Deutsche Bank

Non-Financial Report 2018

Contents

Letter of the Chairman of the Management Board

Dear Readers,

When I was appointed Chief Executive Officer in April 2018, I had one overriding priority: I wanted our clients, employees, shareholders, and also the general public to be able to be proud of our bank once again. One step towards this was for us to achieve our financial objectives, which we succeeded in doing in the year under review.

Of equal importance, however, is that we rigorously pursue our non-financial objectives. They include not only good governance, but also our environmental and social responsibility as a whole. We have therefore declared our commitment to the Ten Principles of the UN Global Compact.

We are not yet where we want to be in every respect. What matters most in my opinion, however, is that we are on the right track, and I am personally committed to us resolutely continuing on this course. Our declared corporate objective is not only to generate profits, but also to promote economic growth and societal progress. We want to generate a positive impact for our clients, our staff, our investors, and society as a whole.

Non-financial issues have increasingly come under the spotlight over recent years – attracting the attention of regulators, politicians, and investors. The focus has mainly been on our conduct, and the behavior of every single employee is important in this respect. Cases such as Danske Bank or the Panama Papers have clearly shown us over recent months how vital our reputation is and how difficult it is to defend ourselves against allegations of suspicious activity and presumptions of wrongdoing. We are cooperating fully with the authorities on these matters and continue to rigorously tighten our internal controls. Furthermore, we revised our policies last year, and amalgamated them in a newly published Code of Conduct – progress that our regulators have praised.

The Code is founded on one simple principle: it is not enough to base one's behavior on what is permitted; we have to do what is right and proper. It has to be the aim of every single one of our employees to always act with integrity and to comply with our high standards.

Regulatory authorities worldwide are also increasingly turning their attention to non-financial topics. The European Commission, for instance, is heavily involved in tackling climate change and promoting sustainable growth. Its action plan for sustainable finance consists of ten proposals and the Commission estimates that some € 180 billion of investment is required every year in order to meet Europe's energy and climate targets. The Commission expects banks to support the action plan and provide dedicated project funding.

Deutsche Bank is committed to playing its part in this. Since 2012, our own business operations have been climate-neutral. We were one of the first signatories to the Alliance for Development and Climate – an initiative launched by Germany's Federal Ministry for Economic Cooperation and Development.

The Alliance seeks to encourage companies to voluntarily reduce their CO_2 emissions and keep their business climate-neutral. Unavoidable emissions shall be compensated for by investing in sustainable projects in developing countries and emerging markets.

Renewable energies and climate protection also play an important part in our business. In 2018, our Corporate & Investment Bank was the sole or partial arranger of around € 1.2 billion in funding allocated to renewable energy projects generating more than 2,200 megawatts in capacity. Our investment bank has arranged the issuance of green bonds worth more than € 8 billion.

We also see substantial growth opportunities in sustainable assets, commonly also referred to as Environmental, Social, and Governance (ESG) investing. Demand for them from our clients is higher than ever before. In response to this, our asset manager DWS has expanded its offering. For example, we set up a closed-end fund for Apple that invests in clean energy in China. And we were awarded an ESG mandate by a European pension fund, which resulted in inflows of € 1 billion in the fourth quarter of 2018 alone.

These growth opportunities are also a key topic for our Sustainability Council. With representatives from all our business divisions and infrastructure functions, this committee convened for the first time in April 2018. The Council's task is to advise Management Board members, including myself, on all ESG issues and to draft preparatory materials for decision-making. The objective is also to underpin the commitments we have made –and will make – with the corresponding processes and understandable, transparent metrics. Our declared objective is to improve our scores in key sustainability indices, consequently making Deutsche Bank more appealing to responsible investors. Pursuing business objectives and assuming environmental and social responsibility are by no means mutually exclusive; they can by all means go hand in hand.

We are extremely proud of our corporate social responsibility activities. In 2018, some 1.8 million people benefited from our initiatives and nearly 18,000 colleagues worldwide participated in our social projects, for example acting as mentors for young people or as advisors to social enterprises. I am particularly pleased that we managed to fulfill the promise we made in 2015: we now have more than 1,000 employees who have volunteered as integration coaches for refugees.

All this underscores the view we have of ourselves as part of the fabric of society, and this is the basis for our actions. ESG considerations cannot be met exclusively by individual initiatives and campaigns. They have to be the guiding principles on which our daily work is based – for the benefit of our clients, our employees, our investors, and society in equal measure.

Best regards,

Christian Sewing

Chief Executive Officer

Purpose and management approach

Globally challenging and emerging trends

Our purpose as a leading European bank with a global reach is to enable economic growth and societal progress by generating positive impact for our clients, our people, our investors, and our communities. More than ever, we need to demonstrate the value of what we do. That we are a bank whose business is productive, meaningful, and sustainable. A bank that is dependable, high performing, and human. A bank that balances economic success with environmental and social responsibility. A bank that has positive impact. After all, as a global financial intermediary, we play an important role in the infrastructure of an economy and in resource allocation.

Trust is paramount in our stakeholder relationships. After the global financial crisis symbolized a decade ago by the collapse of Lehman Brothers, we needed to build up trust in the financial sector again. That is why we have strengthened our culture of integrity and responsibility, as well as improved internal frameworks and control systems.

Our Code of Conduct – updated in 2018 – lays the foundations for this long-term change. This Code details our purpose, values, and beliefs, as well as the minimum standards of conduct to which everyone at Deutsche Bank has to adhere. While underlining the relevance of effective rules and controls, the Code also outlines our commitment to foster a business approach that considers the direct and indirect economic, social, and environmental impacts of our business decisions on our stakeholders.

The principles laid out in our Code of Conduct are reflected in our management structures, policies and processes, and control systems. We continually monitor developments in our business environment, and review and adjust our internal frameworks accordingly. This includes observing non-financial developments.

Besides significant macro-economic developments, a number of global challenges and trends are gaining in importance and are therefore increasingly impacting our business. These include the increasing pace of regulatory change, information security risks, and climate change. In 2018, there were major developments in defining the financial sector’s role in combating climate change and supporting sustainable economic development. This resulted in a number of regulatory proposals known as the European Union (EU) Action Plan for Sustainable Finance, which highlight a leading role financial institutions should take in contributing to low-carbon development. The Action Plan should help to ensure trust in the sustainable finance market. Current discussions consider among others a taxonomy, which should help shifting capital flows towards more sustainable economic activities by creating clarity about what can be classified sustainable.

In view of growing societal and regulatory shifts, as well as client demands for responsible business and sustainable finance, we have been continually working on strengthening our corporate response to these developments, e.g. through the integration of environmental and social topics into our activities. To this end, our Group-wide Sustainability Council held its constituting meeting in April 2018 and subsequently met four times in the year under review. The Council is responsible for advising the Management Board on sustainability topics and helping to drive the integration process throughout the bank.

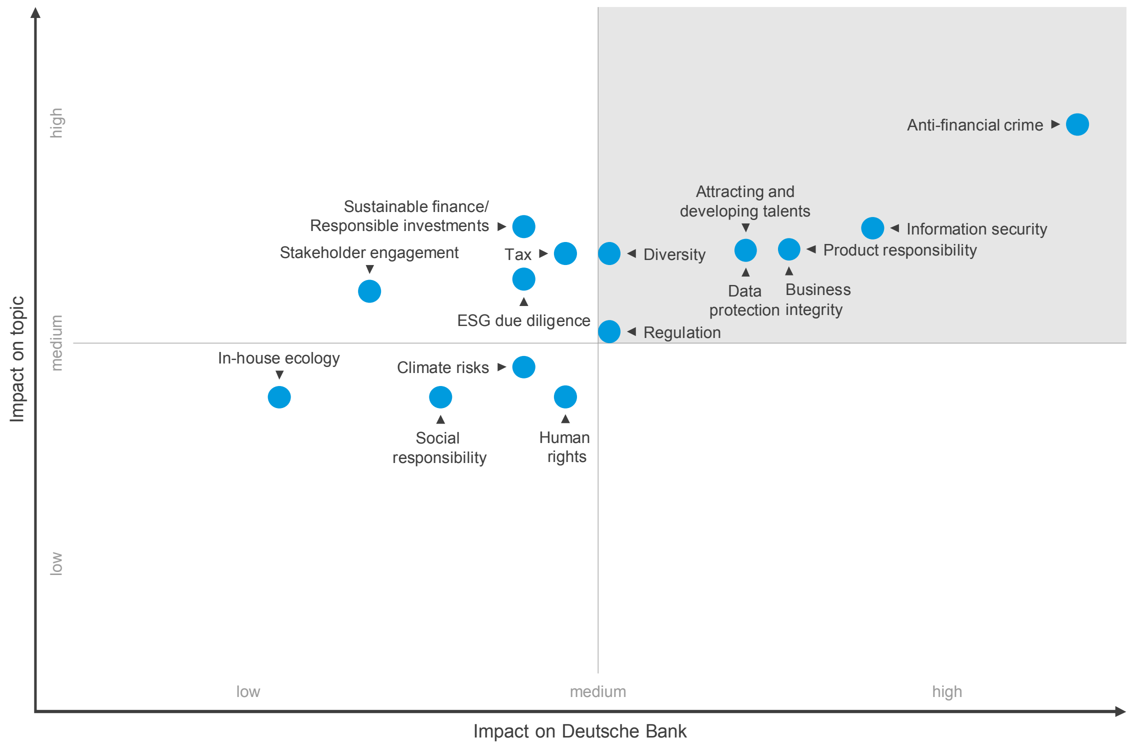
Besides applicable laws and regulations, we follow internationally recognized standards and principles, such as the G20/OECD Principles of Corporate Governance. Moreover, we seek to align with global agreements, such as the United Nations (UN) Sustainable Development Goals (SDGs) and the Paris Agreement on Climate Change, and voluntarily commit ourselves to best practice principles, including the Ten Principles of the UN Global Compact, the Wolfsberg Anti-Money Laundering Principles, and the UN Guiding Principles on Business and Human Rights. Furthermore, our Asset Management (AM) is a signatory to the UN Principles for Responsible Investment (UN PRI). We reinforce our commitment on specific issues, such as climate change and human rights, by publicly communicating our support, e.g. via signing the Paris Pledge for Action or publishing dedicated statements, such as our Human Rights Statement.

Identifying material topics

This Non-Financial Report (NFRep) outlines the results of our 2018 materiality assessment and provides information on how we have addressed these topics.

To assess the materiality of the relevant topics we follow our internal bank-wide risk assessment processes and conduct a regular materiality assessment, in which we apply the principles of the Global Reporting Initiative (GRI) and comply with the German Commercial Code (*Handelsgesetzbuch, HGB*). The materiality assessment adopted a two-dimensional approach that considered the impact of Deutsche Bank's business activities on the defined issues, as well as the impacts of these issues on Deutsche Bank. The expectations of stakeholder and peer groups were taken into account.

Materiality matrix



The topics considered in this process are non-financial, with some being more mature and well regulated, others emerging themes requiring further evaluation.

All legally required disclosures in accordance with § 315b (3) of the German Commercial Code are marked by a bracket in the margin. See Supplementary information/About this report

Validating our performance

Our performance on non-financial topics is regularly assessed by sustainability rating agencies. We actively contribute to these assessments, also known as ESG ratings.

