July 2020

Environmental and Social Policy Framework

1. Introduction

At Deutsche Bank, our aspiration is to live by the highest standards of integrity. We are committed to act as a responsible partner to all our stakeholders and to address impacts that our business operations may have on the environment and society.

Deutsche Bank became a signatory to the Equator Principles in July 2020. The Equator Principles is a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in development projects.

In addition, we have made formal commitments to internationally recognized standards and principles such as the ten Principles of the United Nations (UN) Global Compact, the UN Environment Programme Finance Initiative and the Principles for Responsible Investment1. We also support industry initiatives such as the Soft Commodities Compact of the Banking Environment Initiative (BEI) and the Green Bond Principles.

Our objectives are to promote sustainable business, to ensure our risk management processes are aligned with industry good practices and to increase transparency. To this end, we:

- have been rated in the top ten percent of financial service providers in the Dow Jones Sustainability Index (DJSI) since 2000;
- co-created Green Bond Principles with our peers in 2014;
- were the first global commercial bank to be accredited to the Green Climate Fund[2] in 2015;
- have maintained carbon neutrality in our business operations since 2012; and
- established a formal environmental and social (ES) review process in 2011, materially revising it in 2015.

As a global bank that offers a wide range of products and services in corporate investment and retail banking, as well as in asset and wealth management, we have clients across all sectors including those that may be linked to significant ES impacts. We therefore need to understand the ES risks associated with an industry, a client or a transaction, just as we do with traditional banking risks.

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

This document summarizes Deutsche Bank's position on ES matters. Such position is reflected in policies, guidelines and processes which help ensure that consistent standards are applied when identifying, assessing and managing ES risks in relation to our own operations and business relationships with our clients across corporate finance, including project finance, trade finance, and investment banking.

Deutsche Asset Management, the asset management division of Deutsche Bank group, also acknowledges the importance of environmental and social aspects. However, in order to preserve and fulfil its independent fiduciary obligations, Deutsche Asset Management may follow own (and prevailing) policies in relation to environmental and social matters.

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[1] The UN Principles for Responsible Investment (UN PRI) are signed by parts of our asset management organisation
[2] The Green Climate Fund (GCF) was founded within the UN Framework Convention on Climate Change (UNFCCC) as a mechanism to make finance available from developed to developing countries for climate change adaption and mitigation

Our policies are subject to regular review. Changes as a result of such review are based upon a number of factors. To the extent such changes affect the statements herein, Deutsche Bank will update the information in this document in a timely manner.

2. Environmental and social risk management

Our approach to manage ES risks is aligned with Deutsche Bank's Code of Business Conduct and Ethics (The Code), itself based on our Values and Beliefs. Applicable to all employees, as well as interactions with internal and external stakeholders, it emphasises that sustainability is at the heart of our corporate responsibility (CR) principles; that we will consider the ES impacts of our actions; and that we will apply high ES standards to our business to support a sustainable future. In order to comply with the Code, employees must ask themselves whether or not a proposed transaction or initiative presents any risks to the environment or society.

Our ES risk management approach builds on our ES Policy Framework, part of the Bank's global Reputational Risk Framework (RepRisk Framework).

As a signatory to the Equator Principles, all in-scope project-related finance is subject to the risk identification, assessment, management and reporting requirements of the principles. All other transactions are subject to the ES requirements described below.

Initially introduced in 2011, the ES Policy Framework was substantially revised in 2015 and includes general and sector-specific provisions. Applicable globally for corporate finance including project finance, trade finance, and investment banking, it defines procedures and responsibilities for risk identification, assessment, and decision-making. It also covers deal-independent screening and the identification of companies with a controversial profile from an ES perspective.

In line with the requirements of Deutsche Bank's RepRisk Framework, our business units are initially responsible for identifying ES risks. To support business units, the ES Policy Framework acts as a starting point when assessing client relationships or transactions. Its general provisions define sensitive sectors, specify the requirements for ES due diligence, and include criteria for mandatory referral to Group Sustainability. For all sectors requiring mandatory involvement of Group Sustainability, detailed sectoral guidelines are available. These offer further guidance on the scope of ES due diligence and outline good industry practice benchmarks and principles.

