Framework Document

Deutsche Bank Transition Finance Framework

Effective as of January 1, 2026

Deutsche Bank

Content

1. Purpose and scope

In line with Deutsche Bank's sustainability strategy and its **Transition Plan**, the bank aims to support its clients in accelerating their climate transformation. To achieve this, Deutsche Bank pursues the following financing strategies for its corporate clients:

1. **Sustainable finance:** Financing and assisting companies that enable emissions reduction through their range of green products and services. In this way, Deutsche Bank contributes to the scale-up of the technologies required to combat climate change.

2. **Transition finance:** Support companies worldwide that have embarked on the journey of decarbonizing their business models.

To underpin its commitment to decarbonize the real economy, Deutsche Bank pursues the target to generate a cumulative EUR 900 billion of sustainable finance and transition finance from January 2020 to and including 2030, excluding DWS (the "Target")[1].

In this context, the Transition Finance Framework (the "TFF"[2] or the "Framework") sets out the methodology for classifying and reporting transactions and financial products and services offered by Deutsche Bank as transition finance under the bank's Targets. It is complementary to the **Sustainable Finance Framework**, which outlines the methodology for sustainable finance in this regard.

Both Frameworks apply to Deutsche Bank Group and its Corporate Bank, Investment Bank, and Private Bank's lending business, and are binding for all these divisions in all locations globally and irrespective of Deutsche Bank's legal form in the locations (unless stated otherwise in this Framework). DWS is not in scope of these Frameworks as DWS sets its own sustainability strategy and follows DWS-specific policies in relation to environmental and social matters **(Responsibility [dws.com])**.

Given the dynamic nature of transition finance and to keep pace with emerging developments and evolving guidance, the Framework is subject to a biennial review. It is valid from January 1, 2026 and subject to the bank's overarching sustainability governance.

2. Approach to transition finance

Deutsche Bank develops its approach toward transition finance in a context where no cohesive and all-encompassing definition exists. What is, however, common to all definitions[3] is the aim to direct financial resources toward sectors and economic actors that need substantial investments to decarbonize, in particular to the hard-to-abate sectors[4] that currently lack the necessary commercially scalable technological solutions to reach net zero.

[1] Cumulative figures include sustainable and transition financing as well as ESG investment activities, as defined in Deutsche Bank's Sustainable Finance Framework, Transition Finance Framework, and ESG Investments Framework, all of which are published on the bank's **website**.

[2] Capitalized terms have the meaning ascribed to them in the **↘ Glossary section**.

[3] Most recent principles and guidance include the **EU Commission's Recommendation on facilitating finance for the transition to a sustainable economy**, the **ICMA Climate Transition Finance Handbook**, the **GFANZ Financial Institution Net-zero Transition Plans**, the **RMI Transition Finance Resource Hub**, the **CBI Navigating Corporate Transitions**, or the **UK Transition Finance Market Review**. Those documents serve as inspiration and theoretical foundation for financial market participants to set and define their scope of transition finance.

[4] Deutsche Bank classifies hard-to-abate sectors as industries that face significant challenges in reducing emissions due to their high energy intensity, strong dependence on fossil fuels, and/or the limited availability of scalable low-carbon alternatives.

Hence, the bank's definition of transition finance encompasses the provision of capital to clients across the following dimensions:

- **Activity level (Parameter 1 — "P1"):** Financing activities that directly contribute to or enable the reduction of greenhouse gas (GHG) emissions while avoiding significant carbon lock-in. The activities might not yet be aligned with the objectives of the Paris Agreement, but support societies in moving toward alignment with the Paris Agreement.

- **Entity level (Parameter 2 — "P2"):** Financial solutions for clients who are transforming their business models following a credible transition plan aligned with the Paris Agreement, irrespective of whether such financial solutions include a dedicated use-of-proceeds or a sustainability-linked feature.[5]

- **Sustainability-linked solutions (Parameter 3 — "P3"):** Financial solutions that incentivize clients to achieve ambitious, predetermined sustainability performance targets (SPTs); not limited to climate-related or GHG-emissions-related key performance indicators (KPIs).

These three parameters of transition finance, outlined in detail in section 3, complement the bank's existing Sustainable Finance Framework, as shown in the following table:

Parameter 1		Parameter 2		Parameter 3
↓		↓		↓
Activity level		**Entity level**		**Sustainability-linked solutions**
Sustainable finance	**Transition finance**	**Sustainable finance**	**Transition finance**	**Transition finance**
Pure-play sustainable activities that help sustain, improve, and protect the environment, as well as activities that support social objectives	Transitional activities that directly contribute to or enable the reduction of GHG emissions while avoiding significant carbon lock-in, as well as activities supporting a socially just transition	The counter-party derives ≥90% of its revenues from environmentally and/or socially sustainable activities	Financial solutions for the counterparty that is reshaping its business model through a credible transition plan aligned with the Paris Agreement	Financial solutions that incentivize the counterparty to achieve ambitious, predetermined sustainability performance targets (SPTs) – not limited to climate-related or GHG-emissions-related key performance indicators (KPIs)

As of the Framework's effective date, only P1 and P3 transactions will count toward the bank's sustainable finance and transition finance target. In contrast, P2 transition finance transactions at the entity level will not be included in the target. We aim to report these volumes separately in the future, as P2 transition finance represents a new dimension for which the bank is implementing a system-based solution.

3. Transition finance parameters

Transition finance is embedded into Deutsche Bank's sustainability governance and related processes to ensure that climate, environmental, and social risks and impacts associated with transactions are appropriately identified and addressed. Within this context, Deutsche Bank applies a double materiality approach – considering transactions' potential negative impacts on the environment and society ("inside-out") as well as the climate- and environment-related financial risks to the bank ("outside-in").

The relevant governance and processes include, among others:

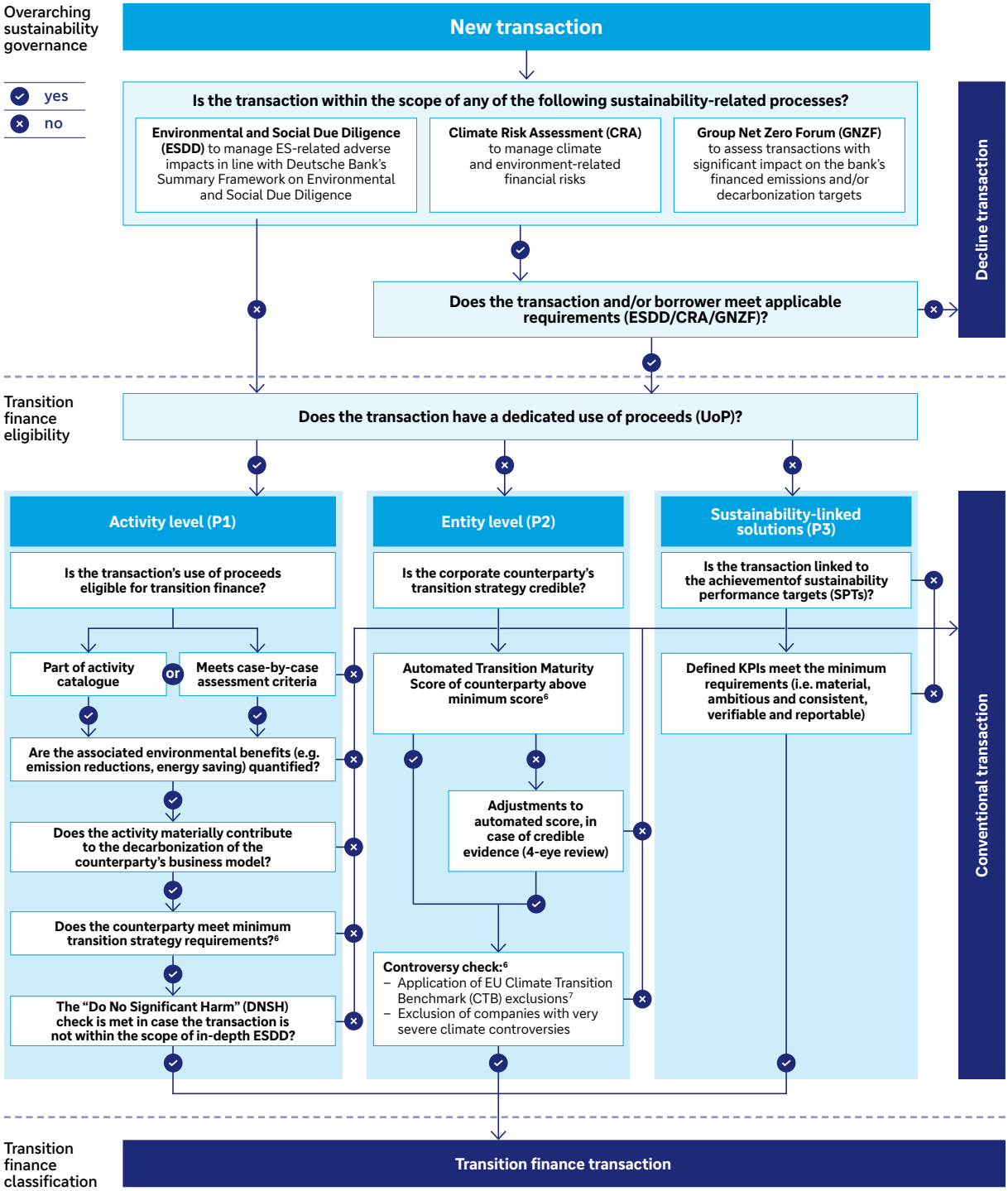
- **Environmental and Social Due Diligence (ESDD):** Identify, assess, and manage potential negative impacts associated with transactions on the environment and society ("inside-out" perspective). An overview of the scope and minimum standards of Deutsche Bank's risk-based ESDD can be accessed under the bank's **Summary Framework on Environmental and Social Due Diligence**.

