



## Slavery and Human Trafficking Statement 2018

### ***About Deutsche Bank***

Headquartered in Frankfurt am Main, Germany, Deutsche Bank (“the bank” or “the group”) is the largest bank in Germany and one of the largest financial institutions in Europe and the world, as measured by total assets of € 1,348 billion as of December 31, 2018.

As of that date, we employed 91,737 people on a full-time equivalent basis and operated in 59 countries out of 2,064 branches worldwide, of which 68 % were in Germany.

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 December 31, 2018, the bank was organized into the three corporate divisions:

- Corporate & Investment Bank (CIB),
- Private & Commercial Bank (PCB) and
- Asset Management (AM).

During the first quarter of 2018, the corporate division “Deutsche Asset Management” was renamed “Asset Management” (AM). In March 2018, Deutsche Bank completed the partial initial public offering (IPO) of DWS Group GmbH & Co. KGaA (“DWS”), the holding company for AM. Since March 23, 2018, shares of DWS are listed on the Frankfurt stock exchange. Deutsche Bank retains a majority interest and AM remains a core business for Deutsche Bank.

The three corporate divisions are supported by infrastructure functions. In addition, Deutsche Bank has a local and regional organizational layer to facilitate a consistent implementation of global strategies.

We have operations or dealings with existing or potential clients in most countries in the world. These operations and dealings include working through:

- subsidiaries and branches in many countries;
- representative offices in many other countries; and
- one or more representatives assigned to serve customers in a large number of additional countries.

More information can be found in our annual report for the financial year 2018<sup>1</sup>.

As a global bank that offers a wide range of products and services, we have clients across all industry sectors.

Deutsche Bank interacts with over 36,500 direct vendors located in more than 41 countries.

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<sup>1</sup> [https://www.db.com/ir/en/download/Deutsche\\_Bank\\_Annual\\_Report\\_2018.pdf](https://www.db.com/ir/en/download/Deutsche_Bank_Annual_Report_2018.pdf)



### ***Our Policies***

Respect for human rights is one of our guiding principles embedded in our Code of Conduct<sup>2</sup>, updated in 2018. In it, we formalized the respect of human rights including the prevention of child labor, modern slavery and human trafficking a key business priority. We are committed to combatting modern slavery and human trafficking in connection with our business activities, supply chains and investment decision-making.

Our long-standing commitment to the respect of human rights is also reflected in our publicly available Human Rights Statement<sup>3</sup> and in our Environmental and Social (ES) Policy Framework, of which a summary<sup>4</sup> is published on our website. Both documents are endorsed by a sub-committee of the Management Board.

Our approach covers how we treat our own employees as well as all dimensions of the business from client transactions to interaction with vendors and service providers, and is guided by international standards and frameworks such as the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the UN Global Compact.

Respecting human rights and combatting human trafficking and modern slavery as a global bank is a highly complex subject and requires us to continually broaden our knowledge and review our policies and related due diligence processes. Remaining abreast of the latest insights and developments demands that we proactively and regularly scrutinize our policies and procedures, with input from our stakeholders.

We remain actively involved in the discussions on the formal interpretation of the UN Guiding Principles on Business and Human Rights (UNGP) for the financial sector. We do this primarily via our interaction in the informal group of international banks, known as the Thun Group.

Furthermore, we have established a human rights working group with participants from all relevant business and infrastructure units, that has developed an action plan to improve the bank's approach to ensuring the respect of human rights and that modern slavery and human trafficking does not take place in our own business and supply chains. In regular meetings, the implementation of the agreed measures will be monitored and depending on the latest developments, new measures for the action plan will be discussed and agreed.

Deutsche Bank encourages all its stakeholders to contact the bank in case they have clear evidence of failure of Deutsche Bank's responsibility to avoid any breach of human rights or its involvement in a human rights issue or any activity that advances human trafficking or modern slavery. Clients and the public can contact us or make complaints through all channels into Deutsche Bank. This includes branches, telephone, the website, social media presences and letters to any Deutsche Bank office.

