



March 2021

Narrowing the gender and ethnicity pay gap

#PositiveImpact





Introduction

This is Deutsche Bank's first combined gender and ethnicity pay gap report.

Companies are required to report the overall mean and median gender pay gap based on hourly rate and bonus and disclose the percentage of men and women receiving a bonus. They must also break down the pay range in their organisation into four quartiles, showing the proportion of men and women in each.

Deutsche Bank currently has two companies in the UK that are required to report figures under the legislation: DB Group Services (UK) Ltd (DBGS) and DBOI (UK) Ltd. For the purpose of this summary, the bank has combined the pay data of the two companies to give a picture of Deutsche Bank in the UK as a whole.

The renewed focus on anti-racism highlights the importance of transparency in helping drive change. Transparency on the ethnicity pay gap is an equally important step forward and Deutsche Bank is publishing the ethnicity pay gap for the first time, on a voluntary basis, in advance of Government legislation. We have applied the Government's gender pay gap methodology to ethnicity pay in the interim.

The gender and ethnicity pay gap shows the difference in average earnings between women and men and between White and BAME (Black, Asian, Minority Ethnic) employees across the organisation. It does not show any differences in pay for those doing comparable jobs.

In the UK, the bank employs staff in the following business divisions: Corporate Bank, Investment Bank, Capital Release Unit, DWS (Deutsche Bank's Asset Management company) and Wealth Management, as well as in a range of infrastructure functions.

Gender



Our Gender Pay Gap (GPG) for 2020 is detailed below

Change takes time and we remain very focussed on increasing the representation of women in our senior roles and higher earning roles which will narrow the gap. In addition to efforts to narrow the gap, we have robust processes in place to ensure that there is fair compensation and reward for women and men doing equivalent roles. We know we still have work to do here to narrow the gap, and due to the considerable effort underway across the bank — by leaders, our managers and by our committed employee-led groups, we are confident our collective efforts will make a difference.

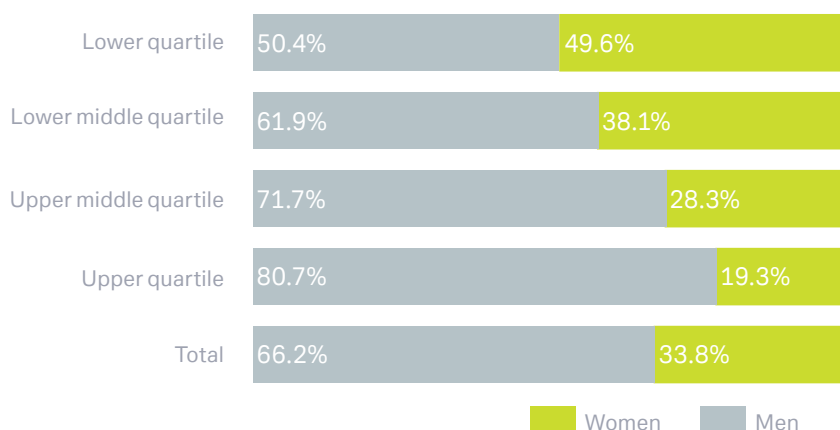
Hourly pay and bonus data (population as of April 5, 2020)

2017–2020: overall (%)					
	2017	2018	2019	2020	Trend
Mean GPG (hourly pay)	36.1	36.5	34.3	32.6	
Median GPG (hourly pay)	27.6	27.2	26.1	25.6	
Mean GPG (bonus pay)	69.2	59.0	55.6	57.0	
Median GPG (bonus pay)	35.4	67.7	58.6	48.5	

Proportion of men and women who received a bonus

2020: overall			
	Received bonus	Total relevant employees	Proportion (%)
Men	4,859	4,980	97.6
Women	2,548	2,626	97.0
Total	7,407	7,606	97.4

Overall quartile distribution (based on hourly pay)



Ethnicity



We are reporting our ethnicity pay gap data for the first time. In order to determine our start point we needed to gather and validate our data set for 2020.

We embarked on a refresh of the data held in our HR Systems and now 80% of our employees have declared their ethnicity. We continue to encourage employees to declare their voluntary ethnicity data at candidate stage, as a new hire, or at any time during their employment.