- **Climate Risk Assessment (CRA):** Incorporate climate and environmental risks into the credit approval process for corporate clients via enhanced due diligence requirements ("outside-in" perspective). New loan requests above predetermined tenor and rating-based thresholds to corporate clients in carbon-intensive sectors as well as those in sectors vulnerable to climate-physical and nature (or "other environmental") risks require a dedicated climate risk assessment from the Front Office and review by Credit Risk Management.

- **Group Net Zero Forum (GNZF), complemented by Divisional Net Zero Fora:** Identify and assess transactions in sectors covered by Deutsche Bank's Net Zero targets[5] that could have a significant impact on the bank's financed emissions and/or decarbonization targets. In its recommendations, the GNZF considers the assessment of clients' transition plans. The GNZF is chaired by the Chief Sustainability Officer and the Head of Climate & Environmental Risk Management, and has as members the divisional ESG Heads and Coverage Heads across the Corporate Bank, Investment Bank, Chief RiskOffice, and Chief Sustainability Office.

The following flow chart summarizes the classification process for all three transition finance parameters and its integration in the overarching sustainability governance of the bank:

[5] The bank has set decarbonization targets for the following hard-to-abate and carbon-intensive sectors: oil and gas (upstream), power generation, light-duty automotive, steel, coal mining, cement, shipping, and commercial aviation. In addition, the TFF has identified transitional activities within the agriculture and chemicals sectors.



[6] Deutsche Bank will leverage third party data providers and eventually AI-based solutions for the assessment.
[7] As per the **ESMA Guidelines on fund names** using ESG or sustainability-related terms, transition funds shall exclude investment in companies referred to in the EU CTB, i.e. controversial weapons (any tie), tobacco (any tie), UNGC/OECD norm violators).

3.1. Activity level (Parameter 1 – "P1")

Transactions eligible as P1 transition finance require a specific "Use of Proceeds" that is related to:

i an activity that directly contributes to or enables the reduction of GHG emissions while avoiding significant carbon lock-in ("climate transition"), or

ii a transaction which supports a socially just transition toward net zero ("just transition").

Given the evolving nature of transition finance – shaped by technological advances, shifting decarbonization pathways, and regional differences – an exhaustive list of eligible activities is not feasible. Therefore, the bank's activity catalogue, containing indicative transitional activities, is complemented by a rule-based case-by-case approach to determine further transitional activities, to ensure both credibility and the required flexibility for classifying transactions as P1.

For all transactions to qualify as P1 transition finance, evidence must be provided confirming compliance with the technical screening criteria set out in Annex 1 or alignment with the principles of the case-by-case assessment described in Annex 2. Furthermore, P1 transition finance transactions that do not fall within the scope of the bank's in-depth Environmental and Social Due Diligence (ESDD), the bank will conduct a Do No Significant Harm (DNSH) check – such as reviewing permits and assessing potential controversies – to ensure that the financed activity does not pose any significant social or environmental risks.

Climate transition activities

Deutsche Bank has created a catalogue of eligible "climate transition" activities that directly contribute to or enable the reduction of GHG emissions, especially in carbon-intensive sectors, by drawing on established decarbonization road maps, industry guidance, and regional taxonomies. For "climate transition" activities, the bank acknowledges the importance of avoiding carbon lock-in effects and adopting a holistic view of each activity, taking into account the counterparty's transition plan – both aspects are detailed below.

Carbon lock-in and materiality
Given the transitional character of these activities, it is important to avoid carbon lock-in effects. Carbon lock-in occurs when high-emission assets remain in operation for periods misaligned with net-zero pathways, thereby potentially hindering or delaying the adoption of technologically feasible and/or commercially viable low-emission alternatives. To address this, the bank has defined fixed sunset dates for activities, where such dates are established by market standards, guidances, or regional taxonomies. This means that new transactions can only be classified as transition finance until the sunset date of the underlying activity. Additionally, for all transitional activities, including those without sunset dates given the lack of external guidance, the bank will review the activity on a biennial basis to decide on its eligibility going forward. Transactions that have been classified before the application of the sunset date or before the activity was removed from the activity catalogue will not be re-classified ("grandfathering"). For further information on monitoring and potential de-classification of transactions, see section 4.3.

Additionally, the activity must materially contribute to the decarbonization of the counterparty's business model, and the associated environmental benefits – such as expected GHG emission reductions, energy savings, or efficiency improvements – must be quantified.

Link to the counterparties transition strategy
Activity-level transition financing aims at supporting decarbonization outcomes of the bank's corporate clients in the real economy. Accordingly, an assessment of both the transaction's underlying use of proceeds and the counterparty's transition plan is required.

The bank therefore has set the following minimum requirements with regard to a counterparty's transition plan[8]:

1. Net-zero commitment (self-defined by the counterparty)
2. Short-term Scopes 1 and 2 emissions reduction target[9]
3. Credibility check of short-term Scopes 1 and 2 emissions reduction target[10]
4. For Scope 3 intensive counterparties: short-term Scope 3 emissions reduction target[11]
5. Disclosure of quantified decarbonization levers
6. Executive oversight of the environmental strategy and performance
7. Reporting of GHG emissions, at least Scopes 1 and 2

These minimum criteria are assessed for all corporate counterparties – regardless of their size and jurisdiction.[12] However, in alignment with guidance such as the UK TFMR, sufficient flexibility is provided for small and medium-sized enterprises (SMEs)[13] as well as corporate counterparties headquartered in emerging markets and developing economies (EMDEs)[14] with less mature disclosure requirements and different starting positions in their decarbonization journey. To accommodate these differences, the bank may classify transactions as P1 transition finance even if not all minimum criteria are met by such corporations. In such cases, it is essential to demonstrate as part of the validation process that the financed activity is material to the borrower's decarbonization strategy and delivers quantifiable benefits such as reductions in GHG emissions or improvements in energy efficiency.

As global requirements for transition plans continue to evolve, Deutsche Bank will monitor these developments and adjust the scope of its minimum transition plan requirements as deemed necessary.

Just transition activities

In addition to the activities that directly contribute to or enable the reduction of GHG emissions, the bank emphasizes the need for a socially just transition to net zero. This approach is meant to ensure the shift to net zero – requiring major economic, industrial, and technological changes – is equitable for all. The need is especially pressing in EMDEs, which face significant climate risks, limited financial resources, and increasing emissions from economic growth. For determining relevant "just transition" activities, the bank uses the **World Bank's Just Transition Taxonomy** as a reference.[15]

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[8] Where such a standalone transition plan is not yet available, whether due to resource constraints or otherwise, the bank may consider accepting alternative forms of documentation, such as non-financial reports.

[9] Short-term Scopes 1 and 2 targets are defined as targets with a target year no later than 10 years from the year in which the target is set. The minimum target boundary is 95% of total Scopes 1 and 2 emissions.

[10] A credibility check can be evidenced either via SBTi-approved near-term targets, via an Implied Temperature Rise (ITR) of 2°C or, better, following the **CDP–WWF Temperature Scoring Methodology**, or via target setting based on science-based net-zero scenarios, including:
- IEA Net-Zero Emissions (NZE) by 2050 Scenario
- One Earth Climate Model 2.0 (OECM 2.0)
- IPCC scenarios aligned with a 1.5°C pathway (no or limited overshoot)
- SBTi Sectoral Decarbonization Approach (SDA)
- European Comission Joint Research Centre (JRC) scenarios
- Institutions for Sustainable Futures (ISF) scenario
- Sector-specific scenarios: Mission Possible Partnership scenarios (steel, cement, aviation) and E3G-PNNL 1.5°C Steel scenario

[11] Based on the Science Based Targets initiative (SBTi) Net-Zero Corporate Standard, Scope 3 intensive counterparties are corporations whose Scope 3 emissions represent 40% or more of their total emissions. Short-term Scope 3 targets are defined as targets with a target year no later than 10 years from the year in which the target is set.

[12] For Special Purpose Vehicles (SPVs) with a single corporate sponsor, the sponsor must meet the corporate minimum requirements for transition plans. These requirements do not apply to SPVs sponsored by a single financial institution or by multiple sponsors – regardless of sponsor type. Similarly, they do not apply to SPVs sponsored by a sovereign or municipal entity. In such cases, the alignment of the financed use of proceeds with nationally determined contributions (NDCs), national climate commitments, or decarbonization strategies serves as a proxy for the assessment (case-by-case assessment).

[13] SMEs are most commonly defined as enterprises with less than 250 employees globally, including by the **European Central Bank** and the **World Bank Group**.

[14] The bank uses the **IMF's World Economic Outlook country groups** to define emerging markets and developing economies (EMDEs).

[15] In contrast to climate transition activities, just transition activities – which a focus on the social dimensions of the climate transition – are not subject to minimum requirements for a transition plan. For the same reason, any associated environmental benefits do not require quantification.

Next to the early phase-out, repurposing, and remediation of high-emitting assets – such as coal-related infrastructure – supporting Development Finance Institutions (DFIs) is another critical lever through which banks can contribute to a socially just transition. DFIs play a pivotal role in financing a socially just climate transition in EMDEs, for instance by offering technical assistance, grants, loans, or blended finance instruments. Hence, the bank considers the activity of funding or of co-investments to support Development Finance Institutions (DFIs) as eligible for transition finance, provided that the respective DFI meets multiple entity-level environmental and social criteria, including:

1. Development mandate aligned with the Sustainable Development Goals (SDGs)

2. Paris Agreement commitment:
   - To align financing activities with the goals of the Paris Agreement and report on the progress of alignment with the Paris Agreement
   - Exclusion of universally non-aligned Paris Agreement activities

3. Environmental and Social Due Diligence framework aligned with international best practices

Deutsche Bank will monitor eligible DFIs on an annual basis to ensure ongoing compliance with environmental and social requirements. The activity of funding and financing eligible DFIs is part of Annex 1.