Under the ES Policy Framework, the following sectors and activities are defined as having high potential for significant ES impacts: 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. This scope is regularly reviewed and updated if required.

Embedding environmental and social (ES) provisions

Global Reputational Risk Principles	— Define consistent standards for the identification, assessment and management of reputational risk matters
Global Reputational Risk Guidelines (general environmental and social provisions incorporated) — Agriculture and forestry — Chemicals — Infrastructure including transportation — Metals and mining — Oil and gas — Utilities — Other carbon-intensive sectors and those exposed to human rights violations	— Define sensitive sectors from an environmental and social perspective and provides guidance on the analysis of environmental and social risks — Support assessment of the potential reputational risks — Include criteria for mandatory referral to Control Groups and/or to the Regional Reputational Risk Committee
Specific industry sector environmental and social guidelines	— Provide detailed guidelines for specific industry sectors including Dos and Don'ts
Control groups: Group Sustainability, Credit etc.	

Under the RepRisk Framework, Group Sustainability is responsible for assisting business units in assessing ES issues and associated risks. In 2015, the referral criteria for mandatory involvement of Group Sustainability were strengthened and the set of sector guidelines expanded to eight.

The ES risk review process includes discussion of critical issues with clients and remediation actions. Third-party subject-matter experts may be involved in this process. The final ES risk profile will include evaluation of the materiality of the identified ES risks and associated reputational risks. If the risks are deemed to pose a material reputational risk, 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 at the level of a Regional Reputational Risk Committee, the governance structure requires escalation to the Group Reputational Risk Committee (GRRC). Ultimately, the Management Board is accountable for the management of reputational risk, delegating authority to the Group Risk Committee for subsequent delegation to the GRRC. The GRRC receives a quarterly update from Group Sustainability on sensitive ES topics and trends.

Since 2015, the entire ES risk review process has been supported by a dedicated IT application. Training plays an important role in supporting business units to understand the ES Policy Framework and is a key priority going forward.

ES Policy Framework – process and responsibilities

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

3. Environmental and social review

In our transactions with clients, we expect, as a minimum, that they meet applicable ES laws and regulations, and that they hold relevant licenses and permits. At Deutsche Bank, we also expect our clients to consider international best practice approaches.

Deutsche Bank will not engage in any activities or relationships where there is clear evidence of severe human rights violations and/or damage to the environment. To this end, we will not knowingly finance:

— activities and/or clients that use child or forced labour as defined by the core conventions of the International Labour Organization[3];

— activities within or in close proximity to a World Heritage Site unless there is a prior consensus with both Government and UNESCO that such operations will not adversely affect the Outstanding Universal Value of the Site;

— projects or activities located in or involving the clearing of primary forests, areas of High Conservation Value (HCV) or peatlands, illegal logging or uncontrolled and/or illegal use of fire; or

— activities of mining companies which use Mountain Top Removal (MTR) as their extraction method and materially contribute to the total annual MTR coal production in the United States.

[3] C138 Minimum Age Convention; C182 Worst Form of Child Labour Convention; C29 Forced Labour Convention

Our due diligence process regarding project finance is based on the IFC Performance Standards underlying the due diligence process of the Equator Principles.

While conducting ES risk reviews for non-project finance, we assess our clients' ES risk management systems, including governance and capacity to address ES risks. We look for policies and commitments, as well as a responsible approach to stakeholder engagement and disclosure. We also assess their track record. In this review, we rely on publicly available information such as corporate disclosure, media, and external data providers. We may also engage with clients directly and, depending on the risk profile, more intense ES due diligence may be required in accordance with our general and sector-specific ES provisions.

