



April 8, 2016

Deutsche Bank response to the attention of Business & Human Rights Resource Centre on

"Dirty Profits 4: Report on Companies and Financial Institutions Benefitting from Violations of Human Rights", Facing Finance, 16 Feb 2016, http://www.facing-finance.org/files/2016/02/ff_dp4_EN_WEB.pdf

Deutsche Bank is fully committed to its responsibilities to respect human rights. In line with the UN Guiding Principles on Business and Human Rights, we published a Human Rights Statement in November 2015.

Deutsche Bank consistently pays attention to how its business activities may affect human rights. We aim to continually improve our approach to, and the internal guidance on human rights issues.

In order to identify, prevent and mitigate adverse human rights impacts, we have integrated human rights considerations (e.g. land, labour, child rights, health and safety of workers and communities, the rights of indigenous people etc.) in our due diligence process on environmental and social (ES) risks.

While conducting ES risk reviews, we assess our clients' ES risk management systems including governance and capacity to address ES risks. We look for policies and commitments, as well as a responsible approach to stakeholder engagement and disclosure. We also assess their track record. In this review, we rely on publicly available information such as corporate disclosure, media, and external data providers. If we are aware of issues we may also engage with clients directly and, depending on the risk profile, more intense ES due diligence may be required in accordance with our general and sector-specific ES provisions.

Across sectors we operate with we aim to identify environmental and social issues that require attention. We regularly review our approach and understanding of issues through continuous dialogue with our peers, the industry, NGOs, and other relevant stakeholders. Accordingly, our ES review process is reviewed annually – or as events occur – to reflect changes in the environment in which we operate.

Deutsche Asset Management's (Deutsche AM) strategy is to further develop its environmental, social and governance (ESG), sustainable and impact investing businesses. There exists a range of investment styles and practices from exclusion to impact, which coexist depending on the investor's motivation and intended purpose of investment.

For our actively managed products, we apply an integration and screening strategy. Our analysis of relative ESG performance relies on a proprietary ESG rating methodology. We process raw data and scores supplied by an independent ESG research provider to derive these internal ratings. Moreover, we employ an external controversy indicator that flags critical ESG issues. These extra-financial criteria are an integral part of our investment process. Requesting disclosure on ESG issues by the entities in which we invest has been a key part of our engagement over recent years. To this end, Deutsche AM is asking companies to improve their transparency.

Deutsche AM sees good corporate governance as a source of better company performance and share price in the longer term. We therefore actively promote good corporate governance through an ongoing dialog with companies on key issues that affect corporate performance and control. With this dialog and the appropriate exercise of our proxy voting policy, we intend to monitor management performance and corporate strategy.



Deutsche AM offers a range of products responding to the above mentioned different investment styles and expectations – from managing assets that encompass active and passive ESG screening to sustainable investment funds, green real estate assets, social finance innovations, and impact investments.

Our contribution to a low-carbon economy starts with our own operations. Deutsche Bank is certified to ISO 14001, the international environmental management standard.

From 2008 to 2012, we have reduced our direct carbon footprint by 20 percentage points a year. Unavoidable emissions are offset by purchasing and retiring certificates (VERs) from high-quality emission reduction projects. To this end, our operations have been carbon neutral since 2012.

To reduce emissions from the energy we use in our offices, we invest in energy efficiency measures and purchase electricity from renewable sources. In 2015, more than 230,000 tCO₂e of emissions were avoided by purchasing renewable electricity. Furthermore we have been reducing our emissions from business travel. In 2015, emissions from air travel were 3% lower than the year before, while the average CO₂ emissions from company cars were reduced by 5% in 2015 compared to the previous year.

Deutsche Bank is strongly committed to supporting clients to meet their climate change obligations while also maintaining their commercial opportunities. We help clients to develop, acquire, and sell low-carbon businesses and assets. Deutsche Bank is one of the top six European-based private-sector project financiers of clean energy, and our financing and advisory services support other low-carbon and clean tech businesses.

We fully support the Green Bond Principles as Green Bonds offer a novel way to unlock the capital for projects that benefit the environment and society. In 2015, we continued to be active in the Green Bonds market. We managed several of the most high-profile client issuances in this sector.

In addition, Deutsche Bank invested € 800mn into a portfolio of high-quality green bonds, as part of its goal of investing € 1bn of the Bank's liquidity reserve investments into this developing market.

Going forward, we will continue to work with our stakeholders to observe societal trends and discuss their implications for the financial sector. Further information on our current approach to different sustainability topics is available on our Corporate Responsibility (CR) Website https://www.db.com/cr/index_en.htm.

The manifold examples on Deutsche Bank's progress during 2015 in turning our aspirations into action to ensure we act as a responsible business and social partner for the communities we serve are further illustrated in our 2015 CR Report. <https://cr-report.db.com/2015/en/index.html>