SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and the Green Asset Pool

Deutsche Bank AG
5 January 2024

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	▪ Green Financing Instruments
Relevant standards	▪ Green Bond Principles (GBP), as administered by the International Capital Market Association (ICMA) (as of June 2021 with June 2022 Appendix 1)
Scope of verification	▪ Deutsche Bank's Green Financing Framework (as of June 2022) ▪ Deutsche Bank's Green Asset Pool (as of June 27, 2023)[1]
Lifecycle	▪ Pre-issuance verification ▪ 1st Update of SPO as of November 11, 2022 (https://www.isscorporatesolutions.com/file/documents/spo/spo-20221111-deutschebank.pdf)
Validity	▪ Valid as long as the cited Framework remains unchanged

[1] The Asset Pool assessed in our Second Party Opinion provides a snapshot of the assets as of December 2022. The information was shared on June 27, 2023.

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SCOPE OF WORK

Deutsche Bank AG ("the Issuer", "the Bank", or "Deutsche Bank") commissioned ISS Corporate Solutions (ICS) to assist with its Green Financing Instruments by assessing three core elements to determine the sustainability quality of the instruments:

1. Deutsche Bank's Green Financing Framework (as of June 2022) – benchmarked against the International Capital Market Association's (ICMA) Green Bond Principles (GBP).
2. The Asset Pool – whether the asset categories contribute positively to the United Nations Sustainable Development Goals (UN SDGs) and how they perform against proprietary issuance-specific key performance indicators (KPIs) (See Annex 1).
3. Linking the transaction(s) to Deutsche Bank's overall Environmental, Social, and Governance (ESG) profile – drawing on the issuance-specific Use of Proceeds (UoP) categories.

DEUTSCHE BANK BUSINESS 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.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION[2]
Part 1: **Alignment with GBP**	The Issuer has defined a formal concept for its Green Financing Instruments regarding use of proceeds, processes for asset evaluation and selection, management of proceeds and reporting. This concept is in line with the Green Bond Principles and Social Bond Principles.	**Aligned**
Part 2: **Sustainability quality of the Asset Pool**	The Sustainable Financing Instruments will (re)finance eligible asset categories which include: Green categories: Renewable Energy, Green Buildings, Clean Transportation. Product and/or service-related use of proceeds categories[3] individually contribute to one or more of the following SDGs in:  The environmental and social risks associated with those asset pool categories are managed.	**Aligned**
Part 3: **Linking the transaction(s) to Deutsche Bank's ESG profile**	The key sustainability objectives and the rationale for issuing Green Financing Framework are clearly described by the Issuer. The asset categories considered are in line with the sustainability objectives of the Issuer. At the date of publication of the report and leveraging ISS ESG Research, the Issuer is exposed to a controversy, in failure to prevent money laundering in the United States.	**Consistent with Issuer's sustainability strategy**

[2] The evaluation is based on the Deutsche Bank's Green Financing Framework (June 2022 version), and on the ISS ESG Corporate Rating updated on May 2, 2023 and applicable at the SPO delivery date.
[3] Renewable Energy, Green Buildings, Clean Transportation.

SPO ASSESSMENT

PART I: ALIGNMENT WITH GREEN BOND PRINCIPLES AND SOCIAL BONDS PRINCIPLES

This section evaluates the alignment of the Deutsche Bank's Green Financing Framework (as of June 2022) with ICMA GBP.

GBP AND SBP	ALIGNMENT	OPINION
1. Use of Proceeds	✓	The Use of Proceeds description provided by Deutsche Bank's Green Financing Framework is **aligned** with the GBP. The Issuer's green categories align with the asset categories as proposed by the GBP. Criteria are defined in a clear and transparent manner. Disclosure of distribution of proceeds by asset category is provided and environmental/social benefits are described and quantified. The Issuer defines exclusion criteria for harmful asset categories. The Issuer defines the exclusion criteria for harmful asset categories in line with best market practice.
2. Process for Asset Evaluation and Selection	✓	The Process for Asset Evaluation and Selection description provided by Deutsche Bank's Green Financing Framework is **aligned** with the GBP. The asset selection process is defined and structured in a congruous manner. ESG risks associated with the asset categories are identified and managed through an appropriate process. Moreover, the assets selected show alignment with the sustainability strategy of the Issuer. The Issuer involves various stakeholders in this process and identifies the alignment of their green assets with official or market-wide taxonomies and to reference any green standards or certifications used, in line with best market practice.
3. Management of Proceeds	✓	The Management of Proceeds provided by Deutsche Bank's Green Financing Framework is **aligned** with the GBP. The net proceeds collected will be equal to the amount allocated to eligible assets, with no exceptions. The net proceeds are tracked in an appropriate manner and