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<sup>2</sup> [https://www.db.com/ir/en/download/Code\\_of\\_Conduct\\_August\\_2018.pdf](https://www.db.com/ir/en/download/Code_of_Conduct_August_2018.pdf)

<sup>3</sup> <https://www.db.com/newsroom/en/docs/Deutsche-Bank-Human-Rights-Statement.pdf>

<sup>4</sup> <https://www.db.com/cr/en/docs/DB-ES-Policy-Framework-English.pdf>



## ***Our People***

The success of Deutsche Bank and its subsidiaries largely depends on the ideas, competence, commitment, and health of its employees. That is why the group attaches great importance to offering its employees an attractive working environment and places a high priority on its employees' human rights.

The group's Human Resources (HR) agenda seeks to create an environment where people can work in partnership and are enabled to deliver sustainable organizational performance.

HR has a clear governance structure. Our global priorities and standards are defined and monitored by the Global HR Executive Committee, which is responsible for defining and controlling Group-wide HR standards and policies. The Committee includes the global head of HR, the divisions and entities sharing responsibility for HR management, as well as the HR heads responsible for processes and products in the regions.

Our global HR policies cover a wide range of HR topics including hiring, compensation, off-boarding, termination, and employee-related incident management. Additionally, there are guidelines and policies for disciplinary and dismissal procedures, grievance, and anti-harassment and bullying procedures, for example.

Deutsche Bank cooperates with employee representatives and their bodies on the basis of the relevant national legal regulations. Germany's Works Constitution Act governs the involvement of works councils by stipulating their rights and duties, and prescribing the cases and form in which employers are required to involve a works council. With members elected every four years, these councils represent the interests of our employees through entering into discussions and negotiations with Deutsche Bank as an employer.

On the basis of the agreement on cross-border information and consultation of Deutsche Bank employees in the European Union concluded on September 10, 1996, all employees in the EU are represented by the European Works Council. This corresponds to about two thirds of the Group's total workforce.

As German law prohibits us from asking our employees whether they are members of labor unions, we do not know how many of our employees are union members.

Our Code of Conduct – updated in 2018 – governs employee behavior by guiding them on how to act ethically, responsibly, and sustainably, and explaining how to deal with relevant risks, conflicts of interest, and confidential information. The Code is designed to ensure that we conduct ourselves ethically – with integrity, and in accordance with Deutsche Bank's policies and procedures as well as the laws and regulations that apply to us across the world. It also highlights that critical matters should be escalated promptly and appropriately.

We want to foster an environment that is open and inclusive, where opinions and "speaking up" are valued and our employees' and the firm's success is built on respect, collaboration and teamwork in serving our clients, stakeholders and communities.

We are committed to advocating a "speak up" culture, an environment where all employees feel comfortable in voicing their concerns about misbehavior or any issues that they may come across in their daily work. "Speak up" is about supporting an open and honest dialogue across the organization.

The bank also provides a range of other channels to report suspected misconduct, such as violations of laws, rules and regulations, or internal policies, which include the Compliance and Legal teams as well as the Integrity Hotline (previously known as the Whistleblowing Hotline),



a telephone reporting system and electronic platform, which may be used anonymously. These channels can be used for reports 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.

In 2018, Deutsche Bank launched a group-wide internal communication campaign – “Be on the right side” – and commenced training initiatives to develop awareness and empower employees to feel confident to challenge behavior that could represent conduct risk, raise concerns of ethical dilemmas and “speak up” on how we can do things better. The campaign is about living the values, beliefs and principles embodied in our Code of Conduct and continued into the first half of 2019.

### ***Our Clients***

Our ES Policy Framework, which is a central element of Deutsche Bank’s ES Risk Management approach, formulates the set of rules and guidance for our daily business with our clients. It is endorsed by a Committee, which has been delegated responsibility by the Group Risk Committee (GRC).

The framework explains how we translate the self-imposed rules and guidelines into day-to-day practice. It defines procedures and responsibilities for risk identification, assessment, and decision-making. It also covers deal-independent screening and the identification of companies with a controversial ES profile. Furthermore, it addresses human rights issues including modern slavery and human trafficking.

The framework’s general provisions define sensitive sectors we focus on, specify the requirements for ES due diligence, and include criteria for mandatory referral to Group Sustainability (GS). This centrally organized function advises on client transactions and develops policies and guidelines for the bank’s ES risk management and human rights approach.

