



# Policy Statement of Deutsche Bank AG – Supply Chain Due Diligence Act (SCDDA)

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## Introduction

# Policy Statement of Deutsche Bank AG – Supply Chain Due Diligence Act (SCDDA)

Deutsche Bank AG (Deutsche Bank) has a long-standing commitment to respecting human rights and has voluntarily endorsed and aligned with international standards. More details of Deutsche Bank's commitment can be found in the Deutsche Bank Group's [Statement on Human Rights \(db.com\)](#) ↗. Deutsche Bank also maintains an active overview of the human rights performance of the entities within its supply chain.

This Policy Statement has been issued pursuant to Deutsche Bank's obligations under applicable German law, and specifically the Lieferkettensorgfaltspflichtengesetz<sup>1</sup> (known as the [Supply Chain Due Diligence Act](#) ↗, or the SCDDA). The purpose of this Policy Statement is to detail how Deutsche Bank is committed to respecting the human rights and environment-related risks potentially arising within its supply chain, including its own business area, pursuant to the SCDDA requirements. The terminology used in this statement is intended to align with the defined terms used within the SCDDA. The human rights and environment-related risks referred to in the SCDDA are detailed in the list of prohibitions in Annex 1.

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<sup>1</sup> Gesetz über die unternehmerischen Sorgfaltspflichten zur Vermeidung von Menschenrechtsverletzungen in Lieferketten

# Deutsche Bank's risk management framework

Deutsche Bank operates globally and has an established risk management framework designed to manage risks and complexities that can arise in the course of its supply chain, including its own business area. Risk management of the human rights and environment-related risks is embedded within Deutsche Bank's risk management framework and processes, its organizational divisions, its governance framework, its internal control framework, its compliance management framework, and within Deutsche Bank's internal and external policies and procedures.

In accordance with its obligations under the SCDDA, Deutsche Bank integrates within its risk management framework the following:

- a) Annual risk assessments (ad hoc where applicable) undertaken for its own business area and for Deutsche Bank's direct vendors
- b) Identification and weighting of prioritized human rights and environment-related risks
- c) Establishment of preventative measures (and/or remedial measures, as applicable) to be assigned to the human rights and environment-related risks
- d) Annual (and ad hoc where applicable) monitoring and assessment of the effectiveness of the preventative/remedial measures undertaken with respect to the human rights and environment-related risks
- e) Determination of risk assessments and preventative measures to be undertaken as concerning indirect suppliers in circumstances where Deutsche Bank comes into substantiated knowledge of human rights and environment-related risks
- f) Operation and administration of the internal complaints procedure, which enables persons to report human rights and environment-related risks as well as violations of human rights and environment-related obligations that arise within its supply chain, including its own business area
- g) Internal monitoring, compliance documentation, and annual public disclosure

## Deutsche Bank's risk analysis process

Deutsche Bank gathers external data issued on human rights and environment-related risks, and identifies high-risk areas and profiles. Deutsche Bank undertakes due diligence to identify and assess the nature of the actual and potential adverse human rights and environment-related risks, and with which it may be directly or indirectly linked. Deutsche Bank undertakes this due diligence to assess the potential adverse human rights and environment-related risk that it may cause or contribute to through its own activities, or which may be linked to its supply chain. These assessments are further enhanced by direct engagement with vendors and consultants, by consultation with external stakeholders (e.g. third parties who are affected by human rights risks), and through participation in multiple external initiatives (e.g. Thun Group).

At least annually, Deutsche Bank analyses its direct vendor portfolio according to geographical risk, industry risk, and expected volume, by making use of both external and internal data. The outcome of the analysis guides the development and continuous improvement of Deutsche Bank's risk management of human rights and environment-related risks.<sup>2</sup>

For its own business area, Deutsche Bank uses a risk-based approach and focuses on those locations where human rights and environmental risks are most likely to arise. Deutsche Bank follows a three-step approach:

1. Abstract risk analysis of those countries in which Deutsche Bank operates based on publicly available data concerning human rights and environmental risks. Based on the risk profile for each country, Deutsche Bank identifies the most relevant risks that might arise from its operations in those territories.
2. Specific risk analysis is undertaken for each country in which Deutsche Bank operates, with priority on those countries having the highest risk profile. Deutsche Bank then conducts a gap analysis to determine if appropriate preventative measures are in place to cover the identified risks.
3. Preventative actions are duly considered wherever gaps are identified.



