrimental impacts is not eligible.

▪ *Sustainable forest management*[62]. *Activities enabling the activities above*		
Pollution protection and control, general reduction of resource use and protection of marine and terrestrial resources *Case-by-case assessment of activities in all sectors that contribute to pollution protection, general reduction of resource use, and protection of marine and terrestrial resources through, e.g.:* ▪ *Decontamination and/or remediation of soil* ▪ *Decontamination and/or remediation of groundwater, industrial plants/sites, shores* ▪ *Measures and technologies that enhance the conservation and sustainable use of oceans and rivers* ▪ *Preventing or, where that is not practicable, reducing pollutant emissions into air, water, or land, other than greenhouse gases* ▪ *Preventing or minimizing any adverse impact on human health and the environment of the production, use or disposal of chemicals* *Enabling any activities of above*	**Contribution**	
Transition to a circular economy[63][64]		

[62] The forests will not have any productive use. For forest management with productive use the eligibility criteria under the category "Agriculture and Forestry" will be applied.
[63] For activities in manufacturing must meet the following criteria: Design for durability, upgradability, reparability, or reuse (min. of ten trips or rotations); – Design for recycling in packaging; – Use of recycled material and substitution of virgin materials; – Second-hand products, incl. related services like repairing/refurbishing/remanufacturing; and – Elimination and replacement of hazardous/toxic materials with sustainable or recyclable materials
[64] For activities in real estate must meet the following criteria: – Construction and renovation: Reuse or recycling of demolition and construction waste; – Circular design of buildings; – Construction where min. 50% of original building is retained; and – Construction where min. 50% recycled/reused or responsible sources/renewable materials are used.

▪ *Product design: Development, manufacture, and/or distribution of products designed for circularity and/or adaptive reuse* ▪ *Use of recycled material, replacement of hazardous/toxic materials with sustainable or recyclable materials; recovery of materials from previously discarded products*	**Contribution**	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Social Categories

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Access to Basic Infrastructure *Projects providing/expanding access to renewable energy* *Target population: socially disadvantaged or underserved groups.*[65]	Contribution	10 Reduced Inequalities
Access to Basic Infrastructure *Projects providing/expanding access to clean drinking water* *Target population: socially disadvantaged or underserved groups.*[66]	Contribution	3 Good Health and Well-Being; 6 Clean Water and Sanitation
Access to Basic Infrastructure *Projects providing/expanding access to sanitation* *Target population: socially disadvantaged or underserved groups.*[67]	Contribution	3 Good Health and Well-Being
Access to Basic Infrastructure *Development of telecommunication networks and related infrastructure* *Target population: socially disadvantaged or underserved groups.*	Contribution	10 Reduced Inequalities
Access to essential services *Improve access to health care and/or affordability of standard treatments/ medicines*	Contribution	3 Good Health and Well-Being

[65] Socially Disadvantaged groups are defined as populations that are excluded in their local society for reasons that may be tied to age, sex, disability, race, ethnicity, origin, religion, economic or in other situations of vulnerability due to discrimination or poverty.
[66] Socially Disadvantaged groups are defined as populations that are excluded in their local society for reasons that may be tied to age, sex, disability, race, ethnicity, origin, religion, economic or in other situations of vulnerability due to discrimination or poverty.
[67] Socially Disadvantaged groups are defined as populations that are excluded in their local society for reasons that may be tied to age, sex, disability, race, ethnicity, origin, religion, economic or in other situations of vulnerability due to discrimination or poverty.

Target population: socially disadvantaged or underserved groups.		
Access to essential services *Enhance access to education* *Inclusive access without discrimination on the basis of sex or other factors, e.g. race, disability*	**Contribution**	4 QUALITY EDUCATION; 10 REDUCED INEQUALITIES
Access to essential services *Financing and investments related to the promotion and enhancement of access to senior housing with special care.* *Target population: Elderly and/or vulnerable people.*	**Contribution**	3 GOOD HEALTH AND WELL-BEING; 10 REDUCED INEQUALITIES
Affordable housing *Target population: socially disadvantaged or underserved groups.*	**Contribution**	1 NO POVERTY; 10 REDUCED INEQUALITIES; 11 SUSTAINABLE CITIES AND COMMUNITIES
Access to Basic Infrastructure *Equal access to Banking, financial services and other economic resources* ▪ *Overall socioeconomic advancement*	**Contribution**	5 GENDER EQUALITY
Access to Basic Infrastructure *Financing / advisory services for small,* *and medium sized enterprises* *Target population: socially disadvantaged or underserved groups.*	**Contribution**	8 DECENT WORK AND ECONOMIC GROWTH
Access to Basic Infrastructure *Financing / advisory services for micro enterprises* *Target population: socially disadvantaged or underserved groups.*	**Contribution**	1 NO POVERTY; 10 REDUCED INEQUALITIES