Across sectors with high potential for significant ES impacts[4], we aim to identify the issues that require attention. Some of these issues will be cross-sectoral, while others will be sector-specific (see below). We regularly review our approach and understanding of issues through continuous dialogue with our peers, the industry, NGOs, and other relevant stakeholders. Accordingly, our ES Policy Framework is reviewed annually – or as events occur – to reflect changes in the environment in which we operate.

3.1 Cross-sectoral issues

Human rights

Our long-standing commitment to human rights is reflected in our Human Rights Statement, publicly available since 2015. To address this complex topic, we are guided by a wide range of international standards and principles including the UN Guiding Principles on Business and Human Rights. We integrate human rights considerations into the due diligence process as part of our ES Policy Framework.

We focus on the client's measures to avoid any involvement in child and/or forced labour, and the policies and procedures to protect the health and safety of employees and sub-contractors. Further, Deutsche Bank understands that our clients' activities may impact the communities they operate in, and we expect clients to have processes in place to minimise any negative impact. In particular, during the due diligence we focus on policies and procedures that:

- protect the health and safety of affected communities;
- ensure respect for land rights and cultural heritage; and
- address engagement with communities, including responding to community concerns (for example through grievance mechanisms).

In cases involving resettlement, we expect our clients to act in accordance with national laws and regulations and, where applicable, in alignment with the objectives and requirements of IFC Performance Standard (PS) 5 on Land Acquisition and Involuntary Resettlement.

We recognise the vulnerability of indigenous peoples and the connection to ancestral lands, as defined by the UN Declaration on the Rights of Indigenous Peoples. In cases where we can identify potential impacts on indigenous peoples, we expect our clients to act in alignment with the objectives and requirements of the IFC PS 7 on Indigenous People. For circumstances outlined in the IFC PS 7, we expect clients to obtain the Free Prior and Informed Consent of affected communities.

We also recognise that in certain circumstances our clients' activities may be exposed to security risks due to the socio-economic environment. Where necessary, we review our clients' approach to the use of security forces for site protection and whether the established processes have been informed by international standards such as the Voluntary Principles on Security and Human Rights.

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[4] 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.

Sensitive and protected locations

Deutsche Bank recognises that corporate client activities may have material impacts on areas of international or national biodiversity value and high-sensitivity ecosystems and habitats. We expect clients to identify, assess and mitigate these risks by applying widely accepted international guidance and best practices. This means implementing the mitigation hierarchy with regard to areas of high biodiversity and/or high-sensitivity ecosystems/habitats. The mitigation hierarchy requires primary impacts to be avoided through site selection, design or scheduling of activities.

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

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

- We will not finance projects and activities located in World Heritage Sites unless there is a prior consensus with both Government and UNESCO that such operations will not adversely affect the Outstanding Universal Value of the Site.
- For transactions where we are able to identify impacts on areas of international or national biodiversity value and high-sensitivity ecosystems/habitats an enhanced ES review is required. It will consider the implementation of the mitigation hierarchy with further focus on:
  - alternative site selection;
  - compliance with national laws and regulations; and
  - biodiversity action plans where applicable.

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

3.2 Sector-specific issues based on our sectoral guidelines

Energy

Deutsche Bank recognises the risks of climate change and is committed to support the transition to a low-carbon, climate-resilient economy. We were the first global commercial bank to receive Global Climate Fund accreditation in 2015. By signing the Paris Pledge for Action in December 2015, we welcomed the universal climate agreement made at the 2015 Climate Summit in Paris. Our corporate financial activities that support renewable energy are growing, while in asset management, building sustainable investment capacities remains one of our priorities.

We further announced commitment to align the carbon intensity of our lending portfolios with the targets of the Paris Agreement, which we have pledged by joining the German Financial Sector Collective Commitment on Climate Action in June 2020.