In 2018, we actively contributed to CDP Climate Change, ISS-oekom Corporate Rating, RobecoSAM – Corporate Sustainability Assessment, Sustainalytics, Vigeo Eiris, and MSCI ESG Research. Some of our rating results deteriorated. This was due in particular to higher expectations for disclosure of information about the impact of our activities and critical assessments of past and current controversies.

Some key results are outlined in the table below:

Sustainability Ratings[1]

	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
CDP Climate Score (on a scale from A to D-)	C	n/a[2]	B
ISS-oekom (on a scale from A+ to D−)	C/Prime[3]	C/Prime	C/Prime
MSCI ESG Research (on a scale from AAA to CCC)[4]	BBB	BBB	BB
RobecoSAM (on a scale from 0 to 100)	54[5]	69	74
Sustainalytics (on a scale from 0 to 100)	62[6]	66	66

[1] Industry classification according to Global Industry Classification Standard, GICS.
[2] No scoring in 2017 due to re-evaluation of our climate risks and opportunities in light of TCFD recommendations.
[3] Sector average: C-; maximum in sector: C+.
[4] Intangible Value Assessment (IVA) Rating.
[5] Sector average: 32; maximum in sector: 84.
[6] Deutsche Bank rank in sector: 56 out of 217.

Based on our performance, Deutsche Bank is listed in the Dow Jones Sustainability Indices (World, Europe), FTSE4Good Index (World, Eurozone), and MSCI Sustainability Index.

Contributing to the UN Sustainable Development Goals

The SDGs are a plan of action to shift the world onto a more sustainable and resilient path. As a global bank operating in various industries, our activities have contributed to this global effort with respect to various SDGs. While we have defined some SDGs we focus on through our corporate social responsibility (CSR) initiatives, our Asset Management division continues to integrate SDG factors into ESG and impact investing. In other areas, we have not yet systematically mapped our activities against the SDGs.

Our contributions are detailed in this report, with some examples outlined below:

- Financing renewable energy and issuing green bonds contributes to SDG 7 (Affordable and clean energy) and SDG 13 (Climate action). See ESG product portfolio;
- Investing in vital infrastructure addresses SDG 9 (Industry, innovation and infrastructure). See ESG product portfolio;
- Operating investment initiatives ranging from financial inclusion and microfinance to sustainable agriculture, renewable energy, and clean urban transportation; some of which contribute to SDG 12 (Responsible consumption and production), SDG 11 (Sustainable cities and communities), and SDG 13 (Climate action). See ESG product portfolio;
- Our CSR programs Born to Be and Made for Good contribute to SDG 4 (Quality education) and SDG 5 (Gender equality) by helping to ensure inclusive, equitable education and empowering women and girls. See CSR strategy;
- We offset unavoidable carbon emissions covering GHG Scopes 1 and 2 as well as business travel by purchasing and retiring high-quality emission reduction certificates, which addresses SDG 13 (Climate action). See Inhouse ecology

Engaging stakeholders

We aim to work responsibly and in partnership with our stakeholders and be client-centric in all our business activities. Our dialogs with clients, investors, employees, and civil society help us to understand their expectations and concerns, as well as gain better insights into the various impacts of our business activities. We consult with stakeholders in person, and interact through meetings, working groups, and thematic events such as conferences or forums. We also reach out to them through publications and via digital and social media platforms. We aim to consider differing stakeholder expectations and are open to constructive criticism.

Our engagement is detailed in this report, with some examples highlighted below:

- Our Wealth Management held a key client event, entitled Wealth Horizons: Shaping a Responsible Future, focusing on Deutsche Bank’s role in society through presentations on key ESG topics, such as climate change, sustainable investing, and living sustainably;
- Our Asset Management division collaborated with the UN-supported Principles for Responsible Investment (PRI) Association to host the PRI Climate Forum 2018. The topics discussed included disclosure practices, investment strategies in the low-carbon transition, and addressing climate risks through engagement and proxy voting;
- Our Corporate & Investment Bank’s first dbAccess ESG Engagement Conference gave attendees access to an exclusive selection of companies in one-on-one and group meetings, thus fostering debate on the future of ESG-centric investing. Panel discussions focused on current trends, e.g. the benefits of constructive ESG engagement for companies and investors, the importance of ESG knowledge at board level, the bank’s innovative approaches in ESG research, and the role of green bonds in the transition to a low-carbon economy;
- We took part in the European Commission’s Fitness Check on Regulatory Reporting consultation; discussed the issue of making regulatory data flows more efficient and improving data quality through the relevant trade bodies in Germany and Europe; and met with the relevant officials to answer detailed questions on how to achieve a more efficient reporting framework;
- We pursue a constructive dialog with nongovernmental organizations (NGOs) and society in general to improve our understanding of the environmental and social (ES) impacts of our business, and share recent progress and developments. In April 2018, for example, we invited a group of international NGOs to a roundtable about pressing ES topics, including climate change, human rights, and arms financing;
- We also strongly encourage our employees to create positive impacts in society. Many of our employees are active participants, becoming mentors for social entrepreneurs in our Made for Good program or being an integration coach to help refugees in our *Wir zusammen* initiative.

Culture and conduct

Business integrity

Deutsche Bank strives to put an ethical business culture at the heart of how it operates, which we regard as vital to achieving sustainable success. Our culture is guided by our values of Integrity, Sustainable Performance, Client Centricity, Innovation, Discipline, and Partnership. These values inform our behavior and decision-making, underpinning how employees interact with each other, but also with clients, investors, and society at large.

Revised Code of Conduct

The values enshrined in our Code of Conduct articulate what our bank stands for, what we want our overall culture to be, and those standards of conduct to which we should adhere. An updated Code of Conduct was published in July 2018 in order to provide staff with better guidance on our values and how they should be employed in their day-to-day work. It was accompanied by e-learning training launched in December 2018. The revised Code has been very well received by employees and external stakeholders.

Through our Code of Conduct we want to foster an open and diverse environment in which a climate of speaking up and challenging is not just welcomed and respected, but also a core part of our responsibilities, especially where actions or failures to act are inconsistent with the Code. Our Code and other policies and procedures require employees to escalate potential misconduct, inappropriate behavior, or any serious potential conduct risk to their supervisors, Compliance, Legal, or Human Resources. Employees can also report any concerns or suspicions in line with the arrangements set out in the bank's Whistleblowing Policy.

While compliance with the Code of Conduct is enforced by the respective policy owning functions of the underlying policies mentioned by the Code, we also seek to drive the right behaviors through a number of key initiatives.

The Culture, Integrity, and Conduct program

Deutsche Bank drives culture and ethical conduct through the Culture, Integrity, and Conduct (CIC) program. The objective of the program and the CIC plan is to reinforce the bank's values, as articulated in the Code of Conduct, and desired outcomes, and deliver enhanced conduct and integrity across all businesses, geographies, and infrastructure functions within the Deutsche Bank Group. The bank's Management Board has overall responsibility for achieving the desired cultural outcomes. While the CIC program is sponsored by the CEO, each Management Board member is accountable for culture in his/her division or function, and the Executive Committees are responsible for developing and implementing culture-related initiatives.

In 2018, the bank took steps to elevate the importance of CIC by creating the CIC Committee. The Committee's mandate is to oversee the implementation and management of the CIC Framework, aligning culture-related activities pursued in each area of the bank's activities with its global culture vision. The Committee meets at least six times a year, establishes Group-wide CIC initiatives, and drives the CIC themes and messages that are to be embedded in divisional, regional, and country culture plans.

This formal committee of the Management Board is chaired by the Chief Regulatory Officer and Chief Administrative Officer and comprises representatives from each division, function, and region, who are nominated by the respective Management Board member. Group-wide coordination of conduct- and integrity-related initiatives is supported by the Conduct & Integrity Operating Forum (C&I OpFo), which regularly reports to the CIC Committee.

The CIC Framework is used to implement a coherent, consistent, and sustainable Group-wide CIC strategy, using the following methodology:

- Defining values and desired outcomes through the Code of Conduct, culture guiding standards, and similar frameworks;
- Communicating through campaigns, training, and employee engagement;
- Reinforcing values and desired outcomes through embedding them in the bank's processes and frameworks;
- Implementing Group-wide CIC initiatives, priority themes, and annual CIC plans at a divisional or functional level;
- Measuring and identifying areas for enhancement through periodic diagnostics, ongoing metrics monitoring, focus groups, and People Survey findings.

For 2018/19, the CIC Committee reviewed the bank's current strategic priorities and the results of the People Survey and identified three of the bank's six values as focus values for the coming year, along with corresponding outcomes. These are:

- Integrity: enhance positive conduct / reduce misconduct, enhance ethical decision-making, and enhance a speak-up culture;
- Discipline: individual accountability, fiscal responsibility, and
- Client Centricity: treat customers fairly, and create products that provide value to our clients.

The Group-wide focus values and outcomes are incorporated into the annual culture plan of each business and infrastructure function, which is tailored to their specific needs.

While we are fully aware that a business culture is difficult to measure, we capture a number of existing metrics from various bank-wide sources to evaluate progress against our culture objectives. These metrics cover qualitative data, such as conduct-related People Survey findings, as well as quantitative measures currently tracked and governed as part of our HR, Risk, Communications, and Compliance processes, among others. Examples include indices on brand perception and gender diversity, as well as town hall attendance. The dashboard is produced and reported to the CIC Committee on a quarterly basis.

Key initiatives in 2018

Some examples of the key initiatives currently being implemented on a Group-wide basis are:

- An integrated Conduct and Speak-up awareness campaign and training program was launched in July 2018 and is continuing into 2019. We believe that a culture where employees feel free to express their conduct-related concerns with no fear of reprisal or retaliation increases the likelihood that problems will be identified. The bank's Code of Conduct has a specific section encouraging "speaking up, raising concerns, and reporting misconduct" and the bank's Whistleblowing Policy is designed to protect any employees raising their concerns about potential or actual misconduct, and illegal or unethical behavior. The awareness campaign is a multi-channel communications campaign targeting all employees via a dedicated microsite, posters, brand screens, and management communications with the aim of creating a broad awareness of good conduct, escalation channels, and the "speak-up" culture;
- An enhanced global whistleblowing policy was published in April 2018 and the dedicated microsite was updated accordingly;
- An integrated Consequence Management Framework was launched with an interactive guide in September 2018 and was accompanied by WebEx calls. It has the aim of promoting a better understanding of the bank's approach to managing positive outcomes and negative consequences. It makes clear what it means to live up to our standards of performance (delivery, behavior, and conduct), and how this impacts both our people and the bank;
- Market Conduct and Integrity classroom training was launched in September 2018 with 90-minute classroom sessions delivered by business line compliance officers with the assistance of business heads. The training consisted of two scenarios that were designed to further deepen the understanding of our desired values and what good conduct means in practice by exploring and discussing judgement and decision making, and how to Speak Up. Revenue generators [1] and their immediate support areas totalling more than 4,000 employees were trained. The classroom training was completed in December 2018, with those who could not attend the face-to-face sessions receiving an interactive recording.

Conduct risk management

The Global Conduct Risk Management Framework Policy sets the framework for the management of conduct risk across the bank. The policy requires the timely identification, reporting, escalation, and remediation of any issues where conduct risk is defined as "the risk that the firm's employees or representatives or the firm's business practices could inappropriately and adversely affect the bank's clients, the bank, or the integrity of financial markets."

