



Statement on principal adverse impacts of investment decisions on sustainability factors

30 June 2023 (supersedes the statement dated 30 December 2022)

Deutsche Bank AG, 7LTWFZYICNSX8D621K86

Summary

Deutsche Bank AG, 7LTWFZYICNSX8D621K86, considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Deutsche Bank AG.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2022.

This statement is provided under the Sustainable Finance Disclosure Regulation (SFDR) – Regulation (EU) 2019/2088, which defines financial market participants (FMPs) and in-scope financial products. Therefore, this disclosure of principal adverse impacts applies to Deutsche Bank AG business units¹ to the extent it is an investment firm which provides portfolio management and investment decision-making to EU clients.

Principal adverse impacts are defined by the European Commission as “negative, material, or likely to be material effects on sustainability factors that are caused, compounded by, or directly linked to investment decisions and advice performed by the legal entity”. The principal adverse impacts, including their identification, prioritisation, and any action to be taken to manage exposure to them, will be reviewed annually by Deutsche Bank AG-wide governance forums in accordance with the Deutsche Bank AG Policy Framework. Currently, Deutsche Bank AG follows a principle-based approach. As the regulatory requirements and associated data change on an ongoing basis, Deutsche Bank AG is fully committed to integrating a more thorough and exhaustive principal adverse impact framework into its discretionary portfolio management services in alignment with such developments.

Since 10 March 2021, Deutsche Bank AG has made factors relating to select principal adverse impacts transparent for the investment universe, enabling informed decisions in the selection process for the composition of relevant financial products. The focus is on making the data available within the processes for selection of underlying products for Deutsche Bank AG’s managed portfolios. It is of the utmost importance that Deutsche Bank AG, given its fiduciary capacity, make all investment decisions in the best interests of its clients and, in doing so, take all financial and risk factors into account. Considering these principal adverse impacts is therefore an additional aspect to be reviewed by Deutsche Bank AG’s portfolio managers when making investment decisions, but will not automatically outweigh other relevant factors. Deutsche Bank AG works with third-party data providers to obtain the required data and monitor its investable product universe. This enables Deutsche Bank AG to include information on the principal adverse impacts across the applicable universe on a monthly basis.

While Deutsche Bank AG carries out quantitative reporting in respect of all mandatory principal adverse impacts set out in the SFDR, it considers – in its role as a financial market participant – selected principal adverse impact indicators within its investment process. Indicators are selected on the basis of data availability, alignment with adverse activities on which the Deutsche Bank Group is particularly focused and

the Sustainable Investment Classification Criteria, which set out the standards to be met in the composition of sustainable products. The investment process must allow for robust asset allocation across different regions, asset classes and sectors, which means that principal adverse impacts are not always applicable, or data is not readily available for all of the securities invested in.

The prioritised principal adverse impacts are as follows:

- **Greenhouse gas (GHG) emissions**
 - **Exposure to fossil fuels**
Industries that derive revenues from the exploration, mining, extraction, distribution or refinement of solid, liquid or gaseous fuels (i.e., coal, oil, natural gas)
 - **Carbon emissions**
The carbon dioxide equivalents released by a company, measured by volume and intensity
- **Social and employee matters**
 - **Compliance with United Nations Global Compact principles**
At a minimum, companies need to fulfil fundamental responsibilities in the areas of human rights, labour, the environment and anti-corruption
 - **Exposure to controversial weapons**
Industries that derive revenues from the manufacture or sale of controversial weapons (i.e., anti-personnel mines; cluster munitions; chemical, biological, radiological and nuclear weapons)

Deutsche Bank AG will continue to monitor its exposure to adverse sustainability indicators and, where applicable, may adapt its strategy in accordance with publication of each annual quantitative statement.

As standards regarding the consideration of sustainability criteria are still emerging and reporting frameworks have not yet come into force, data is currently not always available from the capital management companies, the bank’s issuers or third-party data providers, especially with regard to the adverse impacts on sustainability factors.

Description of the principal adverse impacts on sustainability factors

Deutsche Bank AG discloses data related to principal adverse impact (PAI) on sustainability factors for products where it acts as a financial market participant and within the scope of the SFDR. The following disclosure is an aggregation of all in-scope assets of Deutsche Bank AG including branches that may not serve EU clients². The data is relevant for the reference period 1 January to 31 December 2022.