		attested in a formal internal process. The net proceeds are managed on an aggregated basis for multiple Green Bonds (portfolio approach). Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds. The Issuer has defined an expected allocation period of 12 months and discloses the nature of temporary investments, in line with best market practice.
4. Reporting	✓	The allocation and impact reporting provided by Deutsche Bank's Green Financing Framework is **aligned** with the GBP. The Issuer commits to disclose the allocation of proceeds transparently and to report in an appropriate frequency. The reporting will be publicly available on the Issuer's website. Deutsche Bank explains that the level of expected reporting will be at the asset category level and the type of information that will be reported. Moreover, the Issuer commits to report annually. The Issuer is transparent on the level of impact reporting and on the information reported in the impact report, in line with best market practice. Additionally, the Issuer discloses the location and link of the report, in line with best market practice.

PART II: SUSTAINABILITY QUALITY OF THE ASSET POOL

A. CONTRIBUTION OF THE GREEN FINANCING INSTRUMENTS TO THE UN SDGs[4]

Banks can contribute to the achievement of the SDGs by financing and/or investing in specific services/products which help address global sustainability challenges, and by being responsible actors, working to minimize negative externalities in their financing/investment activities along the entire value chain. The aim of this section is to assess the SDG impact of the Asset Pool's UoP categories financed or invested in by the Bank.

Products and services

The assessment of the Asset Pool's UoP categories for (re)financing products and services is 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 Asset Pool's UoP categories for (re)financing specific products and services is displayed on a 3-point scale (see Annex 1 for methodology):

Obstruction	**No Net Impact**	**Contribution**

Each of the Asset Pool's Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Renewable Energy – Solar	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Renewable Energy – Wind	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Renewable Energy - Biomass Energy generation from certified feedstock[5]	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Renewable Energy – Energy Efficiency Efficient Lighting	**Contribution**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION

[4] The impact of the UoP categories on UN Social Development Goals is assessed with proprietary methodology and may therefore differ from the Issuer's description in the framework.
[5] The assessment of this category is based on energy generation from biomass using olive waste from the olive industry as feedstock.

Green Buildings – Commercial Real Estate Buildings which meet at least one of the following certifications: ▪ LEED: Gold or higher ▪ BREEAM: Excellent or higher ▪ Green Mark: Gold Plus or higher ▪ Green Star: 5 Star or higher ▪ DGNB: Gold or higher ▪ HQE: Excellent or higher ▪ NABERS Energy "5 Star" or higher	Contribution	7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION
Green Buildings – Residential Real Estate For buildings built after 31 December 2020: ▪ The Primary Energy Demand (PED) is at least 10% lower than the threshold set for the nearly zero-energy building (NZEB) requirement, leveraging on a robust methodology presented by the issuer based on minimum efficiency standard KfW 40 or 55. For buildings built before 31 December 2020: ▪ Buildings within the top 15% of the national or regional building stock (PED), leveraging on a robust methodology presented by the issuer based on minimum efficiency standard KfW 40, 55 or 70.	Contribution	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Transportation Electric vehicles	Contribution	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION

B. MANAGEMENT OF ENVIRONMENTAL & SOCIAL RISKS ASSOCIATED WITH THE FINANCIAL INSTITUTION AND THE ASSET POOL

The table below evaluates the Asset Pool against issuance-specific KPIs. The entirety of the assets are located globally.

ASSESSMENT AGAINST KPIs	
ESG guidelines into financing process	
Deutsche Bank integrates the environmental and social due diligence provision 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[6]. 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 purpose of asset selection, 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, who's authority is delegated by the Group Risk Committee and the Management Board. Depending on the risk profile, mitigation measures will be proposed, 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.	
Labour, Health and Safety	
✓	100% of the eligible assets are covered by Deutsche Bank's due diligence processes 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. Furthermore, Deutsche Bank is a member of the Equator Principles which apply respective labour, health and safety standards for in-scope projects. 95% of the eligible assets are located in Equator Principles Designated Countries where high health, safety and labour standards are ensured by the relevant national legislation.

