



# Controversial Weapons Policy



Controversial Weapons Policy – DB Group

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## Controversial Weapons Policy – DB Group

### 0. Scope

This policy sets out the practical implementation of Deutsche Bank's decision to exit existing relationships and not to engage in new relationships with entities responsible for manufacturing, distributing and/or offering maintenance/servicing of Controversial Weapons (CW) or directly associated business activities, in line with international conventions, accords and certain national laws.

### 1. Prohibited Business Relationships

#### 1.1. General prohibition

Deutsche Bank (Deutsche Bank Group) avoids entering into, or continuing, any kind of business relationship or transactions with corporate entities, government departments, joint ventures or Individuals<sup>1</sup> (collectively 'entities'<sup>2</sup> hereafter) with clear, direct links to CW business as outlined in this policy. CWs are weapon systems that are deemed unacceptable to the international community because of their indiscriminate effects, undue suffering and the disproportionate humanitarian impact they have on civilian populations. Many of the below have been prohibited by international organisations such as the United Nations and European Union and are also prohibited under many countries' national laws.

#### 1.2. Cluster Munitions (CluMus)

Deutsche Bank fully complies with the Convention on Cluster Munitions (the 'Oslo Convention') which prohibits all use, stockpiling, production and transfer of cluster munitions. Deutsche Bank will not do business and will terminate existing business relationships with entities determined to be manufacturing and/or distributing CluMus, weapons that are substantially similar to them, or their critical components (Dispensers, Explosive Bomblets or Explosive Sub-Munitions).

#### 1.3. Anti-Personnel Mines (APMs)

Deutsche Bank fully complies with the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction (the 'Ottawa Convention'). It will not do business and will terminate existing business relationships with entities that manufacture and/or distribute/Transfer APMs, weapons that are substantially similar to them, or their critical components (Anti-Handling Devices).

#### 1.4. Chemical, Biological, Radiological, Nuclear Weapons (CBRNs)

Deutsche Bank fully complies with the major United Nations treaties on CBRNs, particularly, the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), The Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction (BWC) and The Convention on the Prohibition of the Development, Production, Stockpiling and use of Chemical Weapons and on their Destruction (CWC). Deutsche Bank will not do business and will terminate existing business relationships with entities that manufacture, distribute and/or maintain and service CBRNs, weapons that are substantially similar to them, or "CBRN Critical Components" (i.e. chemical/biological components, fissile material or equipment specifically designed for the munitions or their housing/maintenance).

Deutsche Bank will carefully consider doing business with entities of companies engaged in the manufacture and/or distribution of components not defined as critical, where the transaction is related to end users primarily associated with CBRN weapons/organisations due to the associated material reputational risk.

#### 1.5. Controversial Conventional Weapons (CCWs)

Deutsche Bank fully complies with the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects as amended on 21 December 2001 (CCW).

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<sup>1</sup> Senior Executive, significant shareholder, board member or other significant individual with influence on a company/entity directly responsible for CW related activities as identified based on available KYC information

<sup>2</sup> Entities are defined as applicable corporate entities (i.e. the specific entity within a company group), government departments, joint ventures and finally, Individuals, that are directly responsible for activities relating to CW



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Deutsche Bank will carefully consider doing business with entities engaged in the manufacture and/or distribution of CCWs and their specific components due to the material reputational risk associated with these entities.

### 2. Exceptions

In exceptional circumstances, if the specific transaction is not itself linked to the CW business of an entity or end user and if the following requirements are met, then the transaction may be considered, subject to review by Industry Reputational Risk which may include escalation through the Reputational Risk Framework:

- an enhanced due diligence of the entity (including a rigorous investigation with management of the entity) has been carried out in order to assess the involvement of the company in the CW business and the materiality of this business; and
- a clear, firm and credible statement is made by the entities specifying that the use of proceeds from the transaction will not to be used for the production of CW or activity relating to CW.

If there is any doubt whether the components are primarily used for CW, then a written statement from the entity shall be required demonstrating necessary details of use.

In addition to the above, a company's clear, firm and credible statement to exit all CW-related business in a timely fashion will be taken into account. Deutsche Bank may state publicly that relevant assurances were received from the company.

It is acknowledged that, in order to preserve its independent fiduciary obligations, Deutsche Asset Management/DWS may need to follow their own policies in relation to reputational risk matters. Employees of DWS (Deutsche Asset Management) should contact their local compliance officer or the Sustainability Office of Deutsche Asset Management/DWS in case of uncertainty.