At this point in time, data availability and data quality for principal adverse impact on sustainability factors of the financial investment universe are still evolving. This is due to various factors including, but not limited to, alignment and applicability of reporting standards for investee companies and sovereign issuers, evolving methodologies for calculation of sustainability indicators and ongoing efforts in the market and by data providers to make data accessible and standardised. Deutsche Bank AG considers the data to be not yet sufficient for deriving

¹ Business units within the legal entity that fall under the scope of the SFDR are limited to the Private Bank. The Corporate Bank and Investment Bank divisions do not meet the definition of FMP or create the scope of financial products as defined by the regulation.

² Branches in Singapore and Hong Kong offer portfolio management services but do not serve EU clients. As a branch of an EU entity, the assets have been included for quantitative reporting purposes.



Statement on principal adverse impacts of investment decisions on sustainability factors

well-founded decisions regarding actions to be taken. It is possible that, as data availability and quality improve, the effect on principal adverse impacts could increase organically beyond the control of Deutsche Bank AG.

Therefore, for its current quantitative reporting, Deutsche Bank AG will disclose and monitor its principal adverse impacts of its investment decisions on sustainability factors without deriving any planned actions or applying thresholds for the following reference period to avoid or reduce the principal adverse impacts.

Deutsche Bank AG will review its current approach on an annual basis.

The investment universe for which Deutsche Bank AG acts as a financial market participant is comprised of all assets including investee companies, sovereign issuers, indirect investments

(funds), derivatives, commodities and cash. For the current reference period, Deutsche Bank AG includes information on the coverage, which is represented as a percentage share of the investment universe for which adverse impact data was available as of 31 December 2022. Coverage data helps to understand the mix of investment assets within the portfolio and the limited data availability.

The calculation is based on principal adverse impact data for direct investments in investee companies and sovereigns as well as indirect investments (funds) sourced from a third-party data provider assessed against four snapshots of the assets managed during the reference period (31 March/30 June/30 September/31 December).

Annual impact is the consolidated figure for all branches in scope for Deutsche Bank AG, based on the weighted average across the year.

| Indicators applicable to investments in investee companies | | | | | | |
|---|---|--|--------------|-------------------------------------|---|---|
| Adverse sustainability indicator | | Metric | Impact Y2022 | | Explanation ³ | Actions taken, and actions planned and targets set for the next reference period ⁴ |
| Climate and other related environment-related indicators | | | | | | |
| Green-house gas emissions | 1. GHG Emissions | Scope 1 GHG emissions | 957.735,23 | tonnes of CO2e | 46,16 % coverage | Disclosure and ongoing review As prioritised PAIs, data relating to total GHG emissions, carbon footprint, GHG intensity and fossil fuel activity is shared with the portfolio managers for the investment universe used in the selection process. |
| | | Scope 2 GHG emissions | 193.613,02 | tonnes of CO2e | Disclosure for PAI 1 only includes direct investments due to limited data available to include required investor share for indirect investments. | |
| | | Scope 3 GHG emissions | 4,501.848,42 | tonnes of CO2e | | |
| | | Total GHG emissions | 5.653.197,51 | tonnes of CO2e | | |
| | 2. Carbon footprint | Carbon footprint | 494,24 | tonnes of CO2e/ EUR million | 73,00 % coverage | Investment decisions are made in the best interests of clients and take all financial and risk factors into account. PAIs will not automatically outweigh other relevant factors. |
| | 3. GHG intensity of investee companies | GHG intensity of investee companies | 961,07 | tonnes of CO2e/ EUR million revenue | 73,74 % coverage | |
| | 4. Exposure to companies active in the fossil fuel sector | Share of investments in companies active in the fossil fuel sector | 8,98 | per cent | 81,43 % coverage | |
| 5. Share of non-renewable energy consumption and production | Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources | 72,84 | per cent | 68,85 % coverage | Disclosure and ongoing review Data is disclosed as a single data point combining share of non-renewable energy consumption and non-renewable energy production | |

³ Explanation includes the coverage which is based on the percentage of the investment universe for which data was available for the adverse impact indicator. The investment universe is comprised of all assets including investee companies, sovereign issuers, indirect investments (funds), derivatives, commodities and cash.

⁴ For its current quantitative reporting, Deutsche Bank AG will not include planned actions or apply thresholds for the following reference period, due to data limitations and evolution.