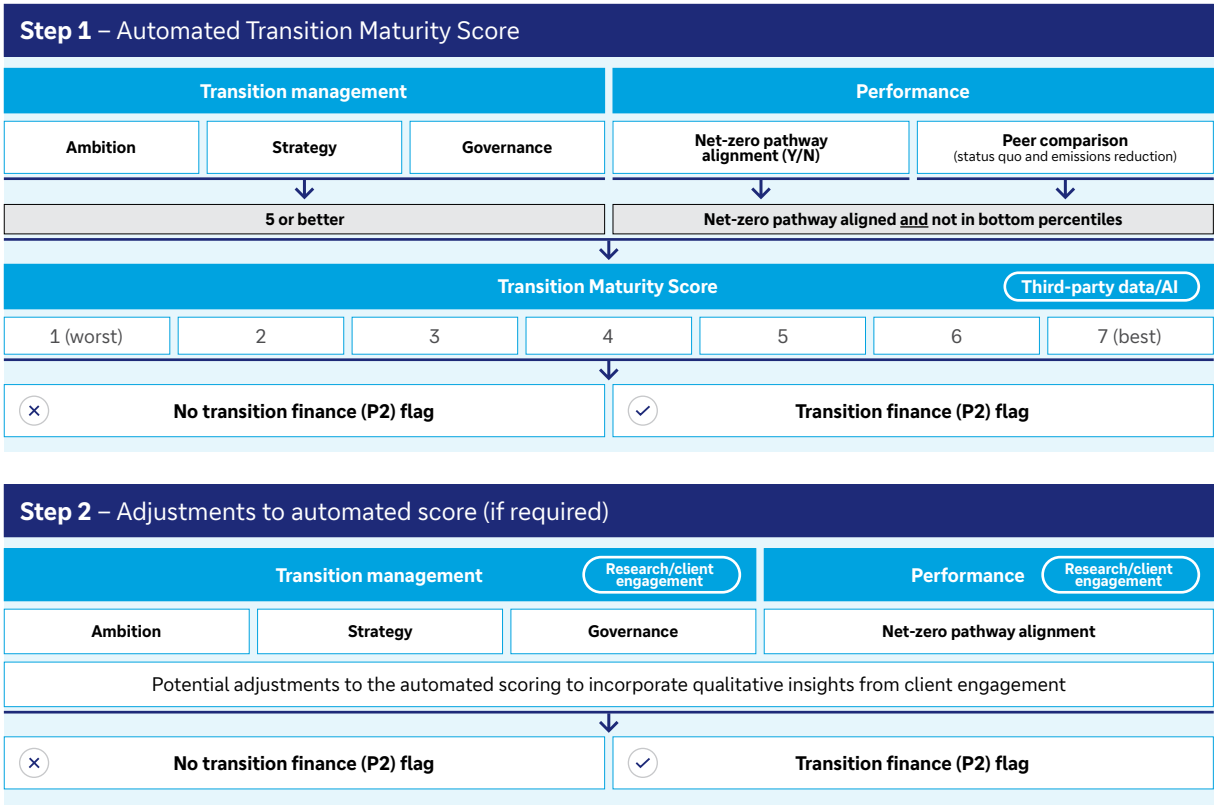
3.2. Entity level (Parameter 2 – "P2")

For transactions to qualify as P2 transition finance, it is required that the counterparty has adopted and executes a credible transition plan. Consequently, the scope of P2 transition financing extends across general corporate purpose transactions, such as revolving credit facilities (RCFs), other loan agreements, as well as capital market products, irrespective of whether such transactions include a sustainability-linked feature or a dedicated use of proceeds.

To determine what constitutes a credible transition plan, the bank has drawn on the evolving guidance on how to assess corporate transition plans, including the **Climate Bonds Initiative's guidance on "Navigating Corporate Transitions"**, the **Assessing Transition Plan Collective (ATP-Col) report**, as well as the **EU Platform on Sustainable Finance report on "Building trust in transition: core elements for assessing corporate transition plans"**. At the same time, the bank's approach acknowledges current data limitations and the evolving maturity of corporate transition plan disclosures. As such, it is expected to develop progressively over time.

Deutsche Bank assesses counterparties' transition plans using a two-step process. First, an automated Transition Maturity Score (TMS) evaluates key elements of climate transition plans, including ambition, governance, strategy, and emissions performance.

In the second step, the automated score may be adjusted to account for potential time lags or data gaps in third-party data. If sufficient evidence suggests that the underlying data is outdated, inaccurate, or missing, manual adjustments are made accordingly. These refinements are supported by Deutsche Bank's long-standing client relationships and strategic client engagement on decarbonization, which provide valuable insights beyond publicly available data – provided that supporting evidence is available and governance standards are met.



Automated Transition Maturity Score

Leveraging third-party data providers, Deutsche Bank has developed a scoring methodology to assess the transition plan of a counterparty across two categories:

- Transition Management: Credibility of the counterparty's decarbonization ambition and strategic plan to transition its business model

- Performance: Past emissions reduction performance and current emissions intensity compared to peers as well as an emissions profile aligned with a net-zero pathway relevant to the sector and geography

The overall Transition Maturity Score (TMS) has a range of 1 to 7, with 7 being the highest value indicating low transition risk and 1 being the lowest value indicating high transition risk.

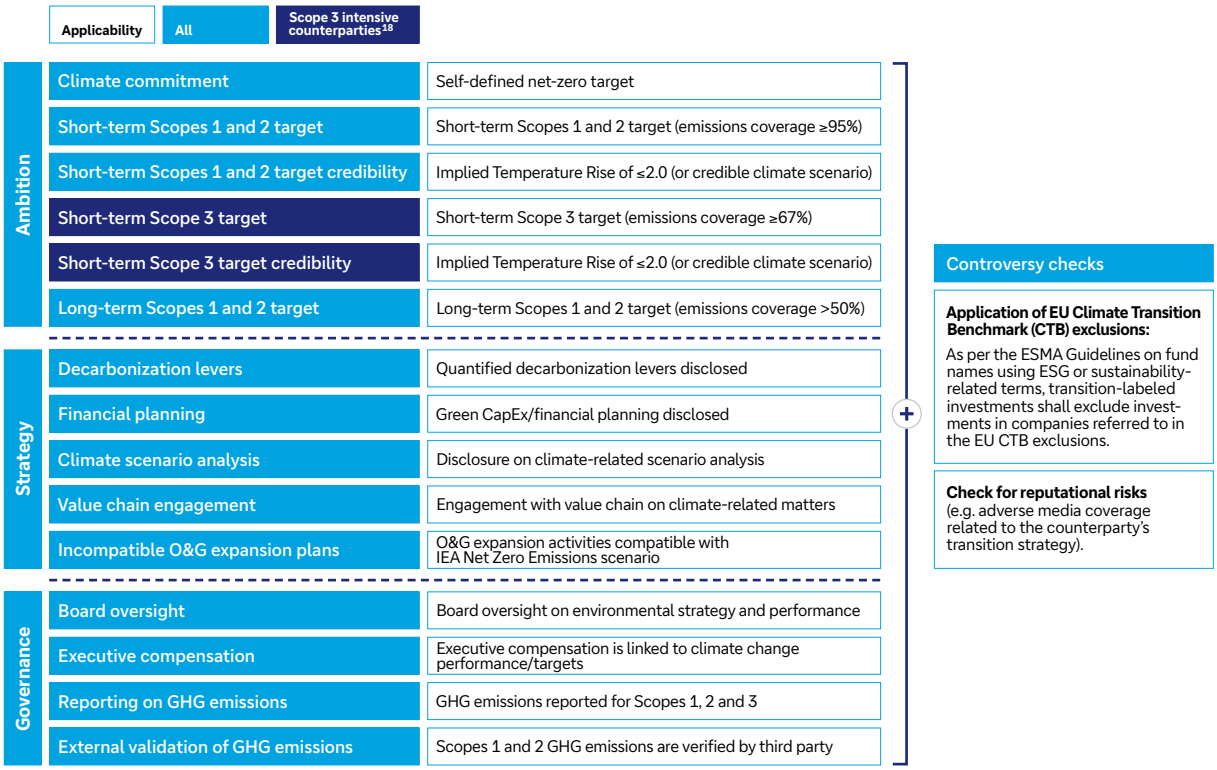
To be potentially eligible for transition finance classification at the entity level, a counterparty must achieve a minimum score of 5 in the Transition Management category. Additionally, the counterparty must not fall within the lowest percentiles in the category assessing past emissions reductions and current emissions intensity relative to peers. Third, its current emissions profile must be at least equal to a sector- and/or geographical-relevant net-zero pathway.[16]

This approach ensures that counterparties have disclosed the key components of a credible transition plan. Additionally, it embeds a monitoring component into the assessment framework by asking for ongoing alignment with relevant net-zero pathways.

[16] Given that counterparty disclosures are evolving and AI-based solutions are advancing, the outlined minimum requirements are subject to regular review and refinement, if necessary.

Transition Management category

A Transition Management score of 5 requires that a counterparty meets as a minimum all of the following criteria[17]:



As part of the bank's Transition Management assessment, additional criteria beyond those minimum criteria depicted above will be assessed (e.g. availability of credible long-term scope 3 targets). However, meeting those criteria is not required for achieving the required minimum score of 5.

Performance category

For the Performance category, the score is determined by the following two sub-scores:

1. Peer comparison:
   - Emissions Reduction: Represents the percentage of annual emissions increase/decrease (Scopes 1 and 2, and Scope 3)[19] over the past years using sector-based rankings.
     It serves as a forward-looking proxy to a counterparty's emissions reduction capabilities.
   - Status Quo: Evaluates the counterparty's current emissions intensity, defined as annual GHG emissions relative to counterparty size, normalized using sector-based rankings.[20] It takes into account the different starting points of counterparties on their transition journey.
   - The final combined score ranges from 7 to 1 and the counterparty must not fall within the lowest percentiles in this category relative to peers.

2. Net-zero pathway alignment: Counterparty's emission reduction must be in line with a decarbonization pathway relevant to a counterparty's sector and geography.