Risk culture

We strive to foster an environment where employees are empowered and encouraged to act as risk managers. A standards-based assessment of risk culture, in particular focusing on risk awareness, ownership, and management within our risk appetite, has been undertaken. The results of the assessment of our risk culture are incorporated into existing risk reporting to reinforce the message that risk culture is an integral part of effective day-to-day risk management.

[1] Revenue generators were defined as those within the Designated Market Activities ("DMA") population, which spans across Wealth Management, Global Transaction Banking, Corporate Finance, Treasury and Global Markets.

Business integrity in client relationships

Our Code of Conduct lays down the guidelines for behaving responsibly and with integrity towards clients.

As our divisions are responsible for implementing the Code of Conduct, they are thus accountable for treating clients fairly at every stage from the development of products to selling our products and services. Specific control functions support the divisions in living out their responsibility. Legislation and regulations, e.g. MiFID II, help us to recognize relevant topics in good time and define action areas, including market screenings of products to identify those that best fit our specific customer needs. The bank's internal guidelines address these topics and regulate important aspects of them.

In view of our client groups' differing profiles, our divisions enjoy varying degrees of freedom in implementing these guidelines. Their interpretation is determined, for example, by a specific client group's touch points with the bank, the need for client protection, or how much a client group knows about financial transactions. In order to ensure we are acting with integrity in a customer-centric manner, we regularly train all employees involved in client relationships. The topics we pay particular attention to include a responsible attitude to new products and how to deal with new product-related requirements, advising clients responsibly, helping clients to avoid becoming heavily indebted, and knowing how to deal with conflicts of interest.

Responsibly designing and approving products

A Group-wide New Product Approval (NPA) and Systematic Product Review (SPR) process defines the design and approval of new products and services. Regional or divisional NPA councils approve any new product, as well as material developments affecting existing products, such as new risk factors or businesses. We also systematically review our products throughout their life cycles to ensure they remain fit for purpose and consistent with the needs, characteristics, and objectives of their target market(s). Additionally, any features causing concern, including a potential reputational impact on the bank from environmental or social issues, for example, are referred to the relevant management approval committees, such as our Regional Reputational Risk Committees or, ultimately, to the Group Reputational Risk Committee.

Our investment activities are based on a process designed to ensure decisions are taken in the best interests of our clients. To ensure that we provide products and advice that match the specific needs of our clients within a given market environment, our analysis of market conditions is conducted separately from our sales planning. This process provides transparency for current and prospective clients with regard to the bank's view on specific investment topics, asset classes, and market events. In our Asset Management (AM) and Private and Commercial Business divisions, for example, this investment process leads to the formulation of the Chief Investment Officer (CIO) View, which draws on the expertise of senior staff and is used to inform both our portfolio managers and our client advisors. The CIO View is further refined at a regional level to fine-tune client portfolios so they take into account the clients' varying professional, cultural, and regional backgrounds.

Living out product and advisory principles

Minimum standards for our product lines commit us to offering ethically justifiable and transparent products and services that are based on processes and principles designed to ensure compliance with legal and regulatory requirements. For example, our guidelines on product oversight governance, covering products within the scope of MiFID II product governance, require frequent monitoring on whether products have been sold only to the appropriate group of clients (target market). Moreover, we always strive to offer clients responsible and foresighted advice that fulfils their needs and clearly reveals the respective benefits and risks. To ensure the suitability and appropriateness of our products we assess a variety of parameters, including the complexity of a product and the client's knowledge of and experience with a product, as well as a client's regulatory classification and investment objectives, and select the product that matches the desired client demand.

Our basic principles require that we do not sell any product or service if it becomes obvious that a client does not need the product, cannot afford it in the mid-term, has not understood the product, or if a product does not meet the client's risk profile. Furthermore, our products must be designed in such a way that their features also overcompensate for the cost of investing in the product. We have due diligence processes in place that help us implement these principles.

The principles we apply also state that our products should be beneficial to the individual but not have detrimental side effects to society at large. This rules out products or investments that, for example, involve the manufacturing or sale of nuclear weapons, cluster munitions, and landmines, promote or use child labor, violate human rights, or in any way support drug trafficking or money laundering.

In our Investment Advisory business, we advise on and offer both Deutsche Bank and third-party products, which enables us to only provide products that best fit specific client needs. Our Product Guidelines for Investment and Insurance Products also define products that are not to be advised to clients, e.g. investments in soft commodities (agricultural goods) or Contracts for Difference (CFD). Furthermore, we do not launch new products based on momentum strategies in soft commodities.

Helping to prevent excessive indebtedness

In granting loans particularly to private clients, we strive to protect them from overindebtedness. Each loan application must be accompanied by an obligatory analysis of the client's personal situation by means of modern scoring procedures. A loan engagement will only be set up if sufficient financial leeway is left after the deduction of interest and repayment amounts. The stated aim is to protect our client against overindebtedness and in particular the loss of the property. We fully reflected these requirements in our loan processes and continuously train our sales staff in this respect.

For non-performing loans, the bank deploys a series of measures to mitigate hardship. In cases of late or nonpayment, we contact our clients at an early stage. In the event of a financial emergency due to unemployment, illness, or insolvency, for example, or in other justified exceptional cases, we have a separate hardship process and employ individualized strategies to provide the necessary financial solutions, e.g. moratorium of payments or reduced repayment rates.

Applying ethical standards in communications and marketing

We are dedicated to marketing our products and services responsibly and to providing information our clients can trust. All information contained in marketing material and product information must be transparent, clear, fair, and accurate, and must not be misleading.

All our communications with clients – without regard to format, medium, or audience – must meet the minimum standards and requirements set out in our internal policies, such as in our Business Communications Policy. While advertising our products and services, we do not guarantee a particular outcome or result.

Dealing with conflicts of interest

Conflicts of interest are inherent in all businesses. Failure to recognize and appropriately manage conflicts of interest can result in inappropriate or adverse consequences for clients, the bank, and its employees. Every division is required to implement a dedicated framework for conflicts of interest in line with the bank's Group Policy for Conflicts of Interest (CoI), to identify actual and potential conflicts, and to manage them fairly and appropriately for all involved parties. The bank's senior management is responsible for implementing controls and procedures to identify, escalate, and manage all conflicts of interest, including topics such as employee trading, outside business interests, deal logging, or conflicts arising from family and close personal relationships.

Our Business Selection and Conflicts Office (BSCO) is an independent management unit responsible for Group-wide oversight of conflict management activities, including Business Selection. The function is a Level 1 control unit, reporting to the Chief Regulatory Officer on the Management Board. The BSCO provides an annual CoI report to the Management Board.

Every business division has appointed dedicated conflict managers who are responsible for managing such conflicts. They serve as contact persons for employee questions and perform quarterly reviews in close collaboration with the business and Compliance.

Client satisfaction

As loyal and satisfied clients are vital for our ongoing success, we regularly work on our client advisory processes to ensure their client centricity and compliance with the legal requirements for such advice. To measure client satisfaction, we apply different methods from division to division, depending on the kind of contact we have with the client. For us it is important that clients have an opportunity to express their opinion on how well we are doing our job. To this end, we use a variety of specially developed tools and call on the services of external market research specialists.

In our Corporate & Investment Bank (CIB), we employ Broker Reviews to gain a client-specific understanding of where improvement potential exists. We contact our clients – usually once or twice per year – to obtain a detailed assessment of our relative performance by coverage team and product category. This well-informed dialog puts us in a position to take educated decisions on proposed changes. In 2018, our Global Transaction Banking and Corporate Finance teams jointly engaged in our Voice of the Client process, which covers over 80 % of our corporate client activities globally end-to-end (across coverage and sales/implementation, and service activities). We used the feedback of about 1,850 key decision makers and service recipients to create client-specific action plans and initiate product developments. In 2018, 80 % of our clients stated they were mostly or fully satisfied with how we dealt with their feedback (assessment with 1 or 2 on a five-point scale).

In our Private and Commercial Business (Germany) and Private and Commercial Business (International), the client satisfaction and loyalty are measured through customer surveys, interviews, and test purchases, and they are an integral part of our branches' target agreements. In 2018, 208,141 clients in Germany responded on their satisfaction with Deutsche Bank brand via self-service devices and online banking. We also regularly review our advisory processes through mystery shopping. In interviews with an independent market research institute, 6,895 clients gave us feedback on their satisfaction with our advice. In addition, in Germany, where we currently run 535 branches, a total of 2,029 test purchases took place. With our Private and Commercial Business (International), we are also represented in six other countries, currently with 579 branches. There, 815 test purchases in 338 branches were conducted in 2018. All these instruments help us to improve our advisory processes, to comply with legal requirements, and to increase client loyalty. Independently of the legal merger of the legal entities *Deutsche Postbank AG* and *Deutsche Bank Privat- und Geschäftskunden AG* to *DB Privat- und Firmenkundenbank AG* in 2018, Postbank brand continues to be present in the market as a key brand of our Private and Commercial Business (Germany). At Postbank brand, in addition to the degree of satisfaction with services as a whole, the willingness to recommend and detailed aspects of the customer-bank relationship and customer contact points are consistently measured. In 2016, overall client satisfaction declined due to a pricing measure for current accounts. Since then an upward trend continued slowly, but steadily, and customer satisfaction continued to improve in 2018 compared to 2016 and 2017. In 2018, Postbank brand conducted 2,100 test purchases in its branches. As a result of the introduction of a new branch structure in retail sales, the Mystery Shopping Index result significantly declined during 2018. To accelerate the improvement process, Postbank brand used an online tool introduced in 2017 to support the quality of product counselling. In 2018, Postbank brand sales staff ran this tool more than 100,000 times.

Client satisfaction index Private and Commercial Business

in % (unless stated otherwise)	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Client satisfaction Private and Commercial Business (Germany), Deutsche Bank brand			
Index Private and Commercial Business (Germany), Deutsche Bank brand	68.0	71.6	75.4
With our services	69.1	73.0	77.3
With our advice	68.9	72.8	76.7
With actively offered products and services	63.6	67.2	71.0
Willingness to recommend Deutsche Bank	70.4	73.5	76.5
Number of clients taking part in the survey	**208,141**	259,405	260,960
Client satisfaction Private and Commercial Business (International)[1]			
Index Private and Commercial Business (International)	79.5	77.4	77.2
Willingness to recommend Deutsche Bank	76.5	75.5	77.3
Number of clients taking part in the survey	**20,510**	24,272	24,169

[1] The figures for Private and Commercial Business (International) are based on country-specific survey methods with different scales. The results have been converted to a uniform scale of 0 – 100 %.

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Mystery shopping index Private and Commercial Business

in % (unless stated otherwise)	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Private and Commercial Business (Germany), Deutsche Bank brand			
Mystery Shopping Index	81.4	78.5	81.0
Private and Commercial Business (International)[1]			
Mystery Shopping Index	79.8	74.5	77.3
Private and Commercial Business (Germany), Postbank brand			
Mystery Shopping Index	67.0	68.8	77.6

[1] In 2018, Private and Commercial Business (International) conducted test purchases in Poland, Portugal, and Spain, while Belgium, India, and Italy did not participate in the mystery shopping program. Therefore, the Mystery Shopping Index for 2018 consists only of results from Poland, Portugal, and Spain. The figures for Private and Commercial Business (International) are based on country-specific survey methods with different scales. The results have been converted to a uniform scale of 0 – 100 %.