Statement on principal adverse impacts of investment decisions on sustainability factors

| Indicators applicable to investments in investee companies | | | | | |
|--|---|--|--|---|---|
| Adverse sustainability indicator | | Metric | Impact Y2022 | Explanation ³ | Actions taken, and actions planned and targets set for the next reference period ⁴ |
| | 6. Energy consumption intensity per high-impact climate sector | Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector | NACE Code A: 0,80 GWh/ EURmillion of revenue | NACE Code A: 65,70 % coverage | Disclosure and ongoing review |
| | | | NACE Code B: 8,89 | NACE Code B: 65,70 % coverage | |
| | | | NACE Code C: 0,75 | NACE Code C: 65,70 % coverage | |
| | | | NACE Code D: 4,97 | NACE Code D: 65,70 % coverage | |
| | | | NACE Code E: 2,28 | NACE Code E: 65,70 % coverage | |
| | | | NACE Code F: 0.26 | NACE Code F: 65,70 % coverage | |
| | | | NACE Code G: 0.43 | NACE Code G: 65,70 % coverage | |
| | | | NACE Code H: 0.90 | NACE Code H: 65,70 % coverage | |
| | | | NACE Code L: 0.86 | NACE Code L: 65,70 % coverage | |
| Bio-diversity | 7. Activities negatively affecting biodiversity-sensitive areas | Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas | 0,04 per cent | 81,43 % coverage | Disclosure and ongoing review |
| Water | 8. Emissions to water | Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average | 6,44 tonnes/ EUR million invested | 10,70 % coverage | Disclosure and ongoing review |
| Waste | 9. Hazardous waste and radioactive waste ratio | Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average | 2.099,60 tonnes/ EUR million invested | 30,56 % coverage Numbers are based on hazardous waste. | Impact is based on hazardous waste. Disclosure and ongoing review |

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Statement on principal adverse impacts of investment decisions on sustainability factors

| Indicators applicable to investments in investee companies | | | | | |
|--|---|---|----------------|--------------------------|--|
| Adverse sustainability indicator | | Metric | Impact Y2022 | Explanation ³ | Actions taken, and actions planned and targets set for the next reference period ⁴ |
| Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters | | | | | |
| Social and employee matters | 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises | Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | 17,38 per cent | 81,43 % coverage | Disclosure and ongoing review As a prioritised PAI, data relating to UNGC violations is shared with the portfolio managers for the investment universe used in the selection process. Investment decisions are made in the best interests of clients and take all financial and risk factors into account. PAIs will not automatically outweigh other relevant factors. |
| | 11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises | Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | 45,20 per cent | 80,95 % coverage | Disclosure and ongoing review |
| | 12. Unadjusted gender pay gap | Average unadjusted gender pay gap of investee companies | 12,79 per cent | 19,79 % coverage | Disclosure and ongoing review |
| | 13. Board gender diversity | Average ratio of female to male board members in investee companies, expressed as a percentage of all board members | 34,60 per cent | 74,41 % coverage | Disclosure and ongoing review |
| | 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) | Share of investments in investee companies involved in the manufacture or selling of controversial weapons | 0,03 per cent | 81,43 % coverage | Disclosure and ongoing review As a prioritised PAI, data relating to controversial weapons exposure is shared with the portfolio managers for the investment universe used in the selection process. Investment decisions are made in the best interests of clients and take all financial and risk factors into account. PAIs will not automatically outweigh other relevant factors. |

³ Explanation includes the coverage which is based on the percentage of the investment universe for which data was available for the adverse impact indicator. The investment universe is comprised of all assets including investee companies, sovereign issuers, indirect investments (funds), derivatives, commodities and cash.

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Statement on principal adverse impacts of investment decisions on sustainability factors

| Indicators applicable to investments in sovereigns and supranationals | | | | | |
|---|---|--|--|--|--|
| Adverse sustainability indicator | | Metric | Impact Y2022 | Explanation ³ | Actions taken, and actions planned and targets set for the next reference period ⁴ |
| Environmental | 15. GHG intensity | GHG intensity of investee countries | 346,82 tonnes of CO ₂ e/ EUR million of GDP | 8,99 % coverage | Disclosure and ongoing review |
| Social | 16. Investee countries subject to social violations | Number of investee countries subject to social violations (absolute number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law | 7.71 count of countries | 9.07 % coverage Numbers are presented as an aggregation across branches and an average of four holding snapshots. It is possible not to include a whole number. | Current data provided by third-party data provider only considers countries subject to EU sanctions. Subject to clarification on scope of "social violations"; this may need expanding. Disclosure and ongoing review |
| | | | 0.49 EUR million in violations/ EUR million in total sovereign investment | 9.07 % coverage Interpretation of relative exposure is calculated as investment in sanction sovereigns as a share of all investments in sovereigns. | |