[17] The bank regularly reviews its approach to assessing counterparties' transition plans, taking into account emerging developments and evolving guidance in the relatively nascent field of entity-level transition finance.
[18] Based on the Science Based Targets initiative (SBTi) Net-Zero Corporate Standard, Scope 3 intensive counterparties are corporations whose Scope 3 emissions represent 40% or more of their total emissions.
[19] To account for differences in the materiality of emissions Scopes per sector and a counterparty's business model, the bank applies a sector-specific weighting between Scopes 1 and 2 versus Scope 3 emissions based on sector proxies.
[20] Depending on the sector of the counterparty, it may include: i. Scopes 1 and 2 emissions intensity, ii. Physical emissions intensity (Scopes 1 and 2, and/or 3), iii. Scope 3 emissions intensity.

Manual adjustments to automated score

The bank recognizes that many corporate counterparties – such as private companies, SMEs, or entities headquartered in EMDEs – have not yet disclosed climate transition plans. Additionally, where data or disclosures are available (e.g. via third-party data providers), they may be subject to time lags that limit their usefulness for real-time assessments.

As a result, manual adjustments to the automated Transition Maturity Score (TMS) may be necessary. These adjustments need to be evidenced based on publicly available disclosures (e.g. annual reports, corporate websites) or private counterparty data and complement the automated results in determining the transition finance P2 eligibility.

Together, the automated score and the qualitative assessment of manual adjustments form the foundation for the bank's strategic engagement with clients on their decarbonization journey.

3.3. Sustainability-linked solutions (Parameter 3 – "P3")

Sustainability-linked solutions refer to financial products designed to promote positive environmental or social outcomes. These instruments are characterized by linking the underlying pricing mechanisms to the achievement of clearly defined, measurable sustainability goals. Given the dynamic, forward-looking, and holistic nature of the transition to a sustainable economy – which encompasses not only specific projects or activities but also broader corporate strategies and internal governance – sustainability-linked solutions are particularly well-suited for transition finance.[21]

To ensure credibility and consistency, these solutions must meet specific requirements grounded in recognized industry standards, including: the LMA/LSTA/APLMA Sustainability Linked Loan Principles (SLLPs), the LMA Guide to Transition Loans, the ICMA's Sustainability-Linked Bond Principles and Climate Transition Finance Handbook, as well as the ISDA's KPI Guidelines for Sustainability-Linked Derivatives. The predetermined sustainability performance targets (SPTs) and the underlying key performance indicators (KPIs) are expected to align with the following principles:

- **Material:** Address the material environmental/social impact of client's key economic activities, aligned with the overall sustainability/transition plan
- **Ambitious and consistent:** Require significant effort to transform throughout the term of the transaction
- **Verifiable and reportable:** Report publicly on underlying methodology and performance on at least an annual basis

SPTs should be verifiable and reported regularly by the client. Preferably, they should be measured and audited by a recognized and reputable external provider. The bank encourages its clients to follow the industry standards for the sustainability-linked solutions outlined above.

[21] Prior to the publication of the bank's Transition Finance Framework, sustainability-linked solutions were governed by the Sustainable Finance Framework, following the same underlying methodology and requirements. Effective as of January 1, 2026, all transactions labeled as P3 will be reported as transition finance.

4. Governance

4.1. Governance principles

This Framework has been reviewed and approved by the Group Sustainability Committee, to which the bank's Management Board has delegated decision-making authority on sustainability-related matters across Deutsche Bank (excluding DWS).

Deutsche Bank has put in place comprehensive governance processes to ensure all transactions and financial products and services classified as transition finance are compliant with this Framework.

Classifications of transactions as transition finance, where material environmental and/or social concerns have been identified through the Environmental and Social Due Diligence process, may be escalated through Deutsche Bank's regular reputational risk process in accordance with existing policies and procedures.

As the overall understanding of environmental and social matters evolves and regulations and standards are developed, Deutsche Bank will review the approach to classifying transition finance transactions on a regular basis and at least biennially.

Escalations for transactions in the context of this Framework are referred to the Head of Sustainable Finance & Governance (first instance) and the Chief Sustainability Officer (second instance). The Chief Financial Officer Investment Bank, Corporate Bank & ESG is consulted, particularly in cases related to external reporting and target volume contribution.

In addition, the bank has established a Sustainable Finance Governance Forum, led by the Chief Sustainability Office, to discuss changes as well as interpretation questions related to the Transition Finance Framework. If appropriate, the forum's recommendations are submitted to either the Group Sustainability Committee or the Group Reputational Risk Committee.

The Framework has been reviewed by the renowned second-party opinion provider, ISS-Corporate. The results are documented in a Second Party Opinion (SPO), which confirms that the Framework reflects market practices. The SPO is available on **Deutsche Bank's Sustainable Finance website**.

4.2. Classification process

Activity level (P1) and sustainability-linked solutions (P3)
To determine transition finance eligibility based on the underlying use of proceeds or sustainability linkage, a three-step approach, similar to the process applied for sustainable finance, is applied:

1. The Front Office will screen for potentially eligible transactions and conduct a preliminary eligibility assessment in accordance with the Transition Finance Framework.

2. The Business Reviewer will perform sanity checks on short-listed transactions prior to submission for review by the Chief Sustainability Office.

3. The Chief Sustainability Office verifies transactions classified as transition finance and conducts business-independent Environmental and Social Due Diligence (incl. sectoral and cross-sectoral minimum requirements as well as exclusions) to assess material adverse impacts associated with the transactions and potentially arising reputational risks.

Client level (P2)
To determine whether a counterparty qualifies for transition finance based on the credibility of its transition plan, Deutsche Bank applies a structured two-step approach:

1. **Automated Transition Maturity Score (TMS)**
   The process begins with an automated evaluation of the counterparty's transition plan using data from company disclosures or reputable third-party providers. This generates the TMS, which serves as the initial benchmark. However, external data sources may be subject to time lags, limiting their ability to reflect the most current developments.

2. **Manual adjustment (if required)**
   Where necessary, the automated TMS may be supplemented by a manual adjustment. This adjustment is conducted by the Business (Front Office), supported by divisional ESG specialists, and is based on more recent publicly available disclosures (e.g. annual reports, corporate websites) or private counterparty data.[22] All manual adjustments, including supporting evidence, are subject to a four-eye review by the Chief Sustainability Office.

Additionally, any transition finance P2 eligible counterparties are checked against controversies as well as the exclusions defined in the EU Climate Transition Benchmark.[23]

A parent counterparty's classification does not automatically apply to its subsidiaries. Group-level classification may be considered only if the subsidiary is covered by and follows the Group-level transition plan. To assign a transition finance P2 flag to a subsidiary, the Business must confirm and document that the subsidiary is included in the parent's transition plan – specifically regarding emissions reduction targets and net-zero commitments.

4.3. Post-classification monitoring

The bank has established effective, parameter-specific processes for post-closure monitoring[24] to evaluate compliance with all relevant criteria of the Framework:

- **Activity level (P1):** For deals or programs within the scope of P1, based on the generally established processes for the monitoring of use of proceeds, the respective Business monitors whether the proceeds are allocated properly. Sustainability programs will be reviewed regularly, at least annually. Validation may be conducted through sample checks for standardized programs. P1 technical screening criteria may be amended, and other eligible activities might be added upon future updates of the Framework. Such amendments or additions will not affect the eligibility of any transactions that have already been reported toward the transition finance volumes based on the prevalent technical screening criteria applied at the time of classification ("grandfathering"). If the use of proceeds of a specific transaction become ineligible under the prevalent P1 technical screening criteria applied at the time of classification, or if evidence supporting the dedicated use of proceeds is unavailable, the deal will be declassified and appropriate corrections will be made to the reported transition finance volumes ("declassification").

- **Client level (P2)[25]:** A transition finance counterparty flag, assigned to P2 eligible clients, remains valid for 12 months and is subject to quarterly monitoring (e.g. climate-related controversies) and an annual review of the counterparty. During this period, general corporate purpose transactions within the

[22] Private counterparty data obtained through direct client engagement is acceptable on a case-by-case basis, provided that supporting evidence is available and governance standards are met.
[23] In line with the ESMA Guidelines on fund names using ESG or sustainability-related terms, transition-labeled investments require the exclusion of companies listed under the EU Climate Transition Benchmark (EU CTB). This includes entities with any ties to controversial weapons, tobacco and/or violators of UN Global Compact (UNGC) principles or OECD Guidelines for Multinational Enterprises.
[24] In alignment with regulation, including EBA Guidelines on loan origination and monitoring.
[25] As of the Framework's effective date, only P1 and P3 transactions will count toward the bank's sustainable finance and transition finance target. In contrast, P2 transition finance transactions at the entity level will not be included in the target. We aim to report these volumes separately in the future, as P2 transition finance represents a new dimension for which the bank is implementing a system-based solution.

scope of this Framework (see Annex 3) may be classified as transition finance. If a client ceases to qualify for P2 based on the annual review results or the quarterly controversy monitoring, the P2 eligibility flag will be revoked, and new transactions will not be classified as transition finance. Transactions already classified as transition finance, will not be declassified ("grandfathering"). However, future marketing or labelling of the transaction as Transition Finance may be restricted, taking contractual considerations into account. New transaction classification will only be permitted if Business initiates a re-assessment, and the client's transition efforts or controversies have demonstrably improved or have been resolved, and the required TMS thresholds are met.

- **Sustainability-linked solutions (P3):**
  - For the classification of P3 transactions, the following has to be agreed:
    - SPT reporting frequency and methodology
    - Requirement for independent and external verification (in alignment with market standards)
    - Type of reporting (public or private)

  - P3 classification requirements may be amended upon future updates of the Framework. Such amendments will not affect the eligibility of any transactions that have already been reported toward the transition finance volumes based on the prevalent requirements applied at the time of classification ("grandfathering").

  - The Business is responsible for monitoring the agreed SPTs following deal execution. Any identified non-compliance will be addressed and resolved, or may result in the declassification of the transaction taking contractual agreements into account ("declassification").