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<sup>2</sup> An initial risk analysis revealed that hot spots in terms of risks for negative human rights impacts in Deutsche Bank's supply chain are Asia from a geography perspective, and business travel, marketing/gifts, IT hardware, and security/reception from a service perspective.

## Deutsche Bank's preventative measures

Deutsche Bank takes active steps to engage with its suppliers and to support its suppliers to prevent adverse human rights and environment-related risks.

Deutsche Bank has developed a comprehensive portfolio of measures to prevent any adverse human rights and environment-related risks that may arise from time to time. For example:

- Deutsche Bank maintains a [Code of Conduct](#)  to articulate the expectations of its employees
- Deutsche Bank maintains a [Supplier Code of Conduct](#)  to articulate its expectations for suppliers
- Deutsche Bank started to conduct training to facilitate an understanding of its human rights expectations
- Deutsche Bank endeavors to agree upon contractual commitments in its vendor contracts to prevent human rights and environment-related risks
- Deutsche Bank engages an enhanced due diligence risk assessment process for those of its suppliers identified as having a very high-risk profile
- Deutsche Bank has developed appropriate controls and measures tailored to its direct suppliers to monitor compliance with their human rights strategies
- Deutsche Bank will conduct annual reviews to detail the effectiveness of preventative measures undertaken by its suppliers

## Deutsche Bank's remediation process

Deutsche Bank has established a remediation process to address and end or minimize actual adverse impacts within Deutsche Bank's supply chain. If any human rights concerns are discovered, Deutsche Bank's Group Sustainability function will become involved. The process includes investigative steps of the incident and the extent and impact of Deutsche Bank's involvement, and then the development of potential remedial or preventative actions. As may be appropriate, Deutsche Bank will seek specialist advice and engage with the vendors involved in any incident to determine the appropriate and corrective actions to be implemented within an agreed timeline. Deutsche Bank will track the implementation and development of any potential remedial or preventative actions to be undertaken. Dependent on the severity of the violation, there may also be consultation with impacted third parties (including NGOs and community groups) as may be appropriate to assess the effectiveness of the remediation measures.

Deutsche Bank will track and monitor incidents identified and the appropriateness of the preventative, remediation, or mitigation measures undertaken and also give due consideration to what alternative actions can be undertaken to prevent a future reoccurrence.

## Deutsche Bank's complaint procedure

Deutsche Bank encourages all duly concerned stakeholders to report human rights and environment-related risks as well as violations of human rights and environment-related obligations that arise within its supply chain, including its own business area, through its dedicated complaints procedure.

Deutsche Bank is committed to making its complaints procedure accessible particularly to stakeholders most vulnerable to potential adverse impact. Following a risk-based approach, Deutsche Bank has established dedicated communication channels (e-mail and telephone) to raise concerns on human rights and environment-related risks internally and externally.

Upon receipt of any concern received via the channels dedicated to the complaints procedure, Deutsche Bank will (as appropriate):

- Acknowledge the concern within seven days
- Seek further details where concerns are not sufficiently detailed to allow an effective remedy
- Conduct its own risk analysis (as appropriate)
- Provide proactively high-level status updates within a timely fashion (Deutsche Bank's own target objective is to react approximately within three months of receiving any concern)
- Where any review of a concern takes extensive time to complete, Deutsche Bank will aim to provide quarterly status updates

Up-to-date information on external channels is accessible on Deutsche Bank's [human rights website](#), including details of the SCDDA complaints procedure.