| Indicators applicable to investments in real estate assets | | | | | |
|--|---|--|---------------|---|---|
| Adverse sustainability indicator | | Metric | Impact Y2022 | Explanation ³ | Actions taken, and actions planned and targets set for the next reference period ⁴ |
| Fossil fuels | 17. Exposure to fossil fuels through real estate assets | Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels | No disclosure | The percentage of assets exposed to real estate based on NACE code L is 1.18 %. Due to limited/no data on real estate assets from data providers, no impact can be provided for PAI 17 and 18. | Identifying potential PAI data sources that can supply real estate data. |
| Energy efficiency | 18. Exposure to energy-inefficient real estate assets | Share of investments in energy-inefficient real estate assets | No disclosure | | |

| Other indicators for principal adverse impacts on sustainability factors | | | | | |
|--|---|--|----------------|--------------------------|---|
| Adverse sustainability indicator | | Metric | Impact Y2022 | Explanation ³ | Actions taken, and actions planned and targets set for the next reference period ⁴ |
| Emissions | 4. Investments in companies without carbon emission reduction initiatives | Share of investments in investee companies without carbon emission reductions initiatives aimed at aligning with the Paris Agreement | 39,73 per cent | 81,43 % coverage | Disclosure and ongoing review |

³ Explanation includes the coverage which is based on the percentage of the investment universe for which data was available for the adverse impact indicator. The investment universe is comprised of all assets including investee companies, sovereign issuers, indirect investments (funds), derivatives, commodities and cash.

⁴ For its current quantitative reporting, Deutsche Bank AG will not include planned actions or apply thresholds for the following reference period, due to data limitations and evolution.



Statement on principal adverse impacts of investment decisions on sustainability factors

| Other indicators for principal adverse impacts on sustainability factors | | | | | |
|--|--|---|-------------------------------------|--------------------------|---|
| Adverse sustainability indicator | | Metric | Impact Y2022 | Explanation ³ | Actions taken, and actions planned and targets set for the next reference period ⁴ |
| Human Rights | 14. Number of identified cases of severe human rights issues and incidents | Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis | 0,00 cases/ EUR million invested | 74,52 % coverage | Disclosure and ongoing review |

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Deutsche Bank AG has established a robust governance structure, helping to manage, measure and monitor sustainability activities across the bank. This governance structure includes a number of forums devoted entirely to sustainability. The most senior is the Group Sustainability Committee, which was created in 2020. Chaired by the Chief Executive Officer and the Chief Sustainability Office (Vice Chair), it consists of Management Board members, the heads of Deutsche Bank AG's business divisions and certain infrastructure functions.

Deutsche Bank AG applies an overarching approach to the management of sustainability, which is set out in various group-level policies and procedures.

As the regulatory requirements and data change on an ongoing basis, Deutsche Bank AG – where it acts as a financial market participant – does not have a single defined policy relating to principal adverse impacts. Where relevant, however, they are covered by existing procedure documents. Deutsche Bank AG is fully committed to integrating a more thorough and exhaustive principal adverse impact framework into its discretionary portfolio management services in alignment with such developments.

Frameworks for Deutsche Bank AG where it acts as a financial market participant describe the core processes, responsibilities, governance structures and monitoring environment. These stipulate that portfolio managers be provided with selected principal adverse impact information alongside the investment universe, enabling them to make informed decisions in the selection process for the composition of relevant managed portfolios. The focus is on making the data available within the processes for the selection of underlying products for Deutsche Bank AG's managed portfolios. It is of the utmost importance that Deutsche Bank AG, given its fiduciary capacity, make all investment decisions in the best interests of its clients and, in doing so, take all financial and risk factors into account. Considering these principal adverse impacts is therefore an additional aspect to be reviewed by Deutsche Bank AG's portfolio managers when making investment decisions, but will not automatically outweigh other relevant factors.