5. Reporting

Deutsche Bank's progress on its sustainable finance and transition finance[26] target is published quarterly as part of the quarterly financial results and annually in its annual reports. The contribution to the overall Target financed or facilitated by Deutsche Bank is calculated and reported based on established practices for measuring performance within the categories of Financing, Market Making, Issuance, Pension Plan and Assets under Management.

In total, it is not a balance sheet value but includes the total flow of capital arranged by Deutsche Bank toward the low-carbon and socially just transition (see Annex 3).

[26] Cumulative figures include sustainable and transition financing as well as ESG investment activities, as defined in Deutsche Bank's Sustainable Finance Framework, Transition Finance Framework, and ESG Investments Framework, all of which are published on the bank's **website**.

6. Annexes

Annex 1: Transition Finance Activity Catalogue (P1)

Deutsche Bank's Transition Finance Activity Catalogue contains indicative transitional activities and was developed through a structured, multi-step process using scientific benchmarks and global best practices to ensure robustness and credibility, as well as practical relevance of activities included in the eligibility catalogue.

The development began with the identification of potentially eligible activities, drawing from credible decarbonization pathways (e.g. IEA Net Zero Roadmap, IPCC scenarios, Mission Possible Partnership sectoral pathways), the IEA ETP Clean Energy Technology Guide[27], regional taxonomies (e.g. Singapore–Asia Taxonomy for Sustainable Finance, ASEAN Taxonomy, EU Taxonomy), and market guidance (e.g. UK Transition Finance Market Review, the LMA Guide to Transition Loans, and peer frameworks). To uphold integrity, the catalogue integrates technical screening criteria, emissions intensity thresholds, and sunset dates to the extent available in these external sources.

The resulting long list of activities compiled was in a second step refined to eliminate overlaps and account for regional differences[28] in technology maturity and emission thresholds. This short-listing phase also included aligning activities with Deutsche Bank's definition of activity-level transition finance, the bank's existing Sustainable Finance Framework, as well as the potential business relevance of identified activities. In a third step, the catalogue was reviewed by an external sustainability consultancy.

Given the dynamic nature of transition finance and to keep pace with market developments, as well as the latest technological advancements, the bank is committed to a biennial review of all covered activities.

Activity	Technical screening criteria
Climate transition	
Manufacturing	
Cement 	**Clinker substitution in cement production (sunset date: end of 2035)** Blending of alternative materials into cement to replace clinker (incl. limestone and calcined clay) by more than: – 50% for China and countries with high supplementary cementitious materials (SMC) availability – 40% for the EU – 30% for the US and Canada Alternative materials include materials such as fly ash, limestone, natural pozzolans, Ground Granulated Blast-furnace Slag (GGBS), calcined clay, recycled concrete fines from construction demolition wastes, biomass ashes, and silica fumes.
	Carbon capture, utilization, and storage (CCUS) for cement production CCUS for cement production, including transportation, storage, R&D, and demonstration. In case of underground geological CO_2 storage sites, the following needs to be ensured: appropriate leakage detection systems implemented to prevent release during operation as well as a monitoring plan of the injection facilities, the storage complex, and, where appropriate, the surrounding environment.
	Coal-to-gas switching for cement production Coal-to-gas switching for cement production with plan for future continued decarbonization of asset (e.g. planned use of hydrogen).

[27] The IEA ETP Clean Energy Technology Guide is an interactive framework that contains information for around 600 technology designs and components across the whole energy system that contribute to achieving the goal of net-zero emissions.
[28] To account for regional differences, the classification of EMDEs and advanced economies by the IMF serves as proxy.

Activity	Technical screening criteria
	Low-carbon energy in cement production Use of renewable energy (e.g. organic waste) and/or hydrogen (incl. pink, blue, and turquoise) in cement production. Renewable energy and/or hydrogen use at the cement plant must be at least >20% in advanced economies and >10% in EMDEs of total energy input for cement production. A plan for further decarbonization (e.g. increase in blending rate) is required.
Chemicals and chemical products	**CCUS for chemical production (sunset date: end of 2035)** CCUS for chemical production, including transportation, storage, R&D, and demonstration. In case of underground geological CO_2 storage sites, the following needs to be ensured: appropriate leakage detection systems implemented to prevent release during operation as well as a monitoring plan of the injection facilities, the storage complex, and, where appropriate, the surrounding environment.
	Use of electric steam crackers (sunset date: end of 2035) Use of electric steam crackers (new or retrofitting) for chemical production.
	Hydrogen-based production of synthetic fuels and derivatives (sunset date: end of 2035) Use of pink, blue, and turquoise hydrogen to produce derivatives and synthetic fuels (i.e. ammonia, liquid organic hydrogen carriers [LOHC]).
	Hydrogen production (sunset date: end of 2035) Production of pink, blue, and turquoise hydrogen, excluding coal-based hydrogen production. Comprehensive Life Cycle Assessment (LCA) required to quantify carbon emissions reduction potential.
	Chemical recycling via pyrolysis (sunset date: end of 2035) Use of pyrolysis technology to create recycled oils for the manufacturing of new plastics. Life-cycle GHG emissions of new plastics from recycled oils (chemical recycling) must be lower than the life-cycle GHG emissions of the equivalent plastic in primary form manufactured from fossil fuel feedstock.
Basic metals	**Energy efficiency measures** Energy efficiency measures incl. upgrading thermal efficiency, and novel anode technologies. Expected efficiency improvements must be quantified and regarded as best available technologies (BAT).
	Aluminum (sunset date: end of 2029) Manufacturing of primary aluminum with GHG emissions (Scope 1) above 1,484 t CO_2e but not exceeding 1,604 t CO_2e per tonne of aluminum manufactured.
	Electrolysis for iron ore steelmaking Electrolysis of iron ore steelmaking production line utilizing renewable energy.
	Direct Reduced Iron (DRI) and DRI-Electric Arc Furnace (DRI-EAF) steelmaking DRI and DRI-EAF steelmaking based on natural gas without CCUS (requires plan to reduce emissions intensity by 20% by 2030 compared to current baseline).
	Advanced economies: Iron and steel manufacturing via: – Blast Furnace-Basic Oxygen (BF-BOF) – Smelting reduction production Given one of the following criteria is met: – Integrated CCUS capturing at least 50% of all emissions – GHG emissions do not exceed 1,443 t CO_2e/t hot metal Coking and on-site sintering plants are not eligible.
	EMDEs: Iron and steel manufacturing via: – Blast Furnace-Basic Oxygen (BF-BOF) – Smelting reduction production if integrated CCUS is capturing at least 30% of all emissions. Coking and on-site sintering plants are not eligible.

Activity	Technical screening criteria
Energy	
Power generation 	**Transmission and distribution** Any new or retrofitting transmission and distribution grids covering the increasing demand of electricity required in the transition regardless of the energy source.
	Advanced economies: Gas-fired power with CCUS (sunset date: end of 2035) CCUS for power generation via natural gas-fired assets (new and existing), incl. transportation, storage, R&D, and demonstration. Carbon capture efficiency of at least 90%. In case of underground geological CO_2 storage sites, the following needs to be ensured: – Appropriate leakage detection systems are implemented to prevent release during operation. – A monitoring plan of the injection facilities, the storage complex, and, where appropriate, the surrounding environment is in place.
	EMDEs: Gas-fired power with CCUS (sunset date: end of 2035) CCUS for power generation via natural gas-fired assets (new and existing), incl. transportation, storage, R&D, and demonstration. Carbon capture efficiency of at least 50%. In case of underground geological CO_2 storage sites, the following needs to be ensured: – Appropriate leakage detection systems are implemented to prevent release during operation. – A monitoring plan of the injection facilities, the storage complex, and, where appropriate, the surrounding environment is in place.
	EMDEs: Gas-fired power (sunset date: end of 2035) Gas-fired power generation for EMDEs if GHG emissions from the generation of electricity are above 100 g CO_2e/kWh and below 220 g CO_2e/kWh.
	Hydrogen-ready gas-fired power (sunset date: end of 2035) Retrofitting of gas-fired power plants to ensure readiness to co-fire with hydrogen or its derivatives in alignment with the following thresholds (technology readiness): 30% by 2023–2028, 50% by 2029–2032, and 100% by 2033–2035 at the onset.
	**Nuclear power** Extension of existing nuclear power generation assets.
	Nuclear power New nuclear small modular reactors (SMR) and large-scale nuclear reactors (e.g. generations III+ and IV).
	Nuclear power Research into nuclear processes/R&D with minimal waste from fuel cycle.
Bioenergy[29] 	**Production and use of biogas (sunset date: end of 2029)** Production and use of biomethane via biogas upgrading or biomass gasification, provided that methane leakage is monitored and reported and certified feedstock with low indirect land use change (ILUC) risk is used. Comprehensive Life Cycle Assessment (LCA) required to quantify carbon emissions reduction potential compared to fossil fuel comparator (e.g. EU Renewable Energy Directive 2023/2413/EU [RED III]).
	Production and use of biofuels (sunset date: end of 2029) Production and use of first-generation biofuels, incl. sustainable aviation fuels, ethanol, or methanol, using certified feedstock with low indirect land use change (ILUC) risk. Comprehensive Life Cycle Assessment (LCA) required to quantify carbon emissions reduction potential compared to fossil fuel comparator (e.g. EU Renewable Energy Directive 2023/2413/EU [RED III]).