Food security *Investments aiming to enhance agricultural productivity with practices taking biodiversity into consideration* *Target population: socially disadvantaged or underserved groups.*	Contribution	4 QUALITY EDUCATION

2. Improvements of operational performance (processes)

The below assessment aims at qualifying the direction of change (or "operational impact improvement") resulting from the operational performance projects (re)financed by the eligible categories, as well as related UN SDGs impacted. The assessment displays how the eligible categories are mitigating the exposure to the negative externalities relevant to the business model and the sector of the Bank.

The Bank finances operations/processes in a variety of third-party sectors. For clarity, the exposure to negative externalities linked to the sectors of the operations/processes financed are not displayed.

The table below aims at displaying the direction of change resulting from the operational performance improvement projects. The outcome displayed does not correspond to an absolute or net assessment of the operational performance.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT[68]	SUSTAINABLE DEVELOPMENT GOALS
Transmission and Distribution of Electricity *Equipment and infrastructure where the main objective is an increase of the generation or use of renewable electricity generation*	✓	
Renovation of existing buildings *Residential and commercial buildings:* ▪ *The building renovation leads to energy savings of at least 30% in comparison to the baseline performance of the building before the renovation* ▪ *For building built before December 31, 2020, after the renovation, the building is within the top 15% of the national or regional building stock*	✓	

[68] Limited information is available on the scale of the improvement as no threshold is provided. Only the direction of change is displayed.

The building renovation complies with the energy performance standards set in the applicable building regulations for "major renovations" transposing the Energy Performance of Buildings Directive		
Agriculture[69] *Growing of perennial and non-perennial crops that both avoid or reduce absolute GHG emissions through the application of appropriate management practices,* ***e.g. nutrient management plans****.*	✓	13 CLIMATE ACTION
Agriculture *Growing of perennial and non-perennial crops that both avoid or reduce absolute GHG emissions through the application of appropriate management practices, that maintain and/or increase existing carbon stock.*	✓	15 LIFE ON LAND

[69] The Issuer confirm the information gathered to assess the eligibility of projects, as well as thresholds for impact in terms of water use, fertilizers, etc.

ANNEX 3: ISS ESG Corporate Rating Methodology

ISS ESG Corporate Rating provides relevant and forward-looking environmental, social, and governance (ESG) data and performance assessments.

For more information, please visit:
https://www.issgovernance.com/file/publications/methodology/Corporate-Rating-Methodology.pdf

ANNEX 4: Quality Management Processes

SCOPE

Deutsche Bank commissioned ISS-Corporate to compile a Sustainable Finance Framework External Review. The External Review process includes verifying whether the Sustainable Finance Framework aligns with market practices for sustainable finance and assessing its sustainability credentials, as well as the credibility of the Bank's sustainable financing classification system.

CRITERIA

Relevant Standards for this External Review stem from key principles for transparency and non-contamination of sustainable labelled products, including:

- International Capital Market Association's (ICMA) Green, Social Bond Principles, and Sustainability Bond Guidelines, Sustainability-Linked Bond Principles,
- Asia Pacific Loan Market Association (APLMA), Loan Syndications and Trading Association (LSTA), and Loan Market Association's (LMA) Green Loan Principles, Social Loan Principles, Sustainability Linked Loan Principles
- UNEP-FI PRB
- Guidelines proposed by the European Banking authority (EBA) with respect to environmentally sustainable lending

CLIENT'S RESPONSIBILITY

Deutsche Bank's responsibility was to provide information and documentation on:

- Sustainable Finance Framework
- ESG Impact and Risk Management
- Governance procedures

ISS-CORPPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, of which ISS-Corporate is part, has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

ISS-Corporate has conducted this independent External Review of the Sustainable Finance Framework by Deutsche Bank based on a proprietary methodology and in line with market practices and relevant market standards for sustainable finance.

The engagement with Deutsche Bank took place from April 2023 to February 2024.

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About this External Review

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk, and manage the needs of a diverse shareholder base by delivering best-in-class data, tools, and advisory services.

As part of our Sustainable (Green & Social) Bond services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

ISS-Corporate provides external review services for sustainable financing and responsible investment strategies by assessing the robustness of its client's frameworks.

Learn more: https://www.iss-corporate.com/solutions/sustainable-finance/bond-issuers/

For more information on External Review services, contact: SPOsales@iss-corporate.com

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