For financial products that follow a sustainable investing approach, Deutsche Bank AG has additionally specified a Sustainable Classification Criteria Policy (published in 2021) that has to be adhered to. Deutsche Bank AG, in its role as a financial

market participant, uses third-party data providers to exclude or set threshold limits on exposure to industries or practices that are aligned with select adverse sustainability indicators.

Deutsche Bank AG, in its role as a financial market participant, identifies and prioritises select principal adverse impact indicators within its investment process. The selection of indicators is determined via data availability, alignment with adverse activities within the focus of Deutsche Bank Group and the Sustainable Investment Classification Criteria, which set out standards to be met for portfolio management that considers sustainability criteria. The investment process must allow for a robust allocation across different regions, asset classes and sectors, and, as such, principal adverse impacts are not always applicable or data is not readily available for all securities invested in. Deutsche Bank AG will continue to monitor its exposure to adverse sustainability indicators and, where applicable, may adapt its strategy in accordance with the publication of each annual quantitative statement.

Deutsche Bank AG also regularly performs an assessment to determine the materiality of non-financial topics for the bank and its stakeholders. As part of this assessment, Deutsche Bank AG assesses any potential significant risks that are very likely to have or will have a severe negative impact on a material non-financial topic in terms of Deutsche Bank AG's business activities, business relations and products and services.

For the assessment of principal adverse impacts on sustainability factors, Deutsche Bank AG relies on data provided by capital management companies, investment funds and a third-party data provider. If no data from the capital management company or investment fund company is available, data from a third-party data provider is used.

Deutsche Bank AG does not guarantee that this information is correct or complete. Furthermore, Deutsche Bank AG cannot guarantee the correctness of the third-party data provider's assessment. Deutsche Bank AG also has no influence on any disruptions to the third-party data provider's analysis and research preparation.

As the standards and the regulatory framework regarding the consideration of sustainability criteria are still evolving, data on the consideration of principal adverse impacts is not always available and there may still be restrictions on the consideration of the principal adverse impacts.

To minimise these restrictions, Deutsche Bank AG has care-

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Statement on principal adverse impacts of investment decisions on sustainability factors

fully selected its third-party data provider and maintains close contact with regard to changes in the quality of the data.

Engagement policies

Where Deutsche Bank AG acts as a financial market participant for financial products within the scope of the Disclosure Regulation, it does not currently engage directly with investee companies and therefore does not influence their business activities or risks.

References to international standards

Deutsche Bank AG is embedding sustainability into its policies, processes and products, focusing on four dimensions: sustainable finance, policies and commitments, people and operations as well as thought leadership and stakeholder engagement. Making progress in these dimensions will enable Deutsche Bank AG to maximise its contribution to the achievement of the Paris Climate Agreement's targets and the United Nations (UN) Sustainable Development Goals.

To underpin its long-standing commitment to sustainability, Deutsche Bank AG follows internationally recognised principles for sustainable business and banking conduct and formally endorses universal sustainability frameworks and initiatives such as:

- The 10 principles of the UN Global Compact
- The UN Principles for Responsible Banking
- The UN Guiding Principles on Business and Human Rights
- Member of the United Nations Environment Programme Finance Initiative
- Signatory of the Net-Zero Banking Alliance

A full list and further details of the standards adhered to can be found at Deutsche Bank Memberships, Commitments and International Guidelines (db.com).

By adhering to certain internationally recognised standards, such as the conventions of the United Nations Global Compact Principles, by setting a maximum involvement in certain sectors, such as thermal coal and/or unconventional oil/gas, and by excluding activities in connection with controversial weapons such as armament systems, nuclear weapons, anti-personnel landmines, incendiary devices and cluster munitions, Deutsche Bank AG – where acting as a financial market participant – indirectly aligns its ESG investment strategies with the consideration of certain principal adverse impacts.

Within portfolio management services, Deutsche Bank AG collaborates with third-party data providers for data related to sustainability factors of investee companies for direct as well as indirect investments. For ESG investment strategies, this includes, but is not limited to, assessing whether the investee universe has exposure to UN Global Compact or OECD violations (PAI 10) and controversial weapons (PAI 14).

For portfolio management services, Deutsche Bank AG is invested in developing net-zero-aligned forward-looking climate scenarios that are consistent with the Paris Climate Agreement. Currently, however, Deutsche Bank AG does not consider climate scenarios in the decision-making process for investments.