Hourly pay and bonus data (population as of April 5, 2020)

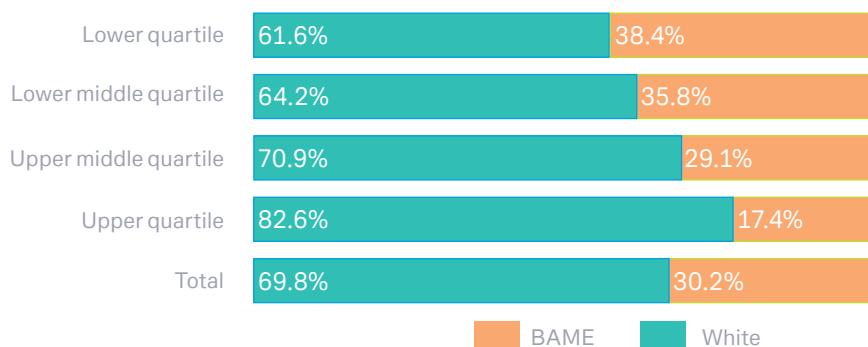
The table below shows the mean and median pay gaps between hourly and bonus earnings of White and BAME employees expressed as a percentage of hourly earnings of White employees.

2020: overall (%)	
	2020
Mean hourly pay gap	23.6
Median hourly pay gap	18.8
Mean bonus pay gap	35.3
Median bonus pay gap	36.3

Proportion of White and BAME employees who received a bonus

2020: overall			
	Received bonus	Total relevant employees	Proportion (%)
White	4,151	4,223	98.3
BAME	1,768	1,819	97.2
Total	5,919	6,042	98.0

Overall quartile distribution (based on hourly pay)



The figures exclude employees who selected 'Do not wish to disclose' and employees for whom ethnicity data is not available.

2020 has certainly been a pivotal year for us on ethnicity and in particular on advancing representation and inclusion efforts for Black colleagues. We now have much better data and insight into our workforce that gives us a powerful baseline from which to measure the progress and impact of our ethnicity initiatives, plus a great starting point to support further analysis, action, and transparency in 2021 and beyond.



Reasons for our gender and ethnicity pay gap

Sustainable change takes time and for the bank this will be a multi-year journey.

We remain dedicated to driving positive change to build a truly diverse and inclusive workforce.

The primary reasons for our gender and ethnicity pay gap:

- We have fewer women and BAME employees in senior leadership positions.
- We have fewer women and BAME employees in the industry's higher paid positions.

We are committed to taking progressive actions to address the gap and strengthen awareness. A number of our key initiatives to achieve our goal for a diverse and inclusive workplace across all strands of diversity have been summarised below. We recognise that not all of these will have an immediate impact on the observed gaps but they will lay the foundations for sustainable change through engaging our employees and keeping diversity and inclusion at the forefront of our agenda.



Action and progress to narrow the gender and ethnicity pay gap

In addition to our ongoing commitments to narrowing the gender pay gap, Tiina Lee, our UK and Ireland CEO, developed and launched a six-point strategic plan to increase the inclusion and representation of Black employees, in consultation with both a newly formed Black Representation Leadership Forum, and an employee-led Black inclusion advocacy group.

The plan comprises strategies for increasing representation, positive cultural change, improving practices across hiring, promotions and developing and retaining Black employees. In addition, we are building on inclusion via our community partners and third party suppliers. All the initiatives outlined below are helping us make progress towards our gender and ethnicity goals, but also across all the wider aspects of diversity and an inclusive workplace.

Early careers and talent acceleration programmes

Ensuring a world-class diverse Global Graduate Programme is paramount for the future success of the bank. In the UK 40% of graduates were women in 2020 (43% in 2019). We continue to achieve success recruiting women into technology graduate roles where the female candidate pool is smaller. We hired 39% women in 2020 (34% in 2019).

We have revised our early careers process to increase diversity, making the key changes described below:

- We have broadened our campus engagement from 11 to 34 universities.
- We sponsor large diversity-focused careers events open to all.
- Updated our screening criteria to remove criteria with any implied bias. The criteria were changed to give equal weighting to different experiences that indicate evidence of transferable skills. This provides candidates from lower socio-economic backgrounds, who typically don't apply to banking, a more equitable chance of progressing to interview.
- Our recruiters hold coaching calls for candidates to guide them through the process and expectations.
- We have changed our selection process to a strengths-based and skills profile approach.
- We are in the early stages of introducing a UK apprenticeship programme. By offering multiple routes of entry for people to start their career, we can attract a more diverse pool of candidates.

Due to the Covid-19 pandemic, it has not been possible to deliver talent acceleration programmes during 2020. For the 2021 programmes we will further strengthen the gender and ethnicity representation of participants and have new nominations guidance and process.