[29] Feedstock used for the production of bioenergy should comply with one of the following standards:
- Forest Stewardship Council (FSC)
- Biomass, Biofuels Sustainability voluntary scheme (2BSvs)
- Bonsucro (Better Sugarcane Initiative)
- Roundtable on Sustainable Biomaterials (RSB)
- Round Table on Responsible Soy (RTRS)
- International Sustainability and Carbon Certification (ISCC and/or ISCC PLUS)

Activity	Technical screening criteria
	Replacement of fossil gas with biogas Replacement of natural gas with biomethane as an energy source for industrial processes, provided that methane leakage is monitored and reported and certified feedstock with low indirect land use change (ILUC) risk is used. Comprehensive Life Cycle Assessment (LCA) required to quantify carbon emissions reduction potential compared to fossil fuel comparator (e.g. EU Renewable Energy Directive 2023/2413/EU [RED III]).
	**Bio-sourced liquefied petroleum gas ("LPG")** Decarbonization of LPG using bio-sourced butane and propane (bioLPG) based on certified feedstock with low indirect land use change (ILUC) risk. Comprehensive Life Cycle Assessment (LCA) required to quantify carbon emissions reduction potential compared to fossil fuel comparator (e.g. RED II). The financings of new oil and gas assets, which are assets with Final Investment Decision (FID) after December 31, 2021, are not eligible.
Oil and gas (O&G) 	**Carbon Capture, Utilization, and Storage (CCUS)** CCUS used for existing O&G assets, unless CCUS is used exclusively for enhanced oil recovery (EOR) or other oil extraction purposes. Emissions reduction potential must be quantified. Existing O&G assets are defined as those for which a Final Investment Decision (FID) was made prior to December 31, 2021. In case of underground geological CO_2 storage sites, the following needs to be ensured: – Appropriate leakage detection systems are implemented to prevent release during operation. – A monitoring plan of the injection facilities, the storage complex, and, where appropriate, the surrounding environment is in place.
	Electrification Electrification of existing O&G assets, with electricity coming from centralized grids or decentralized renewable energy sources. Existing O&G assets are defined as those for which a Final Investment Decision (FID) was made prior to December 31, 2021.
	Energy efficiency improvements Energy efficiency improvements of existing O&G assets of 20%, compared to pre-measures, requiring usage of the respective best available technology (BAT). Existing O&G assets are defined as those for which a Final Investment Decision (FID) was made prior to December 31, 2021. The improvement should not lead to an extension of the lifetime of the existing O&G asset.
	Hydrogen-based refineries Hydrogen-based O&G refineries (incl. furnaces), with the commitment to use 100% green, pink, blue, or turquoise hydrogen by 2030.
	Companies headquartered in EMDEs: methane reduction measures Measures to reduce methane emissions for existing O&G assets (upstream and midstream). Methan reduction potential must be quantified and sufficiently tied to the specific process/technology. The improvement should not lead to an extension of the lifetime of the existing O&G asset. Existing O&G assets are defined as those for which a Final Investment Decision (FID) was made prior to December 31, 2021.
	**Companies headquartered in EMDEs: elimination of routine flaring (sunset date: end of 2029)** Elimination of routine flaring for existing O&G assets as long as there is no country-specific regulation prohibiting the activity. Existing O&G assets are defined as those for which a Final Investment Decision (FID) was made prior to December 31, 2021.
Carbon Dioxide Removal (CDR) 	**Bioenergy carbon capture and storage (BECCS)** Carbon dioxide removal technology such as BECCS.

Activity	Technical screening criteria
	**Direct air carbon capture and storage (DACCS)** Carbon dioxide removal technology such as DACCS, with electricity coming from centralized grids or decentralized renewable energy sources. In case of underground geological CO_2 storage sites, the following needs to be ensured: – Appropriate leakage detection systems are implemented to prevent release during operation. – A monitoring plan of the injection facilities, the storage complex, and, where appropriate, the surrounding environment is in place.
Enabling energy infrastructure 	**Hydrogen infrastructure (sunset date: end of 2035)** All infrastructure enabling the production, processing, and transport of hydrogen (e.g. hydrogen fueling stations, import and export terminals, dedicated hydrogen pipelines), excl. infrastructure connecting coal-based hydrogen production. In case of existing pipelines and networks, leak detection and elements to reduce methane leakage need to be considered. Infrastructure solely dedicated to green hydrogen is considered sustainable finance.
	Biofuels infrastructure All infrastructure enabling the production, processing, transport, and sale of biofuels eligible as per activity "Bioenergy > Production and use of biofuels."
	Biogas infrastructure All infrastructure enabling the production, processing, transport, and sale of biofuels eligible as per activity "Bioenergy > Production and use of biogas."
Transport	
Air transport 	**Fuel-efficient aircraft** Financing of fuel-efficient aircraft as part of the airline's fleet replacement strategy, evidencing that new/retrofitted aircraft is at least 25% better than previous-generation aircraft. Low-carbon military aviation/combat aircraft as well as private jets are excluded.
	Fuel-efficiency technologies Fuel-efficiency technologies for airframes and engines in aircraft (open rotors, blended wing body airframes, hybridization). Expected efficiency improvements must be quantified and regarded as best available technologies (BAT). Low-carbon military aviation/combat aircraft as well as private jets are excluded.
Water transport 	**Upgrading existing water transport assets** Upgrading existing water transport assets to enable alternative fuel usage (e.g. retrofitting of assets to enable usage of hydrogen, ammonia, e-fuels, methanol). Expected carbon improvements must be quantified compared to baseline. Ships with 5,000 gross tonnage and above must have a minimum Carbon Intensity Indicator (CII) of C (scale from A to E, where A is best).
	LNG-fueled shipping Dedicated LNG-fueled ships and dual-fuel LNG-fueled ships that primarily use LNG as main fuel and low-sulfur/-carbon fuel options as pilot fuel. The financed LNG-fueled ship must have CO_2 emissions at least 40% lower compared to traditional oil-based fuels. Ships with 5,000 gross tonnage and above must have a minimum Carbon Intensity Indicator (CII) of C (scale from A to E, where A is best).
	Energy efficiency measures Energy efficiency measures (e.g. wind-assistance technologies, hull and propeller optimization, as well as ship optimization to enable slow steaming)[30]. Expected efficiency improvements must be quantified compared to baseline. Ships with 5,000 gross tonnage and above must have a minimum Carbon Intensity Indicator (CII) of C (scale from A to E, where A is best).

[30] Example technologies:
- Hull form optimization: A tool for reducing total hull resistance for a given speed on new vessels, if implemented early in the design.
- Foul release hull coating: Reducing hull roughness and preventing hull fouling reduces ship energy consumption by a few percentage points, possibly by up to 10% to 15%.
- Kites: Kites can reduce the fuel consumption of ships by up to 15%. They cannot be used at all times, because they require clement weather conditions and an appropriate wind direction. Kites are more likely to complement the power provided by the engine, thus reducing fuel consumption, rather than replacing the need for an engine.
- Rotor sail/Rigid sail: This is a technology to use wind power and reduce shipping energy consumption while requiring low maintenance. The rotors complement the power provided by the engine.
- Onboard carbon capture (OCC): This can be applied to all carbon-containing fuels (incl. fossil, electric, and bio fuels). CO_2 can be captured pre-combustion (e.g. when using methanol as a hydrogen carrier) or post-combustion (e.g. when retrofitting existing HFO or diesel ships). The captured CO_2 is liquefied and stored on board, and is later off-loaded on shore. OCC has an impact on the ship's energy consumption (by up to +40%), which has the side effect of increasing fossil fuel demand.
- Air lubrication systems (ALSs): ALSs use compressed air released over the bottom of a vessel hull to reduce the friction incurred by the passing water. Different technologies can be used; air bubble lubrication is the most mature solution and necessitates balancing the additional energy necessary to actuate the air compressor(s), with the propulsion saving energy.

Activity	Technical screening criteria
	Alternative maritime power systems (AMPs) AMPs such as high-voltage grid, transformers, power distribution system, control panel, and frequency converter. In regions where the grid's carbon intensity exceeds 200 g CO_2e/kWh, the AMP infrastructure will be connected with on-site renewable energy. AMPs solely powered by diesel or coal are excluded.
Land transport	**Vehicles for passenger or freight transport (sunset date: end of 2029)** Vehicles for passenger or freight transportation capable of using 100% alternative fuels (see below) or if their direct emissions are below 50 g CO_2e/km: – Hydrogen – Biofuels using certified feedstock with low indirect land use change (ILUC) risk – Synthetic fuels (i.e. methanol and ammonia) Any activities related to vehicles that are dedicated to the transport of fossil fuels are not eligible even if they meet the criteria mentioned for the respective vehicles in the "Transport" category.
	Electrification of rail transportation Electrification of existing diesel or steam powered rail transportation, with electricity coming from centralized grids or decentralized renewable energy sources.
	EMDEs: public transportation Development and operation of more fuel-efficient public or mass transportation systems. Expected efficiency improvements must be quantified and at least 20% compared to baseline.
	Infrastructure enabling low-carbon land transport Infrastructure that enables the transformation to zero direct tailpipe passenger and/or freight transportation.
Enabling transport infrastructure	**CO_2 transport and distribution infrastructure** This includes dedicated pipelines, vessels, specialized trucks, or train wagons. – Vessels: At least 60% of their utilization rate must be dedicated to CO_2 transport. – Pipelines: Must be exclusively used for CO_2 transport. Leakage rate may not be above 10% of the mass of CO_2 transported regardless of the mode of transportation. Additionally, appropriate leak detection systems are applied.
	Alternative fuels transportation and distribution infrastructure Transportation and distribution infrastructure (e.g. specialized trucks or train wagons, port facilities for handling or storing) primarily used for biofuels/biogas; pink, blue, turquoise hydrogen; ammonia; and methanol, i.e. expected utilization rate above 60%. Transportation and distribution infrastructure involving heavy fuel oil and distillate products (HFO, MDO, MGO, ULSD[31]) is excluded.
Mining	
Critical minerals[32]	**Electrification** Electrification of mining equipment for minerals that are critical for the energy transition, with electricity coming from centralized grids or decentralized renewable energy sources.
	Mining of critical minerals for use in energy transition technologies.
Agriculture and forestry	
Crop production and livestock	**Methane reduction measures** Processes and technologies that reduce methane from livestock farming and crop production (e.g. technologies to reduce livestock methane via dietary supplements, etc.). Methane reduction potential must be quantified and sufficiently tied to the specific process/technology.

