



# Slavery and Human Trafficking Statement 2019

**This Statement has been approved by our Management Board on 23 June 2020.**

## *About Deutsche Bank*

Headquartered in Frankfurt am Main, Germany, Deutsche Bank is the largest bank in Germany and one of the largest financial institutions in Europe and the world, as measured by total assets of € 1,298 billion as of December 31, 2019.

Our purpose is to enable economic growth and societal progress by generating a positive impact for our clients, employees, investors, and communities. This purpose serves as a guideline for all our actions.

Deutsche Bank provides commercial and investment banking, retail banking, transaction banking and asset and wealth management products and services to corporations, governments, institutional investors, small and medium-sized businesses, and private individuals.

As per the end of 2019, we employed 87,597 full-time equivalent internal employees and operated in 59 countries out of 1,931 branches worldwide, of which 69 % were in Germany.

Across the globe, Deutsche Bank cooperates with individual employee representatives and broader employee representative bodies based on good practice and in accordance with relevant national legal regulations. Examples are:

- Within the UK, the bank has established the DB Group Services (UK) Limited and the DBOI Global Services (UK) Employee Consultation Forums in order to communicate and share information with employee representatives. The forums provide a platform for the bank to consult and openly share information on relevant organizational issues which collectively impact upon its employees.
- In Germany a worker's council established pursuant to the Germany's Works Constitution Act represents 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 a global bank that offers a wide range of products and services, we have clients across all industry sectors. We have operations or dealings with existing or potential clients in most countries in the world.

For its own operations Deutsche Bank interacts with over 36,500 direct vendors located in more than 41 countries. As a financial institution our vendor population mainly consists of service providers, consultants, IT specialists and suppliers of durable and consumer goods.

Since Deutsche Bank operates globally a number of these vendors are located in countries where there is a heightened risk of modern slavery. However, the nature of the goods and services supplied by these vendors would not generally be classed as high risk. Deutsche Bank assesses any specific country, sector, transaction and business partnership risks on a case-by-case basis.



In July 2019 Deutsche Bank announced a fundamental transformation and a profound restructuring of its businesses. In this context, sustainability was defined as one of the four priorities next to our financial plan. Deutsche Bank considers upholding human rights and combatting all forms of slavery as core to its sustainability agenda.

Our group-wide Sustainability Council is responsible for advising the Management Board on sustainability topics (including human rights and anti-slavery) and helping to drive the integration of sustainability into day-to-day business practice. The Council is composed of executives from across our divisions and infrastructure functions. Underpinning the relevance of sustainability, our Chief Executive Officer assumed the role of the Council's chairman in 2019.

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>1</sup>.

DWS considers sustainability including the respect of human rights as one of its key values underpinned by selected sustainability key performance indicators (Sustainability KPIs) they will be tracking from 2020 onwards. DWS believes that these indicators are crucial to DWS's Sustainability Strategy to measure and manage progress. Sustainability KPIs will be monitored quarterly by DWS's new Group-wide Sustainability Council. Moreover, in 2020 DWS will set-up a Group Sustainability Office that will directly report into DWS' Executive Board. These structures demonstrate DWS's commitment to putting sustainability in the sense of ESG at the core of everything it does.

For Deutsche Bank the efforts to combatting modern slavery and human trafficking are part of its overall activities to ensure the respect of human rights.

In recent years, Deutsche Bank has taken a proactive approach to safeguarding respect for human rights, as demonstrated by the integration of human rights due diligence into the bank's own operations, business activities with clients, and relationships with vendors and suppliers. We continue to take a focused approach to identifying the most salient risks for rights holders and developing targeted action plans. To implement this, Deutsche Bank established a Human Rights Working Group at the end of 2018, which became fully operative in 2019.

## ***Our Policies***

### *Group Code of Conduct*

Deutsche Bank's Code of Conduct (the Code)<sup>2</sup> articulates what our bank stands for and what we want our overall culture to be. We want to foster an environment that is open and diverse, where staff opinions and "speaking up" are valued and our employees' and the bank's success is built on respect, collaboration, and teamwork. Its principles are reflected in our management structures, policies, processes, and control systems.

The respect for human rights is embedded in the Code. In it, we formalized the respect of human rights including the prevention of child labor, modern slavery and human trafficking as a key business priority.