In case of any serious ES incident involving an existing client, we usually consult with all relevant stakeholder groups that are involved. This includes direct engagement with the client as well as with civil society representatives who might know in detail the situation on the ground. In our assessment, we also consider the political and legal situation in the respective country, to what extent they allow affected people to defend their interests. In specific cases, we make use of independent experts to assess the actual situation. On the basis of the overall picture we decide on the further course of action. However, this decision also depends on our existing contractual undertakings as well as on our leverage. As a last resort, in particular cases the decision can be to terminate a business relationship.

At Deutsche Bank we always strive to manage all types of risk as effectively and efficiently as possible. To this end, we prioritize the adequate identification of transactions and/or clients involving potential ES risks. Our overriding goal is to constantly improve our performance, in particular by:

- Carrying out robust transactional reviews in sectors we define as having an elevated ES risk potential;
- Verifying the effectiveness of our processes and guidelines;



- Increasing risk awareness and focus by conducting training sessions for all relevant employees.

In 2018, 397 transactions and clients were reviewed under our ES Policy Framework. Of the 397 transactions and clients reviewed in 2018, two were declined on the grounds of human rights issues, none of which were related to human trafficking or modern slavery.

Furthermore, we focused on implementing technical enhancements to support and increase the robustness of our ES risk management approach. The key enhancements included establishing weekly monitoring and automated notification mechanisms for deals within the scope of the ES Policy Framework in order to enable the early-stage involvement of Group Sustainability.

To account for business operational specifics and in particular the independent fiduciary obligations of asset managers, our asset management division DWS has established its own Environmental, Social and Governance (ESG) organizational structure<sup>5</sup>.

In 2018 DWS has made “Sustainability” one of its four key values. Therefore, DWS also continued to participate in the group-led working group to take measures arising from the implications of the Act and its overall responsibility to respect human rights.

One of the focal points of its activities is to support the integration of ESG criteria (including human rights) into DWS’ investment and business processes. However, given the breadth of the investment activities in DWS, different integration approaches for ESG apply to different investment teams.

DWS’ Active<sup>6</sup> and Passive<sup>7</sup> portfolio management teams continued to use proprietary ESG software to analyze, assess and rank corporations, as well as sovereigns, on a wide range of ESG indicators, including their approach to ensure the respect of human rights.

Furthermore, in 2018 DWS tightened its internal ESG Integration Policy for Active portfolio managers – starting by integrating ESG topics into investment guidelines and reporting. Our investment professionals are expected to be aware of any exposure to critical ESG issues like human rights violations and act accordingly with the management. They can screen their portfolio for ESG issues such as involvement in controversial behaviors.

Our Infrastructure and Real Estate Investment teams within Alternatives<sup>8</sup> have introduced a mandatory ESG checklist, which includes a section on human rights in terms of the investment and/or its supply chain. During the holding period, attributes on e.g. human rights are monitored through quarterly reporting of sector-specific information.

In addition to that, we participated in the work of the Joint Money Laundering Intelligence Taskforce (JMLIT) set up by the UK’s National Crime Agency in partnership with the financial sector. One of JMLIT’s operational priorities is to prevent the funding flows linked to organized immigration crime, human trafficking, and modern slavery. As a result, in late 2017 leading into 2018 our Financial Crime Operations (FCO) unit in the UK integrated human trafficking, modern slavery, and organized immigration crime into the monthly intelligence alerts distributed globally to promote awareness across the bank. As part of our ongoing work with JMLIT, our FCO received 25 requests for information in support of criminal investigations pertaining to human rights’ breaches, all of which were reviewed and a reply provided to law

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<sup>5</sup> <https://dws.com/solutions/esg>

<sup>6</sup> <https://www.dws.com/capabilities/active-investments/>

<sup>7</sup> <https://dws.com/capabilities/passive>

<sup>8</sup> <https://www.dws.com/capabilities/alternatives/>



enforcement agencies. Such criminal investigations range from human trafficking for sexual and labor exploitation to organized immigration crime.

Deutsche Bank is also a member of the European Bankers' Alliance (Alliance), which together with Thomson Reuters is collaborating with the private sector, NGOs, and law enforcement agencies to combat human trafficking. The Alliance was involved in the development of a set of indicators to systematically identify potential human trafficking.

To this end, the Alliance looked at specific red flags across transactional, behavioral, and Know Your Client (KYC) indicators. This resulted in a toolkit developed by the Alliance that can assist in the identification of potential human trafficking, modern slavery, or organized immigration crime.