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

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 will not engage in business activities where DB has substantiated evidence of material adverse human rights impacts such as child or forced labour.

Biodiversity and community dialogue

100% of the eligible assets are covered by Deutsche Bank's due diligence processes to ensure there's no material negative environmental and/or social impacts. 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 which involve clearing forests, areas of High Conversion Value (HCV) or peatlands, or illegal use of fire.

✓

In addition, Deutsche Bank has an objective to gradually align its environmental and social due diligence approach with the EU Taxonomy requirements for those assets in scope of the EU Taxonomy requirements in regard to the Do No Significant Harm assessment and minimum social safeguards.

Deutsche Bank requires its clients in scope of Equator Principles to represent and warrant in loan documentation that Equator principles requirements will be implemented including to develop associated Environmental and Social Management Systems and Plans, and to report on compliance with the above systems and plans. 95% of the eligible assets are located in Equator Principles Designated Countries, as such high standards with regard to environmental impacts and impacts on the communities are considered to be ensured by national legislation and European Union legislation.

Responsible treatment of customers with debt repayment problems

100% of the eligible assets are covered by Deutsche Bank's 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 Issuer's Global Client Suitability and Appropriateness Policy includes minimum standards that must be met with regards to the implementing 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 Issuer 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 government and UNESCO confirming it will not affect the value of the site.
- Projects which involve clearing 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 contributes 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 by means of 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, Environmental and Social Sustainable Finance standards. Additionally, the Issuer manages risks in accordance with its Environment and Social Risk Framework.

PART III: LINKING THE TRANSACTION(S) TO DEUTSCHE BANK'S ESG PROFILE

A. CONSISTENCY OF GREEN FINANCING INSTRUMENTS WITH DEUTSCHE BANK'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

Deutsche Bank's objective is to provide sustainable growth and drive to the transition towards a sustainable and climate-neutral economy. Deutsche Bank embed sustainability into its products, policies and processes with an aim to contribute to the achievement of the Paris Climate Agreement's targets and the United Nations Sustainable Development Goals. The sustainability principles are anchored in the Code of Conduct[7].

Deutsche Bank has publicly disclosed the sustainability targets on its website[8], including:

- 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.
- More female leadership: 35 percent of Managing Director, Director and Vice President positions are to be represented by women by 2025.

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[9], the Issuer has set 2030 and 2050 net zero aligned targets, and 2030 reduction target for financed scope 3 emissions in four carbon-intensive sectors:

- Oil and gas sector: 23% reduction of Scope 3 upstream financed emissions by 2030 and 90% by 2050.
- Power generation sector: 69% reduction of Scope 1 physical emission intensity by 2030 and 100% reduction by 2050.
- Automotive sector: 59% reduction in tailpipe emission intensity by 2030 and 100% reduction by 2050.

[7] 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
[8] Deutsche Bank Website https://www.db.com/what-we-do/responsibility/sustainability/sustainability-strategy
[9] Deutsche Bank 2022, Decarbonization plan https://www.db.com/news/detail/20221021-deutsche-bank-publishes-targets-for-carbon-footprint-reduction?language_id=1

- Steel sector: 33% reduction in Scope 1 and 2 physical emission intensity by 2030 and 90% reduction by 2050.

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 Programme Finance Initiative (UNEP FI) and 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 Issuer 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 accelerating the transformational changes needed to reduce global warming to within acceptable limits.

The Issuer has three fora for sustainability, namely the Group Sustainable Committee, the Sustainability Strategy Steering Committee and the Sustainability Council. The Group Sustainable Committee, chaired by the CEO, acts as a senior decision-making body for sustainability matters on a group level. The Sustainability Strategy Steering Committee is responsible for sustainability transformation management and supervision. The Sustainability Council is responsible for the exchange of knowledge, stimulating bank-wide change, and identifying new topics.

To guide the company's sustainability target, Deutsche Bank appointed a Chief Sustainability Officer. The Chief Sustainability Officer coordinates the work of the Group Sustainability Committee as Vice Chairman, the Sustainability Strategy Steering Committee as Chairman, and the Sustainability Council as Co-Chairman. Moreover, he reports progress to the management board and supervisory board.

Deutsche Bank tests the asset categories against its Environmental and Social Policy Framework, which evaluates potential environmental and social risks that can arise from transactions with its clients, with specific principles and guidelines, and determines the best course of action. Deutsche Bank also has a climate risk management framework and uses an internal climate risk taxonomy to identify sectors impacted by climate transition risks.