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<sup>1</sup> <https://dws.com/solutions/esg>

<sup>2</sup> [https://www.db.com/ir/en/download/Code\\_of\\_Business\\_Conduct\\_and\\_Ethics\\_for\\_Deutsche\\_Bank\\_Group.pdf](https://www.db.com/ir/en/download/Code_of_Business_Conduct_and_Ethics_for_Deutsche_Bank_Group.pdf)



In 2019, the Code was amended, among further things, to include an articulation of our group-wide sustainability principles:

- We commit to balancing economic success with environmental and social responsibility;
- We address the environmental and social impacts across our business activities;
- We foster business that enables sustainable growth;
- We follow internationally recognized principles and standards;
- We build our sustainability approach on robust governance
- We encourage transparent communication and open dialog with stakeholders.

As the Code articulates the bank's key values and standards of conduct, internal and external employees were required to complete an e-learning course specifically focused on the Code and the bank's values. That training was launched in late 2018 and continued in 2019. By the end of 2019, more than 68,000 employees had enrolled in the training with a completion rate of 99.9%.

Also included in the Code is an expectation that staff have a responsibility to speak up and challenge poor practices and behaviors, especially where actions or failures to act are inconsistent with the Code. Employees are actively encouraged to escalate any potential misconduct, inappropriate behavior, or any serious potential conduct risk to their supervisors, Compliance, Legal, or Human Resources, in line with the Code and other bank policies and procedures.

#### *Whistleblowing Policy*

Our Whistleblowing Policy, which was revised in 2019, sets forth the framework for staff members to report concerns or suspicions regarding possible violations of laws, rules or regulations, or possible violations of internal policies or procedures. Any reports received are reviewed to establish their nature, content, and priority. If necessary, an internal investigation of the incident will be initiated. This may result in a number of outcomes, for example disciplinary actions against employees or changes to the relevant processes. If a modern slavery issue connected with the bank or its supply chain is identified staff and, where legally appropriate, supplier staff, are encouraged to speak up using the mechanisms and procedures set out in the Whistleblowing Policy.

#### *Human Rights Statement*

The group's Human Rights Statement<sup>3</sup>, endorsed by as sub-committee of our Management Board, reinforces our commitment to respect human rights and outlines the approach we take to address this important issue. Our approach covers all dimensions of the business from client transactions and interaction with vendors and service providers to how we treat our own employees. We are committed to combatting modern slavery and human trafficking in connection with our business activities, supply chains and investment decision-making. Our principle is not to engage in any activities or business relationships where there is clear evidence of human rights' violations.

#### *Environmental and Social (ES) Policy Framework*

Our ES Policy Framework<sup>4</sup>, which is also endorsed by a sub-committee of our Management Board, formulates the set of rules and guidance for our daily business. As it is applicable globally for our Corporate Bank and Investment Bank, as well as commercial lending activities in our Private Bank, the ES Policy Framework defines procedures and responsibilities for risk

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<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>



identification, assessment, and decision-making. It also covers deal-independent risk-screening and the identification of companies with a controversial ES profile, and specifies the requirements for ES due diligence. Our due diligence process regarding project finance is based on the IFC Performance Standards underlying the due diligence under the Equator Principles.

Employee training enables our businesses to better identify ES risks. In 2019, we continued our employee training program with a particular focus on selected business teams. They received dedicated training covering topics, such as climate protection, human rights (incl. the UK Modern Slavery Act), and protection of World Heritage Sites and primary forests.

#### *Policies within DWS*

Our asset management division DWS has various ESG related policies that give guidance on the integration of ESG information (including violations to internal norms and therefore human rights) into their investment process, engagement and proxy voting activities. The norm rating plays an important role in the DWS ESG integration process. DWS` s norm rating is the leading ESG rating for identifying violations and check the compliance of the companies and countries with the UN Global Compact and other important norms (International Labor Organization (ILO) or OECD Guidelines for Multinational Corporations) when evaluating the human rights approach.

In order to support the integration of human rights and other ESG related issues in their security research, DWS held during 2019 several trainings for the analysts across fixed income, equities and multi-asset and changed the structure of the research notes. We enhanced our internal research notes, by integrating material ESG considerations in every aspect of the company assessment (i.e. business model, controversies on violations of international norms, competitive position, earnings estimates, risks, governance quality, etc.). DWS` s dedicated ESG retail funds range does not invest into issuers with confirmed and severe violations of international norms including human rights.