## Deutsche Bank's fulfillment of the SCDDA obligations

Deutsche Bank's risk management framework includes the monitoring and documentation of its fulfillment of due diligence obligations. It is envisaged that Deutsche Bank's newly appointed Head of Human Rights will be responsible for maintaining oversight of Deutsche Bank's compliance at the framework level and ensuring visibility of interdependencies between different risk management and due diligence elements. Deutsche Bank will document internally and report publicly in compliance with its obligations.

## Deutsche Bank's prioritized human rights

Deutsche Bank will update this section with relevant details following the completion of its annual risk assessment process. Details of the human rights and environment-related risks that have been prioritized by Deutsche Bank will be set out in due course.

# Human rights and environment-related expectations on Deutsche Bank's employees and suppliers in the supply chain

## Employees

Deutsche Bank ensures that risk assessment, implementation of preventative measures, and remediation of any adverse impacts from human rights violations that impact Deutsche Bank employees are embedded within its operational processes. Group Sustainability supports responsible functions, for example, Human Resources and Global Real Estate, in defining strategic approaches and standards.

Deutsche Bank is guided by the ILO Declaration on Fundamental Principles and Rights at Work<sup>3</sup> as well as applicable labor laws in the different jurisdictions in which it operates, and has policies and processes in place to ensure, among other things, that:

- Child labor or forced labor is never accepted within its business operations
- Workplace accidents and job-related illnesses are reduced through a prevention-oriented workplace protection system focusing on both physical and mental health
- Individual employee data is handled in line with applicable privacy laws
- Disrespectful behavior, discrimination, or harassment, including sexual harassment, (or any threatening, hostile, or abusive behavior) is not tolerated
- Deutsche Bank's workforce is diverse to enrich interactions with clients, employee work life, and the communities in which Deutsche Bank operates
- Adequate compensation packages are offered to attract and retain talent

Deutsche Bank complies with all applicable laws, rules, and regulations of the countries in which it operates. This includes sovereign state legislation on collective agreements, bargaining, and freedom of association. In countries where internationally recognized standards may not be fully implemented, Deutsche Bank will take an appropriate approach to honor the principles of internationally recognized human rights.

Any issues concerning the safeguarding of human rights (e.g. raised by the whistleblowing process or adverse media screening) are addressed in cooperation with multiple functions, for instance, Human Resources, Group Sustainability, Compliance, and Legal, as applicable. If necessary, any decisions on how to rectify issues are escalated through existing internal channels.

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<sup>3</sup> The latest version of the ILO Declaration on Fundamental Principles and Rights at Work includes five core principles: (a) freedom of association and the effective recognition of the right to collective bargaining, (b) the elimination of all forms of forced or compulsory labour, (c) the effective abolition of child labour, (d) the elimination of discrimination in respect of employment and occupation, and (e) a safe and healthy working environment.



## Suppliers

Deutsche Bank shares with its suppliers its Supplier Code of Conduct (the Code), which sets out its general expectations and requirements for its suppliers. Deutsche Bank's core values and beliefs provide the ethical and behavioral framework to guide the procurement decisions Deutsche Bank makes every day. Deutsche Bank gives preference to suppliers whose policies and practices are consistent with those at Deutsche Bank, including human rights, health and safety, environmental sustainability, diversity and inclusion, ethics, and other responsible business practices.

Deutsche Bank is committed to respecting human rights and prefers suppliers who share this important objective. Deutsche Bank expects its suppliers to provide information and assistance to Deutsche Bank in an appropriate manner to ensure human rights and environment-related risks are avoided in its supply chain. Deutsche Bank expects its suppliers to ensure that human rights are respected within their own business area and to endeavor to ensure human rights are appropriately respected within their supply chain. Deutsche Bank expects its suppliers to have appropriate measures in place that protect against the violation of the human rights and environment-related risks detailed in Annex 1.

As part of the Deutsche Bank's preventive measure concept, Deutsche Bank expects its suppliers to sign the DB SCDDA contract clause as required pursuant to the SCDDA.

Deutsche Bank expects its direct suppliers to take appropriate steps to prevent, mitigate, or remediate a violation of any of the prohibitions mentioned in Annex 1.