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

Coal Power

Since 2016, we have had a policy in place prohibiting financing the development of new coal-fired power plants and expansion of existing coal-fired power plants, irrespective of their location. Our coal policy was further enhanced in March 2018 by clarifying that we will not finance new greenfield coal-related infrastructure regardless if the infrastructure is related to a new or existing plant. In addition to this commitment, we will review our coal power exposure, and for all clients depending more than 50% on coal – be it energy capacity or energy output – we will subject the provision of financial services to the availability of credible diversification plans. For this, we will review all clients in Europe and US until year-end 2020 and gradually phase out existing exposure if there are no diversification plans in place. Starting 2022, we will extend this review and phase out to Asia and selected developing markets. With this staged timing, we acknowledge additional time required by some regions to prepare for the transformation.

Hydropower

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

Any transaction involving financing of a new hydropower plant or expansion of an existing one requires an enhanced ES review and, potentially, discussion within a regional Reputational Risk Committee. We will look at a number of sector-specific factors including the client's management systems and track record. Application of the Hydropower Sustainability Assessment Protocol by clients will be highly valued. We also review how a utility company and/or project developer has:

— taken into account the host country's energy situation, including its national energy strategy;
— addressed analysis of site alternatives;
— assessed river ecosystems and evaluated impacts on threatened and endangered species;
— analysed the impact on sites of cultural, historic, religious value or agricultural land; and
— addressed resettlement of people where applicable.

Nuclear Power

Nuclear power is the second-largest source of low-carbon electricity generation worldwide, after hydropower[9]. Deutsche Bank views nuclear power as an important low-carbon source of energy in the transition to a more sustainable energy mix. At the same time, we recognise serious risks such as nuclear accidents or improper nuclear waste disposal. Therefore, our financing for civil nuclear power is subject to strict specific country and project criteria.

Any transaction involving financing of a new nuclear power plant or expansion of an existing one requires enhanced ES review and, potentially, discussion within a regional Reputational Risk Committee.

[8] International Energy Agency; key world energy statistics 2013
[9] International Energy Agency: Energy and Climate Change 2015

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

— the status of ratification of the relevant conventions and treaties by the project country, for example the Convention on Nuclear Safety or Nuclear Non-Proliferation Treaty;
— the robustness of national regulatory frameworks;
— cooperation of the project country with the International Atomic Energy Association and application of internationally recognised safety and security standards; and
— assessments addressing seismic and/or flood risks.

Mining

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

Therefore any transaction involving financing of mining (the extraction of minerals and metals) requires enhanced ES review.

We look at a number of sector-specific factors including the client's management systems and track record. This includes assessing how the client's Environmental and Social (ES) management system addresses:

— contamination of water and soil;
— waste management;
— impacts on local ecosystems;
— workplace and community health and safety; and
— community consultation, especially where operations are close to tribal areas or places of worship.

Our review will also consider whether the ES management system is certified according to internationally recognised standards such as ISO 14001 and OHSAS 18001. Further, we will positively value the application of best practices such as the Sustainable Development Principles of the International Council of Mining and Metals, the IFC's Environmental, Health and Safety Guidelines for Mining, and the Voluntary Principles on Security and Human Rights.

Mountain Top Removal

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

In 2015 we updated our policy position in relation to MTR. Accordingly, Deutsche Bank will not provide financing and advisory services including M&A to mining companies which use MTR as an extraction method and which make a material contribution to the total annual MTR coal production in the United States.

Thermal coal mining

Any transaction in coal mining requires enhanced ES review and, potentially, discussion within a regional Reputational Risk Committee.

In addition:

— We will not provide any financing for greenfield thermal coal mining;

— We will not finance new greenfield coal-related infrastructure, regardless if related to new or existing mines;

In 2016 we committed to reducing our coal lending exposure and set a three-year reduction target of 20%. Per end of 2019, we achieved that target and now further commit to phase out coal exposure by 2025 worldwide (including both lending and capital markets).

Oil and gas

We apply an enhanced environmental and social due diligence for transactions in oil & gas sector. Depending on the type of involvement further discussion within a regional Reputational Risk Committee might be required.

Further, we will review by end of 2020 our existing exposure to the oil and gas sector globally considering environmental and social performance, carbon intensity, and transition plans. Based on this review, we will aim reducing our exposure.