During 2018, Wealth Management (WM) continued the Net Promoter Scores (NPS) and Client Satisfaction Survey in Germany (provided to a majority of eligible clients) and will extend these activities to the Americas and Asia-Pacific (APAC) in 2019. A survey of WM’s competitiveness conducted by Scorpio Partnership in March 2018 revealed that clients rated the overall performance as slightly better than global and regional competitors (overall performance score 85.2 % to 83.5 % for global competitors). The NPS from Scorpio’s analysis indicates that 52 % of WM clients globally would recommend Deutsche Bank to friends, family or colleagues (versus 58 % for global competitors).

In Asset Management (AM), we take our fiduciary duty seriously. We believe that client satisfaction is best reflected in our daily interactions as well as in the long-term relationships with our clients. Therefore, we strive for a high level of quality in our interactions with customers and advisors and aspire to continuously improve the quality of our services. Our commitment to clients is further strengthened by and reflected in the structure of our management. Our approach to assessing and ensuring client satisfaction is based on three pillars, namely complaint management, customer satisfaction surveys, and third-party assessments.The Service Center for AM’s proprietary investment platform is based in Germany and enables our German customers and advisors to have personal access to the investment platform via telephone or e-mail. Since 2008 we have commissioned an external service provider to conduct client satisfaction surveys in order to improve our service quality and customer experience. The annual client satisfaction survey among AM clients focuses on perceived service quality, professionalism, and service process transparency to ensure client feedback is integrated into our quality assurance and optimization measures. Customers and advisors can rate their satisfaction on topics such as friendliness of staff, response rate, professional competence, comprehensibility, and solution orientation, as well as sales-specific questions. The results are communicated internally by our Service Center Quality Management and Training team to relevant internal stakeholders, i.e. Senior Management, Service Center staff, and the workers' council. Based on the respective feedback, steps for improvement are formulated and incorporated into employee training, internal knowledge tools, customer correspondence, and client- and advisors-related processes. We maintained excellent ratings in advisor satisfaction regarding recommended solutions, professional competence and friendliness. Further, our advisors rated us as “likely to recommend our telephone services to colleagues”, which we view as evidence for customer loyalty. For our US insurance and institutional business, we conduct an annual client satisfaction survey focusing on investment performance and other areas of improvement, such as relationship management, innovation, and overall satisfaction. We intend to embed our clients’ feedback into our senior management sessions and US Fund Board meetings. Regular client satisfaction surveys are also conducted on a monthly basis by a third-party vendor (DST) who services our direct retail client base in the US The survey covers knowledge, sincerity, problem solving, and overall customer satisfaction.

Complaint management

To improve client satisfaction, we also have to listen to complaints carefully and address them fast. To this end, we have a clearly 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. This policy, which applies to all our businesses, was revised and enhanced in 2018 in order to comply with stricter regulatory expectations and obligations. Our divisions are responsible for developing and implementing procedures incorporating the objectives and minimum requirements set out in this policy. We always strive to anticipate and avoid potential complaints before they arise or solve them, whenever possible, during the initial client contact. A robust and consistent customer complaint handling and reporting process helps facilitate improvement of client satisfaction by identifying and remedying poor customer outcomes, learning from and thereby assisting with the reduction of mistakes and attributable costs, risk transparency enhancement, and management information, which results in overall service quality optimization. Clients who are dissatisfied with a product, service, or decision can contact the bank in any local branch, by e-mail, online, by calling our client service center, or through authorized third parties. We immediately acknowledge receipt of complaints and work to resolve them quickly and transparently, not least by regularly training our complaint managers. Client complaints are regularly reported to the bank's Senior Management and Compliance function and are subject to periodic review. Complaint metrics feed into our Non-Financial Risk Report oversight reporting and Management Board reporting processes. We screen new complaints for recurring noticeable problems (i.e. root-cause analysis). Adequate management information provides an oversight of the type of complaints (clustered by Group-wide non-financial risk type taxonomy), materiality, severity, and time to closure.

Complaint handling in CIB has been harmonized in 2018 by introducing a consistent framework for complaint recording, reporting, and escalation across all CIB sub-divisions.

At Private and Commercial Business (Germany) for Deutsche Bank brand and for Postbank brand as well as with Private and Commercial Business (International), we also participate in dispute resolution schemes run by national ombudsman provisions. Based on the EU Guidelines on Complaints Processing for Securities Trading (ESMA) and Banking (EBA) and their interpretation by the BaFin, we enhanced our processes to ensure complaints are fully recorded, increase processing speed, and facilitate the articulation of complaints by clients. While the total number of complaints decreased slightly at Private and Commercial Business (Germany) for Deutsche Bank brand in 2018, it even decreased significantly at Private and Commercial Business (International). At Postbank brand the number of complaints was slightly higher due to, not least, the implementation of regulatory requirements (e.g. MiFID II and PSD II) and optimization measures in the branch network.

For complaints from WM clients alleging unsuitable advice or products, our dedicated Complaint Key Risk Indicator (KRI) revealed that in 2018 there were fewer complaints than in 2017. In 2018, WM also established a Global Product Governance Forum (GPGF) to review client complaints, and in particular global trends, and to regularly input this information at quarterly meetings.

AM complaint metrics are fed into the bank's Non-Financial Risk Report (Operational Risk Management, ORM) oversight reporting and into Deutsche Bank Management Board reporting via Deutsche Bank Central Compliance. New complaints are being screened for recurring issues and management information provides oversight on the type of complaints (clustered by Deutsche Bank Group-wide non-financial risk type taxonomy), materiality, severity, and time to closure.

Public policy and regulation

The risk of changing rules and regulations is inherent to our daily business. To address this adequately, we have a holistic framework in place to identify and implement new or revised regulations. We use a systematic approach that prioritizes significant regulatory risks to the bank and allocates clear accountability for the identification, impact assessment, and implementation of regulatory changes.

Governance

Deutsche Bank has a clearly structured framework that governs how we manage regulatory change risk and helps build our profile in regulatory policy debates. This enables us to engage constructively with regulatory stakeholders. It also ensures informed strategic decision-making, provides oversight and control over how key initiatives are implemented, and delivers insights to senior management on upcoming public policy issues. This process is supported by the Regulatory Management Council (RMC), which focuses on cross-bank issues in each stage of the regulatory adherence life cycle. To further contribute to the policymaking process, we provide political and regulatory stakeholders (e.g. governmental organizations, policymakers, and supervisory authorities) with information and data that set out our business strategy and determinants.

In 2018, we took further steps to promote simplification and reduce complexity. To this end, we brought together our regulatory interaction and regulatory change functions by merging the Regulatory Management Group and Regulatory Compliance into Regulatory Affairs. This has aligned all the regulatory adherence activities of Deutsche Bank. The entire team is led by the Global Head of Government & Regulatory Affairs, who reports to the Group Chief Regulatory Officer. Through these functions we manage Deutsche Bank's day-to-day relationships with its core authorities, identify relevant political and regulatory developments at an early stage, and coordinate Group policy positions accordingly. Our aim is to ensure compliance with relevant political and regulatory requirements (inbound) and include industry-relevant topics in the public discussions (outbound). Our Government & Public Affairs offices in Berlin, Brussels, and Washington, D.C., manage our relationships with key policy makers and provide them with information and data, while setting out the bank's business strategy and its determinants. Additionally, we liaise with our Chief Regulatory Office (CRegO) colleagues in the Beijing office to cover China.

Key topics in 2018

We regularly define a set of key topics that will inform our focus in the following twelve months. In 2018, these topics related to the digitalization of banking and society, the renewal of the eurozone, Brexit, and the green/sustainable finance agenda. On each issue, we convened and participated in seminars, public panels, and individual conversations with policy makers. As green or sustainable finance was a topic of particular interest throughout 2018 a more detailed overview is provided below.

Promoting sustainable finance

One of the main topics that accompanied us through 2018 was sustainable finance, along with the associated opportunities for and impact on Deutsche Bank. In March 2018, the European Commission published their Action Plan on Sustainable Finance, which focuses on the reorientation of capital flows towards investments taking environmental, social, and governance considerations into account. The Action Plan aims at managing financial risk, stemming climate change, and related demands to foster the transparency of products and corporate strategies. In this context, the Commission released the first four legislative proposals in May 2018:

- EU-wide Sustainability Taxonomy aimed at developing a common understanding of “green” and “sustainable” investments;
- Regulation requiring asset managers to integrate ESG factors into investment decisions;
- New category in the EU Benchmarks Regulation to include low-carbon and positive-carbon impact benchmarks;
- Update to the Markets in Financial Instruments Directive (MiFID II) to require investment firms to consider their clients’ sustainability preferences when providing investment advice.

By belonging to a broad sustainable finance network, we ensure that Deutsche Bank is in a position to identify, assess, and react to material developments globally. Together with trade associations like the Association for Financial Markets in Europe (AFME), the European Banking Federation (EBF), and Bundesverband deutscher Banken (BdB), we discuss these developments and respond to consultation and discussion papers. This also provides us with the opportunity to emphasize that Deutsche Bank welcomes the activities of the European Commission as an important milestone to help the EU deliver on its Paris Climate Agreement goals and wider sustainability agenda.

Guiding employee-stakeholder interaction

We set clear rules and procedures for interactions between our employees and external political and regulatory stakeholders. Through our global policy on Minimum Standards for Management of Supervisory Authorities we ensure consistent communications with Deutsche Bank’s supervisory authorities. All staff must adhere to our global Gifts, Entertainment, and Business Events Policy, which regulates the conduct and recording of any gifts and event participations offered by or accepted by Deutsche Bank representatives. For interactions with EU institutions, our mandatory policy on Pre-Clearance of All Communications with EU Institutions to discuss Policy Issues ensures consistent communication at EU level and centralized clearance of all contacts with EU officials. In the US we act in line with our internal policy on Political Contributions in the US and US Lobbying Activities.

Ensuring financial transparency

We are signatories to the EU Transparency Register, which requires us to disclose certain financial data and comply with a code of conduct. In the US we are registered with the Office of the Clerk of the Senate and Clerk of the US House of Representatives, and we file a quarterly disclosure on all relevant legislative issues with the Office of the Clerk of the House of Representatives.

Tax

We manage our tax affairs in a way that aims to ensure that the tax consequences of business operations are appropriately aligned with the economic, regulatory, and commercial consequences of those business operations, with due regard being given to the potential perspective of the relevant tax authorities. We aim for our dealings with tax authorities to be undertaken in a proactive, transparent, professional, courteous, and timely manner. We seek to develop and foster good working relationships with tax authorities. (see db.com/cr/en/strategy/tax-strategy).

Anti-financial crime

Deutsche Bank believes it is vital to combat financial crime in order to ensure the stability of banks and the integrity of the international financial system. Failure to identify and manage risks relating to financial crime exposes Deutsche Bank and its staff to potential criminal and/or regulatory liability, civil lawsuits, and a loss of reputation. As one of Europe's largest banks, we strongly support international efforts to combat money laundering, the financing of terrorism, and other criminal acts. Consequently, we have a zero-tolerance approach to financial crime, in line with our Code of Conduct. Given the strict regulatory and legal environment in which we operate, we regularly invest in our controls with a view to the prevention of all types of financial crime.