[31] Heavy Fuel Oil (HFO), Marine Diesel Oil (MDO), Marine Gas Oil (MGO), Ultra-Low Sulfur Diesel (ULSD).
[32] List of critical raw minerals: lithium, graphite, cobalt, nickel, manganese, rare earth elements, copper, platinum group metals.

Activity	Technical screening criteria
Efficiency enhancements	
Energy and carbon efficiency measures 	Measures to enhance energy efficiency or emissions intensity by at least 20% compared to pre-measures, requiring usage of the respective best available technology (BAT). BAT, as defined in the Industrial Emissions Directive (IED) 2010/75/EU, strongly emphasizes economic viability, making BAT the most economical choice for most companies. Examples include: – Thermal efficiency upgrades – Novel anode technologies – Cold chain upgrades – Agricultural equipment, e.g. tractors and harvesters – Construction equipment, e.g. cranes and forklifts – Container cranes – Electric boilers Where sector-specific energy efficiency activities are defined, those criteria apply.
Just transition	
Early retirement and repurposing 	**EMDEs: phase-out or decommissioning of high-emitting assets** Strategic phase-out or decommissioning of assets with high GHG emissions and significant stranded asset risks before the end of their expected operational life, following a managed phase-out plan aligned with credible net-zero scenarios. Phase-out plan needs to be verified by a third-party and include just transition considerations (e.g. workforce, vulnerable groups and measures, incl. household income, training, capacity building for new skills).
	**EMDEs: measures to repurpose or remediate former coal-mining lands** Planning and implementation of measures to repurpose or remediate former coal-mining lands (incl. special-purpose entities/vehicles to manage new land use of coal-mining pits).
	**EMDEs: environmental remediation of underground coal mines and of water bodies of post-coal-mining lands**
Development Finance Institutions 	**Funding of or co-investments to support Development Finance Institutions (DFIs)** The activity covers the funding and support of eligible DFIs, irrespective of whether such financing includes a dedicated use of proceeds. All eligible DFIs require an SDG-aligned development mandate, a commitment to align its financial flows with the Paris Agreement, as well as respective progress reporting on both. DFIs with insufficient environmental and social safeguards are excluded. DFIs can cover the following types of organization: – Multilateral and bilateral development banks and institutions – Supranational organizations with a development mandate

Annex 2: Activity-level Case-by-case Assessment Approach (P1)

Category		Requirements for case-by-case assessment	Guidance on essential evidence (non-exhaustive)
1	Transitional	– Activity represents a decarbonization lever of a counterparty's transition plan and leads to emissions reduction or managed early phase-out of the carbon-intensive assets – in accordance with the Paris Agreement, respective nationally determined contributions (NDCs), or the country-specific decarbonization strategies/pathways	– Client sustainability reporting/transition plan – Sectoral decarbonization levers (e.g. **International Transition Plan Network**) – Industry guidance (e.g. **GFANZ Managed Phaseout**) – National strategies: **Japan's METI sectoral roadmaps**, etc.
		&	
		– Activity avoids lock-in of carbon-intensive technologies relative to other technologically feasible and/or commercially viable solutions	– Sunset dates for phase-out or replacement with more sustainable alternative (e.g. alternative fuels), taking into consideration expected lifespan of the financed asset – Best available technology (e.g. **BAT reports**) or technologies key to net zero (e.g. **International Energy Agency (IEA) ETP Clean Energy Technology Guide**)
		&	

		– Activity's direct or indirect (enabling activity for a sustainable/green activity) impact on GHG emissions/energy efficiency needs to be quantifiable (actual impact or estimates)	– Recommended:
			  – Assessment/verification of environmental benefit by credible third party
			  – Alignment with industry guidance to the extent available (e.g. **ICMA Green Enabling Projects Guidance**, **MAS guidance on transition finance and enabling activities**, **LMA Guide to Transition Loans**, **UK TFMR Transition Finance Guidelines**)

2	Science and evidence based	– Activity is consistent with or enables sectoral decarbonization scenarios or pathways	– Benchmarks/pathways:
			  – IEA Net-Zero Emissions by 2050 Scenario (NZE Scenario)
			  – One Earth Climate Model 2.0 (OECM 2.0)
			  – IPCC scenarios aligned with a 1.5°C pathway (no or limited overshoot)
			  – SBTi Sectoral Decarbonization Approach (SDA)
			  – European Commission Joint Research Centre (JRC) scenario
			  – Institutions for Sustainable Futures (ISF) scenario
			  – Sector-specific scenarios: Mission Possible Partnership scenarios (steel, cement, aviation) and E3G–PNNL 1.5°C Steel scenario

		or	
		– Activity is consistent with national or regional sustainable/transition taxonomy	– **EU**, **ASEAN**, **Singapore-Asia**, Chinese sectoral transition finance taxonomies, etc.

Annex 3: Reporting Methodology

The reporting methodology takes the origination role view and does not necessarily correlate to Deutsche Bank's balance sheet commitment/disclosure.

- The cutoff date for deal submission to ESG Finance is as defined in the quarter-end process. Given the cumulative definition of the sustainable financing and ESG investment target, in cases where validation against the Frameworks cannot be completed before the end of the reporting quarter, volumes are disclosed upon completion of the validation in subsequent quarters.

- The below rules assume that the full amount of loan/issuance/all tranches of a financing are classified as "transition finance" under the bank's Transition Finance Framework. In financial structures where not all assets or not the entire financing is classified as transition, a pro-rata approach is applied.

- As of the Framework's effective date, only P1 and P3 transactions will count toward the bank's sustainable finance and transition finance target. In contrast, P2 transition finance transactions at the entity level will not be included in the target. We aim to report these volumes separately in the future, as P2 transition finance represents a new dimension for which the bank is implementing a system-based solution.

Definition	Reporting scope
Facilitation	
Debt capital markets (DCM) – fixed-income instruments	
– Bond issuances that qualify as transition as defined by Deutsche Bank's Transition Finance Framework, the International Capital Markets Association (ICMA) Climate Transition Finance Handbook, Sustainability-linked Bond Principles (CTFH, SLBP), or the Climate Bonds Initiative (CBI), or transition-related labels provided by credible third parties[33]	– Deutsche Bank's apportioned value being the total bond value divided by the number of bookrunners – Securitization deals allow for lending volume as well as securitization volume to be classified with the same origination volume approach based on the bank's role
Equity capital markets (ECM) – equity issuances	
– Corporate or project equity issued for a counterparty, or a project classified as transition based on Deutsche Bank's Transition Finance Framework	– Deutsche Bank's apportioned value being the bank's placement amount calculated as number of shares multiplied by share price on the issuance date
Transition, sustainability-linked derivatives[34]	
– Global Trade Finance instruments and sustainability-linked refinancings aligned to Deutsche Bank's Transition Finance Framework and/or the forthcoming Loan Market Association (LMA) Transition Loan Guide and/or Sustainability-Linked Loan Principles (SLLP) – ESG-linked derivatives as defined by Deutsche Bank's Transition Finance Framework, incl. the Guidelines for Sustainability-linked Derivatives issued by the International Swaps and Derivatives Association (ISDA)	– A conservative value is applied that is often below notional value and in no cases greater than notional value[34]

[33] The assessment methodology of third parties is subject to a case-by-case review to ensure credibility and general alignment with Deutsche Bank's Transition Finance Framework.

[34] Derivatives eligible for P1 transition finance classification and, under P2, entity-level classification, as well as sustainability-linked derivatives cover interest rates and FX derivatives *for hedging purposes*. All derivatives and derivative frameworks require a case-by-case review to ensure that these are for purposes as outlined in this Framework.

Definition	Reporting scope
Financing	
Bilateral transition, sustainability-linked loans	
– Loans and sustainability-linked refinancings[35] aligned to Deutsche Bank's Transition Finance Framework and/or the forthcoming Loan Market Association (LMA) Transition Loan Guide and/or Sustainability-Linked Loan Principles (SLLP)	– Total loan value – Pro-rata approach, whereby not all assets or not the entire financing qualifies as transition – For existing loans already reported once, only increases to those loans will be captured in the periods following the initial reporting
Syndicated transition, sustainability-linked loans	
– Loans and sustainability-linked refinancings[35] aligned to Deutsche Bank's Transition Finance Framework and/or the forthcoming Loan Market Association (LMA) Transition Loan Guide and/or Sustainability-Linked Loan Principles (SLLP)	– For deals where Deutsche Bank performs the highest origination role per the deal documentation – full notional amount divided by the number of banks performing the highest origination role – For deals where Deutsche Bank performs a defined but not the highest origination role – full notional amount divided by the number of banks performing equivalent or higher origination roles – In the case that Deutsche Bank performs no specific origination role – committed amount at financial close – In the case that the committed amount at financial close exceeds the amount based on the origination-role logic outlined above, the committed amount is used – Sustainability-related roles and pure advisory roles are not superseding the origination-role logic outlined above – For existing loans already reported once, only increases to those loans related to Deutsche Bank's amount will be captured in the periods following the initial reporting
Transition, sustainability-linked credit facilities (revolving credit facilities, guarantee lines)	
– Global Trade Finance instruments and sustainability-linked refinancings[35] aligned to Deutsche Bank's Transition Finance Framework and/or the forthcoming Loan Market Association (LMA) Transition Loan Guide and/or Sustainability-Linked Loan Principles (SLLP)	– Total facility/guarantee notional amount (equivalent to drawn plus undrawn) – Bid bonds; to be submitted as "Pending by deal" and only counted if tender wins the bid – For existing facilities/guarantees already reported once, only increases to those facilities/guarantees will be captured in the periods following the initial reporting
Syndicated transition, sustainability-linked credit facilities (revolving credit facilities, guarantee lines)	
– Global Trade Finance instruments and sustainability-linked refinancings aligned to Deutsche Bank's Transition Finance Framework and/or the forthcoming Loan Market Association (LMA) Transition Loan Guide and/or Sustainability-Linked Loan Principles (SLLP)	– For deals where Deutsche Bank performs the highest origination role per the deal documentation – full notional amount divided by the number of banks performing the highest origination role – For deals where Deutsche Bank performs a defined, but not the highest origination role – full notional amount divided by the number of banks performing equivalent or higher origination roles – In the case that Deutsche Bank performs no specific origination role – committed amount at financial close – In the case that the committed amount at financial close exceeds the amount based on the origination-role logic outlined above, the committed amount is used – Sustainability-related roles and pure advisory roles are not superseding the origination-role logic outlined above

[35] For refinancings of sustainability-linked loans (bilateral or syndicated), KPIs need to be reviewed and adjusted as necessary. The introduction of new or adjusted KPIs is not mandatory but requires a case-by-case decision. Refinancing or facilities with KPI changes can potentially be counted again when an ongoing sustainable benefit is guaranteed. In contrast to refinancings, extension options without a KPI change cannot be reported against the bank's sustainable finance volumes, except in case of an increase where the difference can be counted.