#### *Anti-Financial Crime (AFC) Charter*

As a leading European bank with a global footprint that provides a broad suite of products and services, the bank is exposed to diverse financial crime risks, including money laundering, financing of terrorism and human trafficking, breaches of sanctions and embargoes, as well as other criminal activities such as fraud, bribery, and corruption.

Deutsche Bank` s Management Board is ultimately responsible for the management and mitigation of financial crime risks. The Management Board delegates tasks relating to these obligations to the AFC function.

The group` s AFC Charter sets out the mandate and responsibilities of AFC across Deutsche Bank. Global AFC policies set the minimum standards for the management of financial crime risks, which are supplemented by further, country-specific policy requirements. All AFC policy documents are reviewed at least once a year to ensure that relevant new or revised legislation and regulations are properly reflected, and to take into account of any lessons learned.

AFC Training & Awareness forms part of the AFC risk and governance frameworks to govern, mitigate, and report on financial crime risks. Here, training is a key control measure in raising employee awareness to identify AFC-related risks and understand how and when to escalate.

#### *Human Resources (HR) Policies*

Our global HR policies cover a wide range of HR topics, e.g. hiring, managing, and developing performance and careers, assessment of the suitable members of management bodies and key function holders, international assignments, diversity and inclusion, compensation, off-boarding, termination, and employee-related incident management.



As per the bank's internal Hiring Policy all external hires have to go through HR. For external hires search firms, recruiting agencies or other vendors may only be used when on-boarded in the bank's vendor systems and on the bank's Terms and Conditions. Offer and compensation details require various internal approvals prior to an employment agreement.

Additionally, there are guidelines and policies for performance management procedures, disciplinary and dismissal procedures, grievance, and anti-harassment and bullying procedures, for example.

#### *Procurement Policy*

According to our Procurement policy the contracting unit within the bank must ensure that third party vendors contractually agree that there is no modern slavery or human trafficking in its supply chain, per the Bank's Code of Conduct. Employees that witness possible human rights violations (including modern slavery or human trafficking) are required to report such concerns in line with the requirements of our Whistleblowing Policy.

#### *Group Policy on Minimum Requirements for Handling and Recording of Complaints*

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 in any local branch, by e-mail, online, by calling our client service center, or through authorized third parties.

We have a defined set of core values for dealing with complaints fairly, impartially, and without undue delay. How we address complaints is governed by the Group Policy on Minimum Requirements for Handling and Recording of Complaints, which applies to all our businesses. Our business divisions are responsible for developing and implementing procedures incorporating the objectives and minimum requirements set out in the Group Policy. We immediately acknowledge receipt of complaints and work to resolve them quickly and transparently by regularly training our complaint managers.

#### *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.

We aim to attract, develop, and retain the best people from all cultures, countries, races, ethnicities, genders, sexual orientations, abilities, beliefs, backgrounds, and experiences. To this end and to prepare for opportunities and challenges arising from changing demographics, digitalization, and the future of work, the bank follows an integrated and multi-dimensional approach to diversity and inclusion.

We want to foster an environment that is open and diverse, where staff opinions and "speaking up" are valued and our employees' and the bank's success is built on respect, collaboration, and teamwork.

We are committed to advocating a 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 provides a range of 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, a telephone reporting system and electronic platform, which may be used anonymously.

In 2019, the Bank introduced a new permanent Report a Concern button on the dbnetwork homepage. The information provided here helps employees to identify the right channel to report a concern and gives them the relevant contact details.

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.

An important feature of the Whistleblowing Policy is that retaliation of any kind is prohibited against employees who make a report internally or externally to any regulatory, investigatory or other agency or authority, or to self-regulatory agencies.

On May 29, 2018, the Management Board announced that the number of full-time employees would be reduced to less than 90,000 by the end of 2019. On July 7, 2019, the Management Board announced moves to improve efficiency and infrastructure, which included reducing the workforce to approx. 74,000 by 2022.

In executing this strategy, Deutsche Bank remains committed to carrying out staff reductions in a transparent and socially responsible manner, with the close and constructive cooperation with employee representatives and social partners marked by mutual trust.

### ***Our Clients***

Our ES Policy Framework explains how we translate our self-imposed ES 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.

In line with the requirements of the ES Policy Framework, employees in our business divisions are initially responsible for identifying ES risks. We have defined sensitive sectors to focus on, as well as criteria for mandatory referral to Group Sustainability (GS), our sustainability team. This centrally organized function advises on client transactions and develops policies and guidelines for the bank's ES risk management and human rights approach.