Deutsche Bank expects its suppliers to appropriately support Deutsche Bank, for example, concerning Deutsche Bank's SCDDA risk analysis, SCDDA preventative measures, SCDDA remedial action, SCDDA obligations toward indirect suppliers, and SCDDA complaints procedure obligations.



# Approval

This statement has been approved by the management board on 20/6/2023.

Christian Sewing  
Chief Executive Officer

Stefan Simon  
Chief Administrative Officer

# Annex 1

Human rights and environment-related risks according to the SCDDA are a condition in which, on the basis of factual circumstances, there is sufficient probability that a violation of the following prohibitions is imminent:

## Human Rights risks

1. The prohibition of the employment of a child under the age at which compulsory schooling ends according to the law of the place of employment, provided the age of employment is not less than 15 years, except where the law of the place of employment so provides in accordance with Article 2(4) and Articles 4 to 8 of Convention No.138 of the International Labour Organization of 26 June 1973 concerning Minimum Age for Admission to Employment (Federal Law Gazette II pp. 201, 202).
2. The prohibition of the worst forms of child labour for children under the age of 18, in accordance with Article 3 of Convention No. 182 of the International Labour Organization of 17 June 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Federal Law Gazette 2001 II pp. 1290, 1291), which includes:
  - a. All forms of slavery or practices similar to slavery, such as the sale of and trafficking of children, debt bondage and serfdom, and forced or compulsory labour, including the forced or compulsory recruitment of children for use in armed conflicts;
  - b. The use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances;
  - c. The use, procuring or offering of a child for illicit activities, in particular for the production of or trafficking in drugs; and
  - d. Work which, by its nature or because of the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.
3. The prohibition of the employment of persons in forced labour; this includes any work or service performed by a person under the threat of punishment and for which he or she has not made himself or herself available voluntarily, for example as a result of debt bondage or trafficking in human beings; excluded from forced labour are any work or services that comply with Article 2(2) of Convention No. 29 of the International Labour Organization of 28 June 1930 concerning Forced or Compulsory Labour (Federal Law Gazette 1956 II p. 640, 641) or with Article 8 (3) (b) and (c) of the International Covenant of 19 December 1966 on Civil and Political Rights (Federal Law Gazette 1973 II pp. 1533, 1534).
4. The prohibition of all forms of slavery, practices akin to slavery, serfdom or other forms of domination or oppression in the workplace, such as extreme economic or sexual exploitation and humiliations.
5. The prohibition of disregarding the occupational health and safety obligations applicable under the law of the place of employment if this gives rise to the risk of accidents at work or work-related health hazards, in particular, due to:
  - a. Obviously insufficient safety standards in the provision and maintenance of the workplace, workstation and work equipment.
  - b. The absence of appropriate protective measures to avoid exposure to chemical, physical and biological substances.
  - c. The lack of measures to prevent excessive physical and mental fatigue, in particular due to inappropriate working hours and rest breaks.
  - d. Inadequate training and instruction of employees.

6. The prohibition of disregarding the freedom of association, according to which:
  - a. Employees are free to form or join trade unions.
  - b. The formation, joining and membership of a trade union must not be used as a reason for unjustified discrimination or retaliation.
  - c. Trade unions are free to operate in accordance with applicable law of the place of employment, which includes the right to strike and the right to collective bargaining.
7. The prohibition of unequal treatment in employment, for example on the grounds of national and ethnic origin, social origin, health status, disability, sexual orientation, age, gender, political opinion, religion or belief, unless this is justified by the requirements of the employment; unequal treatment includes, in particular, the payment of unequal remuneration for work of equal value.
8. The prohibition of withholding an adequate living wage; the adequate living wage amounts to at least the minimum wage laid down by the applicable law, and apart from that, is determined in accordance with the regulations of the place of employment.
9. The prohibition of causing any harmful soil change, water pollution, air pollution, harmful noise emissions or excessive water consumption that:
  - a. Significantly impairs the natural bases for the preservation and production of food;
  - b. Denies a person access to safe and clean drinking water;
  - c. Makes it difficult for a person to access sanitary facilities or destroys them; or
  - d. Harms the health of a person.
10. The prohibition of unlawful eviction and the prohibition of unlawful taking of land, forests and waters in the acquisition, development or other use of land, forests and waters, the use of which secures the livelihood of a person.
11. The prohibition of the hiring or use of private or public security forces for the protection of the Suppliers project if, due to a lack of instruction or control on the part of the enterprise, the use of security forces:
  - a. Is in violation of the prohibition of torture and cruel, inhumane or degrading treatment;
  - b. Damages life or limb; or
  - c. Impairs right to organise and the freedom of association.
12. The prohibition of an act or omission in breach of a duty to act that goes beyond nos. 1 to 11, which is directly capable of impairing a protected legal position in a particularly serious manner, and the unlawfulness of which is obvious upon reasonable assessment of all the circumstances in question.