Managing financial crime risks

Deutsche Bank's Management Board is ultimately responsible for the management and mitigation of financial crime risks within the bank. The Management Board delegates tasks relating to those obligations to the Anti-Financial Crime function (AFC). The Chief Regulatory Officer (CRegO) is the responsible Management Board member for AFC. AFC is a second-line-of-defence control function, managing and mitigating the financial crime risks assigned to it in the bank's Non-Financial Risk Type Taxonomy. This relates to the prevention of money laundering, countering terrorism financing, observing sanctions and embargoes, and the prevention of fraud, bribery, and corruption. AFC develops and implements, or oversees the development by other areas of the bank of, policies, procedures, and processes that form the bank's control framework for those risks. AFC also oversees the bank's broader control framework as it relates to countering other criminal activities, including controls for which other functions or divisions of the bank are accountable.

Within AFC, specialized functions exist to handle specific areas of financial crime risk. The Anti-Money Laundering (AML) function, among other things, institutes measures to prevent money laundering and combat the financing of terrorism and proliferation. The Anti-Fraud, Bribery and Corruption (AFBC) function monitors and advises on compliance with fraud, bribery, and corruption laws, regulations, and international standards; the ongoing design and development of appropriate measures; and the administration of controls and safeguards to mitigate fraud, bribery, and corruption risk. The Sanctions and Embargoes function is accountable for performing measures to comply with finance and trade sanctions and embargoes, especially detecting, evaluating, and, if required, ensuring the observance of sanctions, law-related publications, and binding requirements in connection with the financial and trade sanctions of the respective authorities. As the first line of defense managers and staff in Deutsche Bank's business divisions are accountable for the appropriate structuring and execution of business activities and their corresponding processes in accordance with applicable law, rules, regulations, and Deutsche Bank policies. In response to regulatory requirements and in line with the objective of further strengthening the AFC division in 2018, staff numbers rose by about 20 % during the year (Full Time Equivalent, FTE).

The 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 any lessons learned.

In 2018, we enhanced our frameworks and policies (e.g. AFC Charter, KYC Policy, Sanctions Policy, Whistleblowing Policy, and Transaction Monitoring Policy) to further strengthen Deutsche Bank's risk management approach in these areas. We also upgraded our tools and systems across all AFC areas, including better identification of suspicious transactions and improved filtering of transactions in the Sanctions and Embargoes function; launch of a strategic daily client screening system; enhanced anti-fraud, bribery, and corruption controls; and improved processes for the identification of new legislation and regulations, and their reflection in AFC policy documents.

To identify and assess the money-laundering, terrorism-financing, disregarding sanctions and embargos, fraud, bribery, and corruption risks resulting from our products, services, client activities, and operational geographies, the global AFC risk assessment team assess clients, products, and transactions annually, as well as quarterly via a Group-wide Top Risk reporting process, which is part of our non-financial risk framework. Assessments are continuously enhanced and reviewed so they can be adjusted to new regulatory requirements and take any lessons learned into account.

The vision of our AFC department is to proactively protect our clients, society, and the bank from financial crime risk. To achieve this vision, our key objectives for 2019 are:

- Enhance our connectivity with the business and other control functions to further increase effectiveness. We are working on a communication strategy for the AFC division as a key element to achieve this;
- Strengthen our transaction monitoring capabilities with a strong focus on better modelling, which will reduce the occurrence of unproductive alerts and improve our ability to focus investigative capacity on relevant alerts.

Training and engaging employees

Awareness of the risks related to financial crime and our exposure to it is a prerequisite for combating financial crime and fulfilling our duties as a good corporate citizen. This not only protects the reputation and the financial health of Deutsche Bank, but by deepening our awareness of financial crime and by bolstering our internal controls and governance, we strengthen our ability to live up to what is expected of each and every one of us. To that end, we established a global awareness campaign to prevent financial crime. In 2018, the campaign entered its third and final wave in support of the Group-wide Anti-Financial Crime Transformation and Remediation Program, a key bank-wide initiative to ensure we better understand and manage the financial crime risks we face. Employees from across the globe saw the Wave 3 “Stay Sharp” posters, banners, and brand-screen displays to raise awareness of the need to continuously be aware of financial crime risks, and stay up to date with the latest skills essential to combating financial crime.

To ensure employees have the necessary technical knowledge and skills, and to keep pace with a constantly changing regulatory environment, Deutsche Bank offers training or development opportunities suited to a particular stage in an employee’s career. Our AFC curriculum includes courses on anti-money laundering, anti-fraud, bribery, and corruption, and sanctions. The course uptake is very high, with minimal overdue ratios for late or non-completion of mandatory training. Participation is monitored and delayed completion will be escalated to an employee’s line manager; it can also result in red flags for employees or their managers, which are taken into account in annual promotion and compensation decisions. Through Deutsche Bank’s partnership with the Association of Certified Anti-Money Laundering Specialists, AFC employees have access to a broad range of specialist material, analyzes, and training.

Knowing our customers

The Deutsche Bank’s Know Your Customer (KYC) Policy lays down the rules governing our Group-wide approach. KYC is an ongoing process throughout the life cycle of a client relationship. As such, we not only need to know the client (including their ownership structure, ultimate beneficial owners, and source of funds where applicable), but also the anticipated nature of the client relationship.

The New Client Adoption process governs the onboarding of potential clients. No funds or assets may be accepted or transacted, nor any legal commitment entered into (e.g. operation of an account, sale of a product, or rendering of a service), until this process has been completed. As part of our regular client due diligence, we screen our relationships against internal and external criteria, e.g. relating to Politically Exposed Persons (PEPs), terrorism, or sanctions. As a consequence, a client relationship may be declined or subject to monitoring or conditions imposed on accounts, transactions, or product usage. In 2018, we further improved the effectiveness and efficiency of our screening program by investing in new technology, enhancing our methodology, and improving our alert investigation process.

In order to periodically assess client relationships, the relevant business function is required to ensure that regular reviews of all existing clients are initiated and duly performed. Review cycles depend on the risk category of a client relationship and take country, industry, product, and entity type risk into consideration. In general, high-risk clients have to be reviewed annually, medium-risk clients every two years, and low-risk clients every five years. For medium- and low-risk clients, Postbank brand normally carries out only event-related reviews and adjustments. The primary objective of risk segmenting the client base is to conduct appropriate due diligence and ensure a comprehensive client profile is in place so the results of ongoing monitoring can be compared and any discrepancies identified.

Whistleblowing

The Whistleblowing Policy sets forth the framework for staff members to report any concerns or suspicions regarding possible violations, including the prohibition against retaliation. Deutsche Bank takes any reports of possible violations very seriously and investigates such reports as appropriate. One of the channels employees can use to report such issues is Deutsche Bank's Integrity Hotline, which can be used anonymously. The bank prohibits retaliation in any form against employees who make such reports in accordance with its Whistleblowing Policy. All individuals engaged for or on behalf of Deutsche Bank are called upon to report any concerns or suspicions regarding possible violations of laws, rules, or regulations, or possible violations of internal policies or procedures, including the bank's Code of Conduct. Any reports received are reviewed to establish their nature, content, and urgency. If necessary, an internal investigation of the incident will be initiated, which can, for example, result in disciplinary actions against employees or changes to our processes.

Combating money laundering and terrorism financing

The AML unit has been designed in such a way as to comply, as a minimum, with German rules and with the local laws and regulations in all countries Deutsche Bank operates in. This includes policies, procedures, a designated Money Laundering Officer, independent controls, and regular employee training. Deutsche Bank is part of the Wolfsberg Group of Banks, has adopted the Wolfsberg Anti-Money Laundering Principles, and has signed the Wolfsberg Statement on the Suppression of the Financing of Terrorism.

The AML unit undertakes measures to comply with rules and regulations regarding identification (authentication), recording, and archiving; to develop, update and execute internal policies, procedures, and controls; and to detect suspicious transactions and process suspicious activity alerts. In this way, we provide valuable information to regulatory and government bodies in line with existing legal and regulatory requirements, and hence support them in their fight against financial crime. In addition, we receive and use information from authorities and law enforcement enquiries to strengthen our control and detection environment. We also share information with peer institutions, within legal boundaries, as part of financial crime networks such as the Joint Money Laundering Intelligence Taskforce (JMLIT) in the UK, which consists of representatives of law enforcement agencies and leading financial institutions. In parallel, irrespective of the value or amount involved, if there is reasonable suspicion that funds have been derived from illegal origins or may be used in the context of terrorism financing, a transaction will always be declined.

As AML is considered to be a Top Risk under the bank's Non-Financial Risk Management Framework, this unit is closely monitored. A Transformation & Remediation Program has been set up to improve key processes, such as KYC and transaction monitoring.

Respecting sanctions and embargoes

At Deutsche Bank we have a responsibility to monitor, evaluate, and observe laws and binding requirements relating to financial and trade sanctions set by the EU, the Bundesbank, Germany's Federal Office for Economic Affairs and Export Control, and other authorities, such as the US Office of Foreign Assets Control (OFAC) and the UK Treasury Department. Our Group-wide Sanctions Policy and a specific policy relating to the US OFAC have procedures that help us to assess and reduce client risk as part of our on-boarding process and periodically thereafter. These policies also help us to manage risks relating to particular transactions, countries, and goods. The bank has entered into agreements with certain US regulatory and law enforcement agencies to resolve investigations concerning US embargo-related matters, as further outlined in our Annual Report 2018, Notes to the Consolidated Balance Sheet, Note 29 – Provsions.

As breaching sanctions and embargoes is considered to be a Top Risk under the bank's Non-Financial Risk Management Framework, this function and topic is closely monitored. A Sanctions & Embargoes Transformation Program has been set up to deliver strategic improvements to the control environment.

Preventing fraud

Our Group-wide Anti-Fraud Policy defines fraud as any intentional act or omission, including a misrepresentation that misleads or conceals, or attempts to mislead or conceal, in order to gain a personal or business advantage, or to avoid a personal or business disadvantage. The Anti-Fraud Policy applies to all employees and explains how to immediately escalate any known or suspected fraudulent incident. Employees who engage in fraudulent acts may be subject to internal disciplinary action, prosecution, and/or regulatory sanction. Deutsche Bank may refer such employees to law enforcement agencies and regulatory agencies and may seek redress from the employee. Employees are also expected to comply with any local requirements relating to fraud.

In relevant business divisions (excluding Postbank brand), mandatory time away (MTA) is an important anti-fraud control mechanism for preventing or detecting unauthorized or inappropriate activity by staff in sensitive positions. MTA enforcement acts as a deterrent to employees from undertaking any unauthorized or inappropriate activity that might require continuous on-site presence and/or system access.

Combating bribery and corruption

In accordance with our Code of Conduct and international law (e.g. the UK Bribery Act 2010, the US Foreign Corrupt Practices Act 1977, the German Criminal Code (StGB), Singapore's Prevention of Corruption Act (PCA), and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions), Deutsche Bank does not accept or tolerate any knowing or willfully negligent involvement in or association with bribery and corruption in any form. This includes a clear prohibition on giving or authorizing facilitation payments.