On becoming aware of a material 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 performing our assessment, we also consider the political and legal situation in the respective country, including to what extent affected people are permitted to defend their interests in the relevant jurisdiction. In specific cases, we make use of independent experts to assess the situation. On the basis of all the available information and our assessment of the risks identified 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 made to terminate a business relationship.

In 2019, we reviewed 310 clients and transactions in line with our ES Policy Framework. Those reviews resulted in seven refusals. None of them were refused specifically due to severe human rights issues. But in various cases specific actions were agreed on to avoid or mitigate negative impacts on rights holders.



We are continuing to work on developing a more systematic approach to assessing clients' ES profiles to increase the efficiency of ES due diligence and allow early-stage client engagement. In 2019, for instance, we created a guideline to help our teams to identify and evaluate negative client news on environmental and social issues. Also, we updated instructions for business teams on how to search for relevant soft commodity certifications of our clients.

Furthermore, in the course of our AFC/Financial Crime Operations (FCO) unit's ongoing work with the Joint Money Laundering Intelligence Taskforce (JMLIT), 23 requests were received for information on funding flows that were potentially linked to potential human rights' violations in 2019. The FCO unit reviewed all of them and responded to the law enforcement agencies in each and every case.

One of JMLIT's operational priorities is to prevent the funding flows linked to organized immigration crime, human trafficking, and modern slavery.

DWS's Active<sup>5</sup> and Passive<sup>6</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.

In its efforts to further integrate ESG criteria (including the respect of human rights) into DWS's investment and business processes, in 2019 it introduced an additional procedure for the identification of actual and potential adverse impacts on human rights. This new approach puts further emphasis on environmental and human rights topics.

Our Infrastructure and Real Estate Investment teams within Alternatives<sup>7</sup> have further mainstreamed 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.

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.

Since 2017, DWS employees can register for the EFFAS ESG exam for certification, which various employees completed in March and October of 2019. Overall 36 employees passed the exam and became certified ESG analysts in 2019. At the end of 2019 DWS counts 123 CESGA® (Certified ESG Analyst) certified employees. We will continue with in-person ESG training in 2020.

DWS continued to participate in the group-led human rights working group to take measures arising from the implications of the Modern Slavery Act and its overall responsibility to respect human rights.

### ***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.

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<sup>5</sup> <https://dws.com/capabilities/active>

<sup>6</sup> <https://dws.com/capabilities/passive>

<sup>7</sup> <https://www.dws.com/capabilities/alternatives/>



Nevertheless, it is our standard practice for vendors to be required to adhere to the principles set out in our Code of Conduct and to comply with specific contractual obligations designed to ensure ES best practice is applied by our supply chain. The development of a specific vendor code of conduct will be finalized in 2020.

In 2019, Deutsche Bank implemented a new vendor screening process that now includes more specific human rights controls for our new vendors or a review of our existing vendors, including their approach to combat human trafficking and modern slavery.

This process manages ES risks relating to the vendors Deutsche Bank works with globally. The focus is on vendors that provide services often associated with human rights risks and provided in countries with an elevated risk of human rights violations. If a vendor meets certain criteria for more detailed ES analysis, the vendor will have to fulfill specific environmental and social vendor control requirements (VCRs). The vendor will then have to explain their approach to the different VCRs and provide adequate evidence for their responses. If the vendor does not or cannot provide sufficient information or evidence, we discuss internally how to deal with this non-compliance with our ES standards and whether measures can be agreed with the vendor to achieve compliance within a reasonable time. If that is not possible, it can ultimately lead to a termination of the business relationship with the vendor in question.

In initiating the new vendor screening process, we wanted to ensure that existing vendors who trigger a more detailed ES analysis also meet our ES standards. In reviewing the ES performance of existing vendors, which is expected to be finalized by mid-2020, we are supported by an external service provider. Due to the implementation of the new vendor screening process, we have rescheduled our human rights training for Procurement colleagues, initially scheduled for 2019, to be rolled out in 2020.

### ***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 2019.

The following commercial organizations within Deutsche Bank Group<sup>8</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;
- DB Group Services (UK) Limited
- DWS Alternatives Global Limited;
- DWS Investments UK Limited.

This statement will be reviewed annually and updated as required.

A handwritten signature in blue ink, appearing to read 'Sewing'.

Christian Sewing  
Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'Simon'.

Stefan Simon  
Designated Chief Administrative Officer

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<sup>8</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.