In addition, we will not finance:

— Oil and gas projects via hydraulic fracturing in countries with extremely high water stress;

— New oil and gas projects in the Arctic region; Arctic region being defined based on a 10°C July Isotherm boundary, meaning the area does not experience temperatures above 10° C;

— New projects involving exploration, production, transport/processing of oil sands.

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

Industrial Agriculture and forestry

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

In 2014, Deutsche Bank has signed the New York Forest Declaration of the United Nations. The objective of the signatories is to support all endeavours to cut natural forest loss in half by 2020 and to end it by 2030.

As a member of the Banking Environment Initiative and signatory to the Soft Commodities Compact[10] we are committed to help achieve zero net deforestation[11] by 2020 in the palm oil, timber, soy and beef sectors.

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[10] The Soft Commodities Compact is a joint initiative of the Banking Environment Initiative (BEI) and the Consumer Goods Forum (CGF), launched in April 2014

[11] In the definition of Zero Net Deforestation (ZnD) we follow the approach of WWF. ZnD can be distinguished from “zero deforestation”, which mean no deforestation anywhere. ZnD acknowledges that some forest loss could be offset by forest restoration. It leaves room for change in the configuration of the land-use mosaic, provided the net quantity, quality and carbon density of forests is maintained. ZnD is not achieved through the conversion of primary or natural forests into fast growing plantations. Such conversion would count as deforestation in assessing progress against our target. http://awsassets.panda.org/downloads/wwf_2020_zero_net_deforest_brief.pdf

Furthermore, Deutsche Bank is in the process of becoming a member of the Roundtable on Sustainable Palm Oil (RSPO). We consider the membership as an opportunity to monitor the latest developments and to actively contribute to the advancement of this important certification standard.

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

- for **palm oil,** we require as a minimum, that the client is a member of RSPO. Furthermore we would expect the client's operations to be certified in accordance with RSPO or the client's time-bound commitment to achieve RSPO certification in a reasonable timeframe but not later than 2025
- for timber, we expect clients to be certified according to the Forest Stewardship Council (FSC) (preferred) or the Programme for the Endorsement of Forest Certification (PEFC);
- for **soy** we prefer clients to be either certified according to the Roundtable on Responsible Soy Association or to demonstrate commitment to the Basel Criteria for Responsible Soy Production or the Soy Moratorium; and
- for other commodities such as **beef** or **cotton** we expect clients to be guided by industry best practices and initiatives such as the Global Roundtable for Sustainable Beef, the Cattle Agreement or the Better Cotton Initiative.

We observe developments of the different certification standards and initiatives in the areas outlined above and will update our guidelines when we deem necessary.

Further, we expect clients to demonstrate:

- their public commitment (ideally in a policy document) to the 'No Deforestation[12], No Peat, No Exploitation' standards
- policies on new developments including a commitment to conduct a High Conservation Value (HCV) assessment before any new plantation development. This involves identifying and conserving land with a high ecological, cultural or social value;
- water management and protection provision (e.g. considering water scarcity, recycling of wastewater, responsible use of pesticides and herbicides); and
- measures to protect biodiversity or endangered species and prevent soil erosion, land degradation and natural stock depletion.

We will not finance activities where there is clear and known evidence on clearing of primary forests, areas of High Conservation Value (HCV) or peatlands, illegal logging or uncontrolled and/or illegal use of fire.

Fisheries

According to the UN Food and Agriculture Organization (FAO), nearly 3 billion people were provided with almost 20 percent of their intake of animal protein by fish in 2012. Fisheries and aquaculture support the livelihoods of 10-12 percent of the world's population[13]. But today's fishery industry faces a number of challenges such as illegal, unregulated and unreported fishing, and over-exploration of important fish stocks. Therefore, responsible fishery practices are essential to "ensuring the effective conservation, management

[12] In the definition of Deforestation we follow the Zero Net Deforestation (ZnD) approach of WWF as explained under footnote 2.
[13] FAO: The state of World Fisheries and Aquaculture; factsheet, June 2014

and development of living aquatic resources, with due respect for the ecosystem and biodiversity[14].