The Anti-Bribery and Corruption (ABC) Policy sets out the minimum standards that govern Deutsche Bank's approach to the mitigation and detection of bribery and corruption risk, and the behavior expected by all employees. These requirements also apply to partners, suppliers, service providers, and third parties to the extent they perform services for Deutsche Bank and counterparts contractually bound to Deutsche Bank or associated with Deutsche Bank's business and business interests. The ABC team administers controls and safeguards to mitigate bribery and corruption risks, for example in respect of joint ventures, offering and accepting gifts and entertainment, hiring practices, high-risk client relationships, transactions, and new products.

Every employee is responsible for the prevention, detection, and reporting of bribery and other forms of corruption in connection with the bank's business. Bribery and corruption have serious consequences for employees and the bank as they may result in legal, reputational, and regulatory risks. We take action against employees who violate the bank's ABC Policy, Code of Conduct, or applicable laws and regulations. Deutsche Bank will terminate relationships with any third party if they violate the ABC Policy, give, receive, or agree to give or receive a bribe, commit a criminal and/or regulatory offence, and potentially expose the bank to corporate criminal and/or regulatory liability, as well as civil lawsuits, locally and globally. To deliver on this policy, regional teams are responsible for reviewing and analyzing escalated ABC matters, developing and administering controls, monitoring, advising on compliance with ABC obligations, training, and awareness. Details of settlements or ongoing legal cases are outlined in the Annual Report 2018, Notes to the Consolidated Balance Sheet, Note 29 – Provsions.

Preventing other criminal activities

The Head of AFC is also responsible for ensuring that measures to prevent any other criminal activities that could endanger institutional assets (see Section 25, German Banking Act) are fit for purpose. The examples derived from the German Penal Code include damage to property, robbery, cybercrimes, antitrust, and tax offences. The Head of AFC has established and chairs a Global Financial Crime Governance Committee to support the governance and oversight of the Financial Crime risks, as defined in Section 25h, German Banking Act. The Global Financial Crime Governance Committee is supported by the Regional Financial Crime Governance Committees, which are chaired by the respective Regional Heads of AFC.

Reporting on recent events

Despite all our efforts to prevent money laundering, there have been instances in which the bank agreed to pay civil monetary penalties to settle investigations into the bank's AML control function, as further outlined in our Annual Report 2018, Notes to the Consolidated Balance Sheet, Note 29 – Provisions.

On September 21, 2018, the BaFin issued an order requiring us to implement measures on specified timelines over the coming months and years to improve our control and compliance infrastructure relating to anti-money laundering and, in particular, the Know Your Customer (KYC) processes in CIB. The BaFin also appointed KPMG as special representative, reporting to the BaFin, to monitor the implementation of these measures. In February 2019, the BaFin extended the special representative's mandate to cover our internal controls in the correspondent banking business.

In October and November 2018, there were media reports about Deutsche Bank's involvement in activities performed by Danske Bank AS Estonia Branch (Danske Estonia). Deutsche Bank acted as one of the correspondent banks for Danske Estonia. Our role was to process correspondent banking transactions on behalf of customers of Danske Estonia prior to cessation of the corresponding banking relationship with that branch in 2015. We are conducting an internal investigation into these matters, including of whether any violations of law, regulation or policy occurred and the effectiveness of the related internal control environment, and are cooperating with the investigating authorities. Separately, over the last two to three years Deutsche Bank has completed a significant de-risking of its Correspondent Banking client portfolio. Additionally, the Correspondent Banking business at Deutsche Bank went through a comprehensive remediation program, significantly strengthening the overall risk management framework including policies and procedures, governance and oversight, and client due diligence/KYC. As a result of these measures, Deutsche Bank has reduced its global Correspondent Banking client portfolio substantially since 2016, including clients rated as high risk.

On November 29, 2018, several Deutsche Bank offices in Germany were searched by German law enforcement authorities in connection with information available through the so-called Panama Papers leak. The Public Prosecutor's Office in Frankfurt/Main accuses two Deutsche Bank employees – and as-yet unidentified further individuals – of potentially aiding and abetting money-laundering activities, and specifically that they did not report indications of potential money laundering immediately, but only after publication of the Panama Papers in the media. The Bank is cooperating in the investigation, as has been publicly acknowledged by the Frankfurt Public Prosecutor's Office. Independently of this, Deutsche Bank had already concluded an internal review into the Panama Papers and in January 2018, BaFin had informed us that it was closing its own investigation and requested no further action from us.

Information security

Digitalization opens up a wealth of opportunities for financial institutions, allowing banks to offer personalized services and streamline business processes. Clients expect access to their bank's services anytime, anywhere, and through a variety of channels. At the same time, cyberattacks on businesses are increasing in scale, speed, and sophistication. In 2018, European Central Bank (ECB) Banking Supervision identified and assessed the risks faced by eurozone banks and defined cybercrime and IT disruptions as one of the key risk drivers. Consequently, more attention is being paid to cybersecurity requirements by global regulators. The financial and reputational impact of an incident is evident, as is the litigation risk resulting from cybersecurity attacks and potential breaches. As the external threat landscape continues to evolve, information security remains a top risk for the bank. We continue to make significant investment in our capabilities with a view to mitigating the external threat landscape risk.

Deutsche Bank's Group Information Security Strategy provides the framework for the bank's activities geared at protecting our ability to deliver suitable products and services to our clients and thereby protecting revenue. Preserving the confidentiality, integrity, and availability of our clients' and partners' data and the bank's information assets is essential for upholding the trust placed in Deutsche Bank by our clients, shareholders, employees, and social stakeholders. Deutsche Bank continues to strengthen its cyber and physical security capabilities to keep pace with threats. Our strategic direction is reviewed and confirmed regularly and is underpinned by our information security governance model.

Our Chief Security Office (CSO) embraces the opportunities digitalization offers by supporting the bank's digital projects and our Digital Factory. This cooperation model ensures that the necessary information security controls are conducted, while adapting to an agile model. CSO provides project support at all working levels from the idea to the finalized product, e.g. through open consultation hours or awareness sessions.

We evolve our technology delivery service offerings to clients and processes by building on partnerships with service providers and with the integration of fintech developments. In 2018, we launched the eSafe project with our partner DSwiss to allow for personal documents, invoices, and passwords to be archived safely in a digital safe.

Governance

CSO is responsible for the bank's security matters. We implement technology and physical security protection in accordance with the Group's Risk Appetite. CSO develops and drives the global implementation and operationalization of our Group-wide information security strategy and ensures that the bank's people and assets are appropriately protected. An IT Security Committee with delegated authority from the Management Board's Representative oversees all IT security activities, including potential escalations.

We deploy international standards and best practices to structure Deutsche Bank's information security policy landscape and implementation. Our Information Security Management System has been certified to ISO 27001 since 2012 and was successfully re-certified in 2018. Our governance framework and cybersecurity program are regularly enhanced to ensure that security policies and standards continue to keep pace with evolving business requirements, regulatory guidance, and emerging cyber threats. Information security policies support Deutsche Bank in complying with these parameters and form the basis for actively managing and governing information-security-related implementation processes.

We appointed Divisional Chief Information Security Officers (Divisional CISOs) in 2018 to further strengthen our information security management in our business divisions. As the senior accountable officers for information security, the Divisional CISOs ensure alignment to Deutsche Bank policies and standards.

The mandate for Deutsche Bank's CSO is complemented by a dedicated governance and operations unit within the Postbank brand with an ISO 27001-aligned policy framework. In 2018, efforts to integrate the Postbank band's information security activities into Deutsche Bank's governance and policy framework progressed significantly. This included a unified structure for information-security-related reporting. Under the roof of Deutsche Bank Privat- und Firmenkundenbank AG and with one responsible information security representative (*Informationssicherheitsbeauftragter*) for the entity, policies, processes, roles, and reporting will be further analyzed, verified, and harmonized to support Deutsche Bank's governance and standards.

Third Party Risk

Reliance on vendors, as well as all outsourced products and services that support critical IT operations, could increase the bank's risk posture. As such, new and evolving cyberattack vectors target vendors and lead to additional requirements for oversight and continuous monitoring of vendor security. This also results in increased regulatory activity in this space. Deutsche Bank manages third-party risk through its vendor management program, which assesses the risk outsourcing relationships present to Deutsche Bank.

Defense against cyber threats

To protect the bank's information and systems, we take a multi-layered, defense-in-depth approach to building information security controls into every layer of technology, including data, devices, and applications. This delivers end-to-end protection, while also providing multiple opportunities to detect, prevent, respond, and recover from cyber threats. This approach is a key facet of our Group Information Security Strategy to increase security and stability of the technology platforms.

In addition to prevention methods and controls like threat intelligence, data leakage prevention, vulnerability management, and continuous staff awareness programs, we also prioritize detection, backed up by a robust incident response process. Our Cyber Intelligence and Response Centers in Singapore, Germany, and the US are set up to provide 24/7 coverage across different time zones (Follow the Sun model), thus improving the bank's capability to detect threats and respond to incidents worldwide.

"The target is you"

In 2018, we continued to roll out to all Deutsche Bank Group staff our global multichannel awareness campaign covering a broad range of information and corporate security topics, including the 2018 Information Security Month with a month of activities at several locations of Deutsche Bank. The goal of the "Time to be aware – the target is you" campaign is to help staff understand common yet significant security threats and their responsibility and contribution in helping to protect the bank against these threats. The campaign also focuses on tips and relevant basic practices to help employees protect themselves and the bank in their daily working life, both in the office and on the go.

Besides awareness measures, we recognize the importance of continuous training and education in a highly dynamic cyber-threat environment. Deutsche Bank employees are educated in mandatory sessions that are complemented by specific training for individuals in specialist roles and target groups. Additionally, we use information material, e.g. explanatory videos, and stage events to inform our clients about cyber threats and how the bank protects their assets.

Engaging stakeholders

We work closely with regulators to understand and collaborate on their requirements. Also, we work with national and international security organizations, government authorities, and peer organizations, such as the Financial Services Information Sharing and Analysis Centre (FS-ISAC) to share best practices and threat information. As sharing relevant indicators of compromise (i.e. forensic data that identifies malicious activity on a system or network) and further intelligence reduces the risk for all involved parties, Deutsche Bank has established a dedicated team to coordinate this exchange and to further develop these relationships. Engaging stakeholders helps to ensure that we apply the most up-to-date information security approaches and technology.

Data protection

Data protection has never been a more socially significant issue, particularly since the EU General Data Protection Regulation (GDPR) took effect on May 25, 2018. As almost all Deutsche Bank's business involves processing personal data, protecting such data is a matter of special concern to us. This is not only because noncompliance with GDPR entails substantial fines; it is above all due to a shift in societal awareness. The expectations of clients, employees, and regulators have risen, and we are striving to meet them.

Data protection management

Our Group Data Privacy (GDP) department is a specialized and independent function controlling the collection, processing, and use of personal data, and is complemented by a Data Protection Unit at Postbank brand. The GDP team reports directly to the Management Board and is supported by local Data Protection Officers in the countries where we conduct business. This set-up ensures direct and indirect reporting lines, as well as regular exchanges on data protection topics within our centralized and decentralized organization. In response to the increased controls required to ensure compliance with GDPR provisions, GDP is being expanded to ensure we have enough personnel to monitor, test, and assess Deutsche Bank's data privacy and protection setup.