Definition	Reporting scope
Sustainability-linked payables finance (SLPF)	
– Funding provided to a client's suppliers based on predefined sustainability performance metrics and thresholds – the choice of metrics will follow recognized principles for sustainability-linked products	– Total facility volume with a current haircut of 10% in reflection of ESG rating distribution; the haircut will be reviewed annually and adjusted if required
Sustainability-linked overdrafts	
– Sustainability-linked overdrafts follow the standard sustainability-linked structures and link the overdraft conditions to the ESG performance of the client	– Overall overdraft limits (drawn plus undrawn), calculated only once – For existing overdraft facilities already reported once, only increases to those facilities will be captured in the periods following the initial reporting

Annex 4: Summary of Key Environmental and Social Standards

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

Main positions and minimum standards of ESDD

Area	Enhanced due diligence/norm compliance	Environmental and/or social principles applied
Cross-sectoral		
Human rights	Yes	No engagement in business activities where the bank has substantiated evidence of material adverse human rights impacts without appropriate mitigation, e.g. child and forced labor
Deforestation	Yes	No financing of any projects or activities that are directly linked to the deforestation of primary tropical forests
World Heritage Sites	Yes	No financing of activities within or in close proximity to World Heritage Sites, unless the respective government and UNESCO agree that such activity will not adversely affect the site's outstanding universal value
Sectoral		
Agricultural commodities and forestry	Yes	No financing of projects or activities located in or involving the clearing of primary tropical forests, involving illegal logging, or uncontrolled and/or illegal use of fire No financing of projects or activities leading to conversion of HCVs into new plantations and peatlands Mandatory requirement of Roundtable on Sustainable Palm Oil (RSPO) membership and RSPO certification, or a timebound implementation plan for RSPO certification by 2025 at the latest for palm oil clients Expectations regarding membership and industry-relevant certifications as well as ES management schemes for growers and primary processers, including public commitment to the No Deforestation, No Peat and No Exploitation (NDPE) standard

Fisheries and marine aquaculture	Yes	No financial services to clients where there is evidence of recurring material breaches of imposed fish catch limits and non-compliance with existing laws and regulations No financing/financial services should be provided to companies involved in unlicensed activities or activities that do not now follow national regulation as a minimum, such as operating in marine aqua-cultures outside of country Allocated Zones for Aquaculture (AZA) or legally protected areas that do not allow multiple uses; undertaking unlicensed operations or the farming of invasive non-native species against national regulations; and the utilization of banned chemicals, anti-microbials, or pesticides that result in non-compliance with national or applicable international regulatory standards Expectations regarding certification for fisheries; minimum requirement of a time-bound implementation plan for Aquaculture Stewardship Council certification by 2025 at the latest
Maritime transport and infrastructure	Yes	No financing of marine dredging that will have an impact on sensitive marine environments or critical habitats (e.g. living coral reefs, mangro-ves, sea grass beds) and Ramsar sites, unless activities are undertaken for environmental/social protection or enhancement (e.g. flood protection) No financing of coastal and marine destination development in: designated protected areas that are categorized as International Union for Conservation of Nature (IUCN) Type I, Ramsar sites, UNESCO Biosphere reserves, and critical site-specific biodiversity Contractual clauses, certification, and/or Port State Control requirements to ensure compliance with the applicable ES conventions as defined by the United Nations and its specialized agencies, the International Maritime Organization (IMO), and the International Labour Organization (ILO)
Metals and mining	Yes	No direct financing of deep-sea mining projects Enhanced ES due diligence requirements; potential exclusions based on outcome
Oil and gas	Yes	No direct financing of new projects involving exploration, production, and transport or processing of oil sands No direct financing of new oil and gas projects in the Arctic region (as demarcated by the 10°C July isotherm boundary) No direct financing of oil and gas extracted by hydraulic fracturing projects in countries with extremely high water stress
Thermal coal power and mining	Yes	No financing of any new and material expansion of existing thermal coal-fired power plants and thermal coal mining projects or the associated infrastructure Exclusions for financing mountaintop removal mining (MTR) Scope of the policy effective as of May 2023 includes companies with a) a thermal coal revenue dependency of 30% or above, b) an absolute thermal coal production of 10 megatons p.a. or above, or c) a thermal coal power capacity of 10 gigawatts or above For corporations within the scope of the policy: No financing if no credible diversification plans, including the phasing-out of thermal coal by 2030 in OECD-countries and 2040 in non-OECD countries; existing clients are granted a grace period until 2025 to develop such transition plans.
Hydropower	Yes	Enhanced ES due diligence requirements; potential exclusions based on outcome
Nuclear power	Yes	Enhanced ES due diligence requirements; potential exclusions based on outcome and exclusion for certain jurisdictions

Annex 5: Glossary

Term	Definition
APLMA	Asia Pacific Loan Market Association
BAT	Best available technology
BECCS	Bioenergy carbon capture and storage
CBI	Climate Bonds Initiative
CCUS	Carbon capture, utilization, and storage
CDP	Carbon Disclosure Project
CII	Carbon Intensity Indicator
CRA	Climate Risk Assessment
EU CTB	EU Climate Transition Benchmark
DACCS	Direct air carbon capture and storage
Deutsche Bank AG	Deutsche Bank AG, including its branches and representative offices
Deutsche Bank Group	Deutsche Bank AG and Legal Entities in which Deutsche Bank AG (directly or indirectly) holds an equity or voting capital share of more than 50%
DFI	Development Finance Institution
DNSH	"Do no significant harm" assessment
ECM	Equity capital markets
EMDE	Emerging markets and developing economies
ESDD	Environmental and Social Due Diligence
ESG	Environmental, social, and governance
FID	Final Investment Decision
GHG	Greenhouse gas
GNZF	Group Net Zero Forum
ICMA	International Capital Markets Association
IEA	International Energy Agency
ILO	International Labour Organization
IPCC	Intergovernmental Panel on Climate Change
ISCC	International Sustainability and Carbon Certification
ISDA	International Swaps and Derivatives Association
ITR	Implied Temperature Rise
KPI	Key performance indicators
LCA	Life Cycle Assessment
LMA	Loan Market Association
LNG	Liquefied natural gas
LSTA	Loan Syndications and Trading Association

Term	Definition
Management Board (of Deutsche Bank AG)	Governing body of Deutsche Bank AG responsible for managing Deutsche Bank AG
MGO	Marine gas oil
NDC	Nationally determined contribution
OECD	Organisation for Economic Co-operation and Development
O&G	Oil and gas
RCF	Revolving credit facility
RED II / RED III	Renewable Energy Directive II / III (EU)
RSB	Roundtable on Sustainable Biomaterials
RSPO	Roundtable on Sustainable Palm Oil
RTRS	Round Table on Responsible Soy
SBTi	Science Based Targets initiative
SDG	**Sustainable Development Goals** as defined by the United Nations
SME	Small and medium-sized enterprise
SMR	Small modular reactor
SPT	Sustainability performance targets
Sustainable finance	Any type of financial solution classified under the bank's Sustainable Finance Framework
Sustainability-linked solutions	Financial instruments with a structure based on predetermined overall or specific sustainability performance targets
the Target	Deutsche Bank's sustainable finance and transition finance target
Transition finance	Any type of financial solution classified as transitional under this Transition Finance Framework
TMS	Transition Maturity Score
UNGC	United Nations Global Compact
WWF	World Wide Fund for Nature

7. Disclaimer

There are currently no uniform criteria nor is there a common market standard for the assessment and classification of financial services and financial products as fostering transition or as sustainable. This can lead to different parties assessing suitability to foster transition or the sustainability of financial services and financial products differently. In addition, there are various regulations on environment, social, and corporate governance (ESG) and sustainable and transition finance that need to be substantiated, and further draft legislation is currently being developed, which may lead to financial services and financial products currently classified as sustainable or fostering transition not meeting future legal requirements for such qualification.

The transition to a sustainable economy is a long-term undertaking. In its current stage, we are confronted with the limited availability of reliable data. It is inevitable to use estimates and models until improved data becomes available. Our expectations on the increase of data quality are based on reporting obligations as currently developed. New regulations on reporting will become effective in the coming years.

This document includes metrics that are subject to measurement uncertainties resulting from limitations inherent in the underlying data and methods used for determining such metrics. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary. We reserve the right to update measurement techniques and methodologies in the future. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness, or correctness of the information or opinions contained herein. All such representations and warranties, express or implied, are excluded to the extent permitted by law.

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This Framework contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates, and projections as they are currently available to the management of Deutsche Bank AG. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the USA, and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets; the development of asset prices and market volatility; potential defaults of borrowers or trading counterparties; the implementation of our strategic initiatives; the reliability of our risk management policies, procedures, and methods; and other risks referenced in our filings with the U.S. Securities and Exchange Commission. Such factors are described in detail in our most recent SEC Form 20-F under the heading “Risk Factors.” Copies of this document are readily available upon request or can be downloaded.

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