In 2019, we aim to strengthen our global approach and share best practices on investigations and findings. Moreover, as we gain additional experience, our FCO unit will seek to provide ongoing training and advance the identification of typologies in order to improve our ability to tackle breaches of human rights, both locally and in support of our global approach.

Employee training enables our business teams to better identify ES risks and consequently assess and refer transactions with an enhanced risk profile to GS. In 2018, we continued our employee training program and particularly focused on selected business teams in Corporate Finance. In the second half of 2018, they received dedicated training in seven sessions covering various topics including human rights and the UK Modern Slavery Act ("the Act").

Since 2011, our Asset Management division has organized mandatory internal training for most of its investment professionals across the business line for actively managed products on the assessment of ESG risks (including risks from human rights violations) and opportunities and the integration of ESG into the investment process. An optional addition to the mandatory completion of the European Federation of Financial Analysts Societies (EFFAS) ESG certification program in 2017 has been the decision of several employees to take the exam for certification in April and December of 2018. Overall 143 employees throughout the organization registered for the exam to become certified ESG analysts in 2018.

### ***Our Vendors***

The majority of vendors we as a bank work with (e.g. service providers, consultants) can be categorized as not critical with regards to involvement in human trafficking or modern slavery. Most of these vendors also depend on the ideas, competence, commitment, and health of their employees.

Nevertheless, it is our standard practice for vendors to be required to adhere to our Code of Conduct and to comply with specific contractual obligations designed to ensure ES best practice is applied by our supply chain. In 2019, we will develop a specific vendor code of conduct, which we will make an integral part of a contract with any vendor.

In 2018, we continued to review our existing vendor population with respect to ES matters. In this review, we focused on those vendors who are active in sectors and countries that we categorize as critical concerning the respect of human rights. Of the 117 vendors reviewed in 2018 (2017: 123) we found no indications of human rights issues. In 2019, we are aiming to finalize the ES review of our existing vendors in scope. An external service provider will support us in this process.



The launch of a new vendor certification process, initially scheduled for 2018, was postponed to 2019 for technical reasons. Nevertheless, the specific ES criteria including those related to modern slavery and human trafficking that we have defined in 2018 for the new process were applied in an interim process. New vendors that meet certain trigger criteria will be subject to an enhanced due diligence. For the due diligence the vendors have to answer various questions concerning their approach to respecting human rights and their human rights due diligence for their vendors or subcontractors. To substantiate their responses they have to provide certain evidence (e.g. human rights statements, policies, guidelines). In addition, we will check their track record with regards to their approach to respecting human rights by screening publically available information. GS acts as a control function in the event that there are ES issues (incl. human rights, human trafficking and modern slavery) to address.

As in situations when an existing client is involved in a serious ES issue, we also consult with the vendor and other relevant stakeholders in case we become aware of an ES issue related to one of our existing vendors. Once we have assessed the situation we will decide on the further course of action which ultimately also might lead to a termination of an existing relationship.

In 2019, we will develop human rights training specifically for employees working in procurement to improve their knowledge and awareness of managing human rights risks in the cooperation with our vendors.

### ***About this Statement***

This statement is made by Deutsche Bank AG and its relevant subsidiary undertakings pursuant to Section 54 of the United Kingdom's Modern Slavery Act 2015 (the "Act"), and constitutes Deutsche Bank's slavery and human trafficking (SHT) statement for the financial year ending 31 December 2018.

The following commercial organizations within Deutsche Bank Group<sup>9</sup> carrying on a business, or part of a business, in any part of the United Kingdom, (and identified by the term "relevant subsidiary undertakings" in the SHT statement) are covered by this SHT statement:

- Deutsche Bank AG (including its foreign branches);
- DBOI Global Services (UK) Limited;
- DWS Alternatives Global Limited;
- DWS Investments UK Limited.

This statement, which will be reviewed annually and updated as required, has been approved by our Management Board on 2 July 2019.

Handwritten signature of Christian Sewing in black ink.

Christian Sewing  
Chief Executive Officer

Handwritten signature of Garth Ritchie in blue ink.

Garth Ritchie  
President - Head of Corporate & Investment Bank

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<sup>9</sup> DWS Group GmbH & Co. KGaA together with its direct and indirect subsidiaries ("DWS Group") form part of Deutsche Bank Group for the purposes of this SHT Statement.