Deutsche Bank also contributes to the development and interpretation of industry-specific and prevailing standards on data privacy and protection by proactively participating in data protection committees and working groups, such as the Federal Association of German Banks, IBM Guide Share Europe, and Bitkom. Developments in data protection regulations are regularly analyzed and control processes revised accordingly. The same applies to technical developments and new digital business models.

Our GDPR program is one of the bank's core change initiatives for implementing these regulatory requirements across the Group (with parallel activities having been performed at Postbank brand). Our response has involved rolling out a new control framework, implementing a revised Global Data Protection and Privacy Policy, introducing six additional data protection procedures to meet the main GDPR requirements, and amending or introducing new operational processes within the business divisions. Three Management Board members are monitoring the implementation of the bank's GDPR program and GDPR compliance across the Group.

Educating and training about GDPR

Staff training on the implications of GDPR for our day-to-day business is a key factor in ensuring effective data protection in all our operational processes. Some 50,000 employees in the Europe, Middle East, and Africa (EMEA) region have been trained. The red flag nature of this e-learning program means non-attendance is being sanctioned. E-learning programs with a slightly different focus have also been rolled out in other countries outside of the EU. We are aiming to achieve 100 % coverage in the course of 2019 in all countries where we conduct business, even in those countries where GDPR is not applicable. Classroom training sessions have also been conducted if required by specific business needs. Moreover, an internal awareness campaign is ensuring employees are informed of what GDPR means to them. Other informative measures have included distributing some 20 million privacy notices on specific data-related topics to, in the main, clients (though also to employees) and amending vendor contracts to take GDPR requirements into account.

No substantial data breaches observed

Various reporting and escalation processes from the business to GDP have been implemented to ensure that potential data breaches can be assessed and handled in a timely manner. This approach has also been outlined in a global data protection procedure that has been rolled out as part of the GDPR program. No data breaches of systemic relevance were observed in 2018.

ESG in business

ESG due diligence

The systematic integration of environmental and social (ES) aspects into our decision-making processes is not only a key component of our understanding of responsible corporate behavior. It also helps us to better manage risks, including those that might affect public trust in the bank. We have developed global policies and processes to ensure appropriate governance structures are in place to address ES issues.

Governance structures for responsible actions

The ES Policy Framework, which is a central element of Deutsche Bank's ES Risk Management approach, formulates the set of rules and guidance for our daily business. This framework, which contains general provisions and sector-related guidelines, is part of the bank's global Reputational Risk Framework (RepRisk Framework), which is endorsed by the bank's Group Reputational Risk Committee, which has been delegated responsibility by the Group Risk Committee (GRC).

In line with the requirements of our RepRisk Framework, employees in our business units are initially responsible for identifying ES risks and are required to check whether or not a proposed transaction presents any ES risk. In this, the ES Policy Framework acts as a starting point when assessing client relationships or transactions. As it is applicable globally for corporate finance, including project finance, trade finance, and investment banking, the ES Policy Framework 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. A publicly available summary of our ES Policy Framework explains how we translate the self-imposed rules and guidelines into day-to-day practice.

The framework's general provisions define sensitive sectors we focus on, specify the requirements for ES due diligence, and include criteria for mandatory referral to Group Sustainability. This centrally organized function advises on client transactions, develops policies and guidelines, meets investors, and reports on the bank's non-financial performance. For all sectors requiring mandatory involvement of Group Sustainability, detailed sector-related guidelines are available.

We have defined the following sectors based on their inherent elevated potential for negative ES impacts. There were no changes in our sector focus between 2017 and 2018:

- Metals and mining;
- Oil and gas;
- Energy utilities;
- Industrial agriculture and forestry;
- Chemicals;
- Infrastructure projects in certain countries;
- Other activities either with a high carbon intensity and/or potential for human rights' infringements.

The above list of sectors is regularly reviewed and updated, if required. We also review existing sector-related standards and industry best practices to assist in our decision-making on environmental and social topics.

Our internal assessment is informed by internationally recognized standards. In subjecting our policies to regular review, we monitor global developments in issues such as climate change or human rights' protection. We set the priorities and requirements for the bank's approach by referring to global frameworks such as:

- UN Guiding Principles on Business and Human Rights;
- International Finance Corporation (IFC) Performance Standards;
- International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

To manage primary reputational risk, Deutsche Bank has a tiered governance structure to ensure that decisions on potential reputational risk matters are taken at an appropriate level based on the materiality of the risk identified. Primary reputational risk is the risk that arises from an active decision to undertake, or enter into, any association, action or inaction, knowing it may pose a reputational risk, ex ante. Matters deemed to pose moderate reputational risk are reviewed through the relevant Unit Reputational Risk Assessment Process. In the event that a matter is deemed to carry a material reputational risk, and/or meets one of the mandatory referral criteria, it must be referred to one of the four Regional Reputational Risk Committees (RRRCs), sub-committees of the Group Reputational Risk Committee (GRRC), for further review.

The GRRC is responsible for ensuring the oversight, governance, and coordination of reputational risk management on behalf of the GRC, a sub-committee of the Management Board. The GRRC receives quarterly updates on ES issues, which in 2018 related to climate change, human rights, and fossil fuels, as well as the associated infrastructure.

Following our Group-wide ES management approach, Postbank brand has its own provisions for managing ES risks. Due to different business models, especially since there are no investment banking activities, a different ES management approach is appropriate. The data in this chapter do not include those of Postbank brand.

Setting targets and implementing key measures

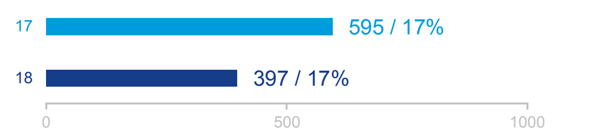
At Deutsche Bank we always strive to manage all types of risk as effectively and efficiently as possible. To this end, we prioritize the adequate identification of transactions and/or clients involving potential ES risks. Our overriding goal is to constantly improve our performance, in particular by:

- Carrying out robust transactional reviews in sectors we define as having an elevated ES risk potential;
- Verifying the effectiveness of our processes and guidelines;
- Increasing risk awareness and focus by conducting training sessions for all relevant employees.

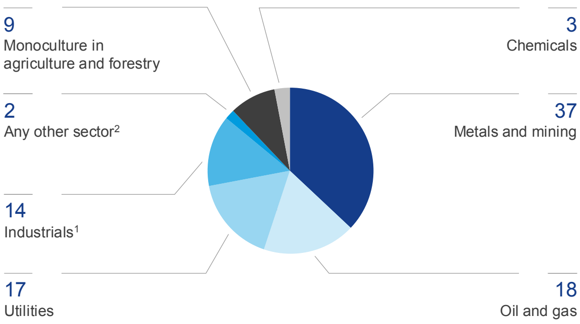
Robust transactional reviews

In 2018, 397 transactions and clients were reviewed under our ES Policy Framework, approx. 33 % fewer than in 2017. Despite fewer reviews, our overall review ratio remains the same at 17 % in 2018 (2017: 17 %), mainly because of a lower volume of deals in the focus sectors. In order to concentrate our attention and focus on transactions with elevated ES risk potential, we further specified the referral criteria for deals requiring ES due diligence by Group Sustainability. To this end, for example, we adjusted our requirements for transactions in the utilities sector.

Transactions and clients assessed under the ES Policy Framework
Number / Review ratio in focus ES risk sectors



Transactions and clients assessed under the ES Policy Framework per sector
in %



[1] Includes companies e.g. in engineering and equipment manufacturing, that are connected to sensitive sectors.
[2] Includes sectors with high carbon intensity or potential human rights infringements e.g. consumer goods, transportation, infrastructure, technology, commodity trading, and healthcare with exposure to sensitive sectors in the supply chain.

Under the RepRisk Framework, the reputational risk assessment process applies for all transactions where ES issues are deemed to pose at least a moderate reputational risk. Of the 397 assessed transactions and clients in 2018, six were declined directly and three additional ones discussed in the respective committees according to the reputational risk process, primarily due to environmental concerns, but ultimately approved.

Matters assessed through the Reputational Risk Framework

	Dec 31, 2018	Dec 31, 2017
Number of matters (on which final decisions have been made) reviewed		
To Unit Reputational Risk Assessment Processes only	119	83
Thereof with ES issues[1]	2	5
Thereof with defense-related issues	19	5
To Regional Reputational Risk Committees	48	76
Thereof with ES issues[1]	1	2
Thereof with defense-related issues	8	4
To Group Reputational Risk Committee or above	9	3
Thereof with ES issues[1]	0	1
Thereof with defense-related issues	3	0
Total	176	162
Thereof with environmental and social issues	3	8
Thereof with defense-related issues	30	9

[1] ES issues where the reputational risk is deemed to be moderate or above

From 2019 onwards emphasis will be placed on developing a more systematic approach to assessing client ES profiles – current focus on transactional review – to increase the efficiency of our ES due diligence and allow early-stage client engagement.

Verifying process and guideline effectiveness

In 2018, we focused on implementing technical enhancements to support and increase the robustness of our ES risk management approach. The key enhancements included establishing weekly monitoring and automated notification mechanisms for deals within the scope of the ES Policy Framework in order to enable the early-stage involvement of Group Sustainability.

Due to an internal business restructuring, we rescheduled the release of an updated Oil and Gas guideline but plan to re-address this in 2019.

Employee training and awareness

Employee training enables our business teams to better identify ES risks and consequently assess and refer transactions with an enhanced risk profile to Group Sustainability. In 2018, we continued our employee training program and particularly focused on selected business teams in Corporate Finance. In the second half of 2018, they received dedicated training in seven sessions covering topics such as climate protection, human rights (incl. the UK Modern Slavery Act), and protection of World Heritage Sites.

Defense industry

In addition to our ES due diligence process in the sectors outlined above, we have also established dedicated due diligence processes for any clients and transactions linked to the defense industry. This covers the manufacturing and sales of weapons and military technology and includes hardware, related software, their major components, and services for military, security, and police purposes. These matters are reviewed by a dedicated control function and referred according to the RepRisk Framework where appropriate.

Our aim is to continuously review the type of business carried out in the sector to help ensure we conduct business responsibly as well as protecting the bank from reputational risk. We further strive to be transparent in our approach. In 2018, the bank reviewed and augmented its policy covering defense-related business sectors with regards to so-called controversial weapons. Controversial weapons cover cluster munitions, antipersonnel mines, chemical, biological, radiological, and nuclear weapons, and controversial conventional weapons. The augmented policy further clarifies the types of business in which the bank will not engage and describes the stringent governance and escalation processes by which we reinforce this policy. The updated policy was publicly disclosed.

In 2018, the dedicated control function has reviewed, from a reputational risk perspective, a total of 1,902 matters linked to the defense industry. This is a 48 % decrease compared to 3,628 in 2017. The drop is primarily driven by clarifications in the defense policy. For example, we exclude certain transactions where we know that the end user is using the underlying goods for civil purposes only. Out of 1,902 matters reviewed, 49 were declined and a further 30 were discussed through the RepRisk Framework.

ESG product portfolio

As a global financial intermediary, we develop and provide financial products and services that enable economic growth and societal progress. In doing so, we aim to continually integrate environmental, social, and governance themes (ESG) into our investment strategy and product portfolio.