Any transaction involving financing of companies active in catching and primary processing of fish outside the EU and USA requires enhanced ES review. This is based on a number of factors specific to the industry including a client's management systems, track record and ability to demonstrate:

— policies and procedures to regularly monitor the status of targeted fish stocks;

— processes to ensure no breaches of internationally agreed catch-limits for the targeted fish stocks, including measures to reduce by-catch; and

— a commitment to align management systems with recommendations of the FAO's Code of Conduct for Responsible Fisheries and/or plans to attain the Marine Stewardship Council certification or any other equivalent certification.

We will not engage in business relationships where there is clear and known evidence on clients having:

— reoccurring material breaches of imposed catch-limits; and /or

— not being in compliance with national health and safety requirements at a minimum. Please also see our position on child and forced labour on page 3.

4. Own Operations

Our contribution to a low carbon economy starts with our own operations. Deutsche Bank is certified to ISO 14001, the international environmental management standard. The sustainability performance of the business and infrastructure units integrated in the management system is reviewed by internal audits and annually by an external audit.

To reduce emissions from the energy we use in our offices, we invest in energy efficiency measures and purchase electricity from renewable sources. In 2015, more than 230,000 tonnes of CO_2e of emissions were avoided by purchasing renewable electricity. Furthermore, we have been reducing our emissions from business travel. For example, in 2015 emissions from air travel were 3% lower than the previous year, while the average CO2 emissions from company cars reduced by 5%.

Between 2008 and 2012, we reduced our direct carbon footprint by 20 percentage points a year. Unavoidable emissions were offset by purchasing and retiring certificates (VERs) from high-quality emission reduction projects. To this end, our operations have been carbon neutral since 2012.

In compliance with recent German regulation on energy audits for corporate facilities, Deutsche Bank decided to apply the ISO 50001 standard (energy management) to its home market starting 2016. This means establishing a certified quality management process for our energy consumption, including setting reduction goals and measures that will capture wider energy sources such as business travel. Furthermore, we apply a broad range of in-house measures with the aim to reduce the negative ecological impact of our business operations such as reduction of water consumption, increasing deployment of recycled copy paper, less produced and disposed waste.

5. Stakeholder Engagement

Regular and meaningful stakeholder dialogue with shareholders, clients, employees and society at large is fundamental to how we conduct our business responsibly. It allows us to:

— understand stakeholder concerns;

— prepare for potential future impacts on our business model caused by global trends or regulation;

[14] FAO: Code of Conduct for responsible fisheries

- minimise risks and detect business opportunities early on;
- make informed decisions, for the bank and when dealing with clients;
- define or improve standards and voluntary commitments across our sector;
- explain our position on sensitive topics; and
- promote mutual learning by recognising the complexity of global issues.

The results of our dialogue feed into our sustainability management as well as our ES risk management and annual reporting. They also help us respond constructively to critics, articulating our position on key issues and explaining the functionalities and limitations of financial products and services. We are aware that the interests of shareholders, clients, employees and the general public are sometimes in conflict, and that we have to negotiate between these interests. We remain open to meet critical stakeholders and consider their input with care and attention.

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

6. Reporting

Deutsche Bank's Non-Financial Report (former Corporate Responsibility report) is published annually as part of our annual corporate reporting. It is compiled in accordance with the core option of the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines and in adherence to the European Non-Financial Reporting Directive.

As well as reporting our corporate sustainability performance annually, we strive for transparency throughout the year by providing information to sustainability rating organisations. Our website and regional publications provide additional information as well as regular updates. Increasingly, we are using social media to improve transparency and to communicate with our stakeholders on certain topics.

In addition, as a signatory to the Equator Principles, starting from July 2021 we will expand our annual reporting including information required on project finance-related transactions in scope of the Equator Principles.