



# Slavery and Human Trafficking Statement 2016

This statement is made by Deutsche Bank AG and its relevant subsidiary undertakings pursuant to Section 54 of the Modern Slavery Act 2015, and constitutes Deutsche Bank's slavery and human trafficking statement for the financial year ending 31 December 2016.

Following the onset of the Modern Slavery Act, we established a cross-departmental working group which has embarked on a due diligence programme to identify areas where our existing policies and procedures may be reinforced with specific regard to slavery and human trafficking risks in connection with our business activities, supply chains and investment decision-making.

## Our Business

Deutsche Bank is a global bank with a diversified financial services model operating out of 2,656 branches worldwide with business presence in 62 countries. We offer a wide variety of investment, financial and related products and services to private individuals, corporate entities and institutional clients around the world.

As of 31 December 2016, we employed approximately 89,000 employees and contractors<sup>1</sup> globally, including more than 11,000 employees and contractors in the UK, Ireland and the Channel Islands.

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<sup>1</sup> This figure excludes Deutsche Postbank AG employees and contractors.



## Policies

In July 2000, we became one of the first signatories to the UN Global Compact, a set of ten sustainability principles focusing on human rights and labour, the environment and anti-corruption. In December 2015, we published a Human Rights Statement<sup>2</sup> affirming our commitment to be guided by the principles set out in various international standards and principles including the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the UN Global Compact.

With regards to employees and contractors within the UK and elsewhere, Deutsche Bank seeks to comply with all applicable national laws, rules and regulations and, where appropriate, has implemented policies (including our Code of Business Conduct and Ethics), practices and procedures to ensure compliance. We are reviewing our relevant policies to include, where appropriate, commitments addressing slavery and human trafficking considerations in our business activities, supply chains and investment decision-making.

Our employees and contractors have access to a Whistleblowing Hotline to report potentially unethical or inappropriate business practices anonymously. This includes reports that can be made against Deutsche Bank, our clients, our suppliers and their respective employees or any other entities or individuals doing business with Deutsche Bank. We operate an anti-retaliation policy regarding whistleblowers. Our complaints handling procedures also allow any internal or external parties to report any human rights and labour matters.

Prior to 2016, we had already implemented a risk framework to facilitate the identification, assessment and management of environmental and social (“ES”) risks arising from transactions and client relationships, known as the ES Policy Framework<sup>3</sup>. This forms part of our global reputational risk framework and addresses human rights issues which includes modern slavery and human trafficking.

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<sup>2</sup> <https://www.db.com/newsroom/en/docs/Deutsche-Bank-Human-Rights-Statement.pdf>

<sup>3</sup> <https://www.db.com/cr/en/concrete-our-social-and-environmental-risk-framework.htm>



## Supply Chain and Supplier Due Diligence

Deutsche Bank interacts with over 44,000 direct suppliers located in more than 40 countries. Our current procurement process involves new suppliers meeting a certain financial threshold being subject to software-based screening for human trafficking and slavery offences, prior to their appointment. We are also reviewing how our new supplier due diligence processes may be further reinforced from a slavery and human trafficking perspective.

It is standard practice for suppliers to be required to adhere to our Code of Business Conduct and Ethics. During 2017, we will begin rolling out updated supplier contracts incorporating specific slavery and human trafficking obligations which are subject to rights of audit and inspection as appropriate.

During 2017, we will enhance our supplier adoption process by:

- emphasizing to suppliers that we have a zero tolerance approach towards slavery and human trafficking;
- highlighting our expectations that any material risks of slavery and human trafficking (to the extent identified) are to be addressed by suppliers; and
- directing suppliers to adopt appropriate policies prohibiting slavery and human trafficking in their own supply chains.

In respect of our existing suppliers, an exercise has been carried out in 2017 to request a pilot sample of suppliers to undergo additional due diligence and provide a letter of comfort on slavery and human trafficking topics. A global risk assessment process will also be developed so that this exercise can be extended to a wider supplier population thereafter. Separately, there are ongoing vendor risk management processes which identify critical supplier services to Deutsche Bank, and such processes incorporate checks from a wider ES perspective. Since the start of 2017, we have also implemented a software-based screening process for existing suppliers.



## Asset Management

To account for business operational specifics, and in particular the independent fiduciary obligations of asset managers, Deutsche Asset Management (“DeAM”) – the asset management arm of Deutsche Bank – has established its own Environmental, Social and Governance (“ESG”) organizational structure<sup>4</sup>, which is led by its Chief Investment Officer for Responsible Investments.

One of the focal points of our activities in this area is to support the integration of environmental, social and governance criteria into DeAM’s investment and business processes. As a signatory to the Principles for Responsible Investment that are supported by the United Nations, DeAM aims to integrate ESG criteria in all its processes. However, given the diversity of the asset management business, different integration approaches apply to different investment teams.

Therefore, DeAM has developed proprietary ESG software to analyze, assess and rank corporations, as well as sovereigns, on a wide range of ESG indicators. Additionally, this software facilitates screenings on various ESG issues and it enables DeAM to check for UN Global Compact compliance including human rights. This empowers all portfolio and investment managers to assess risks and opportunities regarding ESG issues consistently and efficiently. This data is made available to DeAM’s Active<sup>5</sup> and Passive<sup>6</sup> portfolio management teams in order to integrate ESG into their investment processes.

Furthermore, DeAM’s Alternative<sup>7</sup> investment teams aim to incorporate ESG criteria into their due diligence processes. Within this division, the Sustainable Investment funds are structured to support the UN Sustainable Development Goals. These Sustainable Investment funds adhere to policies with regards to environmental and social issues including human rights.

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<sup>4</sup> <https://deutscheam.com/en-gb/thought-leadership/esg/>

<sup>5</sup> <https://deutscheam.com/en-gb/our-capabilities/Active/>

<sup>6</sup> <https://deutscheam.com/en-gb/our-capabilities/Passive/>

<sup>7</sup> <https://deutscheam.com/en-gb/our-capabilities/Alternatives/>



## Training and Awareness

We are committed to ensuring our employees are better able to recognize and respond to slavery and human trafficking risks through raising awareness and delivering training programmes. Plans are in place to raise awareness of relevant procurement personnel to help them better identify and assess slavery and human trafficking risks in 2017.

In addition, we are delivering tailored training to business divisions, that cover sectors where the risk of negative human rights impacts can be high, and related infrastructure groups to help them better identify and assess transaction-related ES risks and impacts. This will continue in 2017.

## Approval Procedure

This statement, which will be reviewed annually and updated as required, has been approved by our Management Board on 16 May 2017.

A blue ink signature of John Cryan, written in a cursive style.

John Cryan  
Chief Executive Officer

A blue ink signature of Garth Ritchie, written in a cursive style.

Garth Ritchie  
Co-Head CIB & UK CEO