The Non-Financial Report are 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, the cumulative sustainable financings and investments facilitated by Deutsche Bank reached € 215 billion.

Rationale for issuance

By publishing the Green Financing Framework and issuing green 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 key sustainability objectives and the rationale for issuing Green Financing Instruments are clearly described by the Issuer. The asset categories financed are in line with the sustainability objectives of the Issuer.*

B. DEUTSCHE BANK'S BUSINESS EXPOSURE TO ESG RISKS

This section aims to provide an overall level of information on the ESG risks to which the Issuer is exposed through its business activities, providing additional context to the issuance assessed in the present report.

ESG risks associated with the Issuer's industry

The Issuer is classified in the Commercial Banks & Capital Markets, as per ISS ESG's sector classification. Key challenges faced by companies in terms of sustainability management in this industry are displayed in the table below. Please note, that this is not a company-specific assessment but areas that are of particular relevance for companies within that industry.

ESG KEY ISSUES IN THE INDUSTRY
Business ethics
Labour standards and working conditions
Sustainability impacts of lending and other financial services/products
Customer and product responsibility
Sustainable investment criteria

ESG performance of the Issuer

Leveraging ISS ESG's Corporate Rating research, further information about the Issuer's ESG performance can be found on ISS ESG Gateway at: https://www.issgovernance.com/esg/iss-esg-gateway/.

Please note that the consistency between the issuance subject to this report and the Issuer's sustainability strategy is further detailed in Part III. A of the report.

Sustainability impact of products and services portfolio

Leveraging ISS ESG's Sustainability Solutions Assessment methodology, the contribution of the Issuer's current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs) has been assessed as per the table below. This analysis is limited to the evaluation of final product characteristics and does not include practices along the Issuer's production process.

PRODUCT/SERVICES PORTFOLIO	ASSOCIATED PERCENTAGE OF REVENUE[10]	DIRECTION OF IMPACT	UN SDGS
Buildings certified to a relevant sustainable building standard	1%	CONTRIBUTION	11 SUSTAINABLE CITIES AND COMMUNITIES

[10] Percentages presented in this table are not cumulative.

Breaches of international norms and ESG controversies

At Issuer level

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 Issuer’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 Issuer stated that its control functions and business divisions "are working hard to put the processes and structures in place to prevent a recurrence of the large number of litigation cases and regulatory investigations." ISS ESG notes the Issuer’s enhancement efforts and awaits confirmation of the efficacy of its AML measures from the independent monitor.

At industry level

Based on a review of controversies over a 2-year period, the top four issues that have been reported against companies within the Commercial Banks & Capital Markets industry are as follows: Failure to mitigate climate change impacts, Failure to prevent money laundering, Anti-competitive behavior and Failure to pay fair share of taxes.

Please note, that this is not a company-specific assessment but areas that can be of particular relevance for companies within that industry.

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ANNEX 1: Methodology

Green KPIs

The Green Bond KPIs serve as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of Deutsche Bank's Sustainable Financing Instruments.

It comprises firstly the definition of the use of proceeds category 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 of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting. If a majority of assets 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.

Environmental and social risks assessment methodology

The Environmental and social risks assessment evaluates whether the assets included in the asset pool match the eligible asset category and criteria listed in the Green Bond KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment "no or limited information is available" either indicates that no information was made available or that the information provided did not fulfil the requirements of the Green Bond KPIs.

The evaluation was carried out using information and documents provided on a confidential basis by Deutsche Bank (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the Issuer.

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 Deutsche Bank's Green Financing Instruments contributes to related SDGs has been identified.

ANNEX 2: 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 3: Quality management processes

SCOPE

Deutsche Bank commissioned ICS to compile a Green Financing Instruments SPO. The Second Party Opinion process includes verifying whether the Green Financing Framework aligns with the Green Bond Principles and to assess the sustainability credentials of its Green Financing Instruments, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- Green Bond Principles

ISSUER'S RESPONSIBILITY

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

- Framework
- Asset pool
- Documentation of ESG risks management at the asset level

ISS ESG's VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG 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.

This independent Second Party Opinion of the Sustainable Financing Instruments to be issued by Deutsche Bank has been conducted based on a proprietary methodology and in line with the ICMA Green Bond Principles.

The engagement with Deutsche Bank took place between June and October 2023.

ISS' BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior 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 SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the Issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/

Project team

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