Action and progress



New diversity brand campaign

We invested in a well-received marketing campaign, 'We choose to be more', highlighting employees' personal stories of Diversity and Inclusion in action. The campaign covers many perspectives, including women, different ethnicities, social mobility, parenting, sexual orientation and disability, the stories demonstrate the positive impact Diversity and Inclusion can have on career and development.

Experienced Hiring Programmes

We have introduced key initiatives to ensure we have diverse candidate slates, diverse interviewers, and can hold hiring managers to account with insightful data:

- Increased usage of permanent open vacancies for specific skill-sets to enable us to generate a pipeline of diverse candidates for a particular role or team. Permanent open vacancies enable us to be market-ready for candidates at the point they are looking for a new role.
- We are currently piloting diverse CV review panels to ensure broader input into the review of candidates.
- Extended recruitment reporting capability to track gender and ethnicity through each stage of the recruitment process, so we can identify successes and areas that need focus.
- We have identified Recruitment Diversity Champions to focus on gender and ethnicity within each division to work with early years recruiting teams to ensure that we follow best practice and hold ourselves and our teams to account for progress.

Internal campaigns

Having meaningful conversations about all aspects of inclusion (including gender and ethnicity) is a key focus at the bank. We believe it is important that employees can feel free to openly discuss and share their experiences. To support this we are distributing a manager inclusion toolkit to support managers across the organisation in having these important discussions with their teams or individuals. We held a number of successful events internally where colleagues had open and frank discussions with senior leaders about how they experience the workplace and what we can do better.

Sponsorship programmes

The Government have enabled organisations to re-purpose 25% of their apprenticeship levy fund. The bank has used this opportunity to sponsor programmes with a gender and ethnicity focus outside of the banking industry. We have sponsored Associate Ambulance Practitioner apprenticeships who work as part of the wider Emergency and Urgent Care team and Healthcare support workers who assist nurses, therapists, midwives, hospital doctors and other healthcare professionals, to deliver high-quality person-centred care.

In addition, the bank has sponsored three Masters in Business Administration degrees (MBAs) to enable learners to reflect on their own career, perceive emerging opportunities and develop a growth mind-set.

Our Community Partnership initiatives are at the heart of the bank and 80% of our programmes benefit low-income communities and individuals, many of whom are Black and from other ethnic minorities. Our programmes promote education, social enterprise, and community development via programme funding, strategic support and volunteering.



Action and progress



Understanding that sponsorship is vital to the progression of diverse talent, we have a number of successful business-line sponsorship programmes for women at junior to mid-level and in the top talent cadres; and as part of the UK ethnicity six-point plan commitments, we are now putting sponsorship in place for Black employees.

Our Employee Resource Group for ethnicity inclusion, is relaunching their mentoring programme in 2021 to increase access to mentors for personal and professional growth.

A wealth of good practice and support continues

The benefits and initiatives shared in previous reports remain in place, including enhanced pay for parental leave, childcare support, comprehensive parental transition coaching for new parents, and successful and well-established gender, ethnicity, LGTB+, disability, and family-related Employee Resource groups. We are also signatories of the Women in Finance Charter and the Race at Work Charter.

Times Top 50 Employers for Women List 2020

Deutsche Bank is proud to be among the Times Top 50 Employers for Women in 2020. The list celebrates outstanding progress and examples of best practice, impact and innovation. We are delighted to be recognised for our efforts and commitment to improving the participation and inclusion of women in the bank, and in our industry.



Conclusion

Adding ethnicity to our pay gap report is an important leap forward in transparency and in understanding where to focus our efforts. I am immensely proud of what we have achieved during 2020, in establishing a baseline for ethnicity pay gap reporting, and defining a strategy to increase Black representation and inclusion at the bank. I pay tribute and give thanks to the valuable contribution made by our Employee Resource Groups and Black advocacy group, for sharing their personal stories and insights that have crucially helped shape our plans during 2020 and beyond. It's clear we are not where we want to be on either the gender or ethnicity pay gap. Building a diverse and inclusive organisation is a continual process and each step we take gets us closer to our goals. My expectation is that all leaders build inclusive teams of people and that all individuals can feel welcome, accepted and can thrive here. With renewed effort on what we know will make a difference, and in particular better representation in senior roles, I am confident we will make more progress over time.

Tiina Lee,
Chief Executive Officer, UK and Ireland