We pay particular attention to the topic of climate change and develop solutions that support the transition towards a low-carbon economy. We also create products and services that integrate ESG considerations more broadly, and some of our ESG-related offerings directly or indirectly contribute to the UN Sustainable Development Goals (SDGs) of the Global Agenda 2030.

Our Group-wide Sustainability Council is mandated by the Management Board to drive the integration of sustainability topics throughout the bank. This particularly includes developing, promoting, and coordinating the bank's approach to sustainable finance. We align internal systems and processes and expand our ESG expertise by establishing dedicated key-knowledge groups across our businesses to better serve our clients, and to continually expand our ESG products and services. To complement our in-house ESG expertise, we seek innovative partnerships and collaborate with industry experts and external service providers. We also invest in ESG research and engage with our stakeholders to foster awareness on ESG matters, and to better meet our clients' ESG demands. Finally, we train our employees and invest in strengthening internal awareness of ESG. Overall, we apply ESG governance and management structures at a divisional level, to ensure that we generate appropriate answers to client demands.

Corporate & Investment Bank

In our Corporate & Investment Bank (CIB) division we have teams that contribute to Deutsche Bank's aspiration to support the transition to a low-carbon economy as well as to broader sustainable development. These teams cover, for example, export credit agency-linked project financing, which has benefitted developing countries and emerging markets through funding large and important infrastructure projects. We have teams that focus on financing renewable energy or support clients with green bond issuances. As we strengthened our ESG research expertise in 2017, that helped us to extend our sales capabilities to better serve our institutional clients in ESG matters in the reporting year.

We began our involvement in financing renewable energy projects in the mid 2000s when projects reached industrial scale. In 2018, we arranged full or partial project finance totaling around € 1.2 billion for renewable energy projects generating over 2,200 MW.

In 2018, the global green bond market kept its pace of the previous year, with the total issuance volume exceeding € 140 billion (according to climatebonds.net). We partnered with a number of global clients in landmark green bond transactions and issued more than € 8 billion in green bonds. Besides advancing the green bond market, many of these transactions were of high strategic importance to the issuers, e.g. the inaugural Norwegian green covered bond for SpareBank 1 at € 1 billion, Indonesia's first-ever corporate green bond for Star Energy Geothermal (Wayang Windu) Ltd. at US $ 580 million, and the World Bank's ten-year green bond anniversary dual tranche issuance (US $ 600 million, € 600 million).

Corporates that have already issued green bonds or are committed to sustainability are now also considering including green /ESG incentives in their loan agreements. That is why sustainability-linked loan structures are becoming increasingly popular. In 2018, Deutsche Bank and ING jointly coordinated a € 1 billion revolving credit facility for the Dutch life and material science company Royal DSM, which links the interest margin to its greenhouse gas performance targets.

Deutsche Bank also launched a new equity index suite developed in partnership with MSCI to allow clients to align their investments with ESG considerations. The indices track companies screened for high ESG standards and incorporate a systematic framework to mitigate risks and enhance long-term value creation.

Another innovative development in 2018 was the launch of α-DIG, an interactive web tool that uses artificial intelligence and natural language processing techniques to quantify the importance of ESG issues for stock risk, returns, and valuation principles. The tool uses data science techniques to sift through media sources, including company accounts, financial news, conference call transcripts, patents, and regulatory filings. This information is then used to quantify a company's intangible assets, such as its corporate culture, reputation, and ability to innovate, as well as ESG controversies. The tool is designed to help clients integrate ESG considerations into valuation and investment processes, as well as report on portfolio exposures associated with the SDGs.

We signed or reached financial closure on a number of projects with strong developmental credentials that are positively impacting local communities in sectors such as education, agriculture, and power. In doing so we are contributing to the SDGs.

- Ghana: Somanya University. Construction of the Somanya University of Environment and Sustainable Development, Ghana's first university devoted to agricultural and environmental sciences;
- Cameroon: Intelligent City, Phase 1. Urban development project involving the integration of multiple information and communication technologies and internet solutions to improve municipal governing capabilities, efficiency in urban traffic control, and social safety and stability;
- Cameroon: Douala Grid Stabilization and Enhancement. A project to enhance the transport, distribution and continuous supply of electricity to uses in Douala and peripheral areas.

We also help to ease access to long-term financing for microenterprises and SMEs. In 2018, we supported the European Fund for Southeast Europe (EFSE) by raising more than € 77 million of capital for SMEs in southeast Europe and the European Eastern Neighborhood region. Since its inception, EFSE has financed more than 900,000 loans and contributed to the creation of well over 760,000 jobs throughout the targeted region.

In 2018, we again enabled subsidized loans across various sectors, including renewable energies, energy efficiency, environmental protection, and innovation financing (especially for digitization projects). In close collaboration with Germany's national promotional bank (*KfW Bankengruppe*), Deutsche Bank supported its clients (across all divisions) through low-interest loans or procurement of guarantees with an overall volume of € 1.6 billion for subsidized financing purposes in 2018 (see Private & Commercial Bank). Additional subsidized financing volume was enabled in collaboration with the German federal states' promotional banks as well as the European Investment Bank and the European Investment Fund.

In the context of the EU's efforts to smooth the transition to a low-carbon economy, the Deutsche Carbon Alignment Framework (DeCAF, initially launched in 2017) enables clients to evaluate returns from decarbonization or the shift to a low-carbon energy system. DeCAF highlights energy transition opportunities in green and incumbent sectors, while watching for growth and margin advantages created by the shift. DeCAF also helps oils, utilities, mining, and automotive sector specialists to understand the specific impact on their sectors, and supports those looking for emerging investment opportunities in a decarbonization scenario.

In October 2018, we held our first dbAccess ESG Engagement conference in Frankfurt followed by a third annual ESG conference in the US. Topics and panel discussions showcased the bank's ESG specialists and how ESG factors are incorporated into our research, investing strategies, and culture – see Stakeholder engagement.

Private & Commercial Bank

We consider ESG criteria when selecting investment products for our retail clients. According to our product principles, we apply exclusion criteria to our product offering, for example exclusion of agricultural speculation. On the other hand, in our Private and Commercial Business (Germany), in working with third-party product providers for mutual funds, we expect them to demonstrate their commitment to responsible investing by being a signatory to the UN Principles for Responsible Investments (PRI). This underlines our commitment to integrating ESG issues into our investment process.

We continue to enable the steady growth of our dedicated investment product offering in ESG. To increase the ESG understanding and awareness of our employees and consequently of our customers, in 2018 our Private and Commercial Business (Germany) for Deutsche Bank brand and Asset Management (AM) conducted ten dedicated ESG events in different regions in Germany. In 2018, Private and Commercial Business (Germany) for Deutsche Bank brand cooperated with AM to include ESG in our db PrivatMandat Comfort multiasset funds' offering. Since their launch in March 2018, these funds generated gross inflows of approximately 20 % compared to the existing fund volume.

With our mortgage lending facility for private retail clients, we support households in the acquisition of residential property and contribute to the aggregate wealth formation. Additionally, Private and Commercial Business (Germany) for its Deutsche Bank brand, like CIB, also offers subsidized loans. In Germany, for example, private clients receive, in cooperation with the *Kreditanstalt für Wiederaufbau* (KfW), state-subsidized mortgage loans for the purchase and modernization of their own real estate. In 2018, a total of 5,153 KfW loans with a total volume of around € 373 million were granted (2017: 4,150 loans with a volume of around € 332 million). This includes 1,583 loans with a volume of around € 193 million for construction and modernization projects that comply with higher energy standards than required by the German Energy Conservation Ordinance (2017: 1,592 loans with a volume of around € 204 million).

The Commercial Clients unit of Private and Commercial Business (Germany) for its Deutsche Bank brand offers commercial clients a broad range of financing products that include loans for financing environmental and climate protection (for example energy efficiency, renewable energies, and clean technologies). In Germany, for example, we grant loans for energy-efficient building, sustainable energies and modernization that are subsidized by the KfW bank group. In 2018, we arranged 631 KfW loans for our commercial clients with a total volume of around € 235 million (2017: 922 loans with a volume of around € 313 million). Of this, € 172 million was for company start-ups and general company financing, € 50 million for energy transition measures, € 11 million for innovation financing, and € 1 million for infrastructure (all figures rounded).

In 2018, Private and Commercial Business (Germany) for its Postbank brand arranged a total of 8,466 KfW loans under the BHW brand and through third-party sales under the brand of DSL Bank with a total volume of around € 458 million (2017: 13,317 loans with a volume of around € 790 million). For the energy-efficient modernization and the first-time purchase of modernized buildings or residential homes, the two brands together have arranged a total of 878 loans with a total volume of around € 56 million (2017: 1,127 loans with a volume of around € 66 million). Furthermore, financing arrangements for the purchase or construction of low-energy housing were concluded for 1,027 applications with a total volume of around € 104 million (2017: 2,696 contracts with a volume of around € 285 million).

Beyond that, Postbank brand, and its brands BHW and DSL Bank have been a partner of co2online since 2005. The non-profit consulting firm promotes climate protection in the construction and housing sector and is sponsored by the German Federal Ministry for the Environment, and the European Union.

Deutsche Bank Wealth Management (WM) has a long tradition of ESG expertise. The first sustainability-themed investments were offered in 2002, and in 2009 Wealth Discretionary (WD) launched an ESG management overlay that utilizes a screening process to take into account ESG indicators in buy-side activities. This has enhanced our understanding of the non-financial factors of the firms we invest in. The expansion of our ESG investment service portfolio remains a key initiative within WM.

Our ESG investments are handled within the established WM investment processes, with governance primarily implemented through existing structures within our discretionary portfolio management services. In order to create our ESG offerings, we closely collaborate with ISS-oekom, one of the world's leading rating agencies in the area of sustainable investments. This gives us access to research insights that enable us to create responsible and economically sustainable investments. As of the end of 2018, WD managed assets in excess of € 500 million based on this approach for our global investor base. At a regional level, WD has already established teams in Germany and Italy with dedicated ESG expertise who directly support relationship managers in the provision of ESG offerings to clients. The underlying assets are either segregated accounts or special funds, tailored to the clients' specific needs with regard to ESG criteria. In 2019, we intend to further expand our local ESG expertise.

At the product level, we are observing a growing trend of ESG integration among asset managers, irrespective of product labeling. The underlying ESG approach can range from an exclusion policy through to a broader integration of sustainable investment principles, either at a fund or overall firm level. When considering our dedicated product platform, our Global Investment Group (GIG) concentrates on three areas in selecting and onboarding best-in-class funds for WM clients: products identified as investing with an ESG or sustainable approach; impact investment products; and products that invest according to specific themes correlating to environmental or social challenges.

In Germany, we offer our clients ESG funds in equities, bonds, and multiasset formats within our Advisory service. In line with the three ESG-related investment pillars outlined above, WM Germany offers themed funds and an impact fund. Within the illiquid ESG fund offering, the team has increased coverage in ESG Private Market fund opportunities.

To support this effort in 2018, WM Germany engaged with product specialists, portfolio managers, and advisors to provide ESG training, including the evaluation and integration of ESG topics within investment analysis. Several initiatives commenced in 2018, including the Candriam SRI Academy, web-based training available to all WM Germany staff, and the Certified ESG Analyst program for product managers and nominated advisors/specialists