## Environment-related risks

1. The prohibition of the manufacture of mercury-added products pursuant to Article 4 (10) and Annex A Part 1 of the Minamata Convention on Mercury of 10 October 2013 (Federal Law Gazette 2017 II pp. 610, 611) (Minamata Convention).
2. The prohibition of the use of mercury and mercury compounds in manufacturing processes within the meaning of Article 5 (2) and Annex B Part 1 of the Minamata Convention from the phase-out date specified in the Convention for the respective products and processes.
3. The prohibition of the treatment of mercury waste contrary to the provisions of Article 11 (3) of the Minamata Convention.
4. The prohibition of the production and use of chemicals pursuant to Article 3 (1) (a) and Annex A of the Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants (Federal Law Gazette 2002 II pp. 803, 804) (POPs Convention), last amended by decision of 6 May 2005 (Federal Law Gazette 2009 II pp. 1060, 1061), in the version of Regulation (EU) 2019/1021 of the European Parliament and of the Council of 20 June 2019 on persistent organic pollutants (OJ L 169 of 26 May 2019 pp. 45-77), as last amended by Commission Delegated Regulation (EU) 2021/277 of 16 December 2020 (OJ L 62 of 23 February pp. 1-3).
5. The prohibition of the handling, collection, storage and disposal of waste in a manner that is not environmentally sound in accordance with the regulations in force in the applicable jurisdiction under the provisions of Article 6 (1) (d) (i) and (ii) of the POPs Convention.
6. The prohibition of exports of hazardous waste within the meaning of Article 1 (1) and other wastes within the meaning of Article 1 (2) of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989 (Federal Law Gazette 1994 II pp. 2703, 2704) (Basel Convention), as last amended by the Third Ordinance amending Annexes to the Basel Convention of 22 March 1989 of 6 May 2014 (Federal Law Gazette II pp. 306, 307) and within the meaning of Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste OJ L 190 of 12 July 2006 pp. 1-98) (Regulation (EC) No 1013/2006), as last amended by Commission Delegated Regulation (EU) 2020/2174 of 19 October 2020 (OJ L 433 of 22 December 2020 pp. 11-19).
  - a. To a party that has prohibited the import of such hazardous and other wastes (Article 4 (1) (b) of the Basel Convention);
  - b. To a state of import as defined in Article 2 no. 11 of the Basel Convention that does not consent in writing to the specific import, in the case where that state of import has not prohibited the import of such hazardous wastes (Article 4 (1) (c) of the Basel Convention);
  - c. To a non-party to the Basel Convention (Article 4 (5) of the Basel Convention);
  - d. To a state of import if such hazardous wastes or other wastes are not managed in an environmentally sound manner in that state or elsewhere (Article 4 (8) sentence 1 of the Basel Convention).
7. The prohibition of the export of hazardous wastes from countries listed in Annex VII to the Basel Convention to countries not listed in Annex VII (Article 4A of the Basel Convention, Article 36 of Regulation (EC) No 1013/2006).
8. The prohibition of the import of hazardous wastes and other wastes from a non-party to the Basel Convention (Article 4 (5) of the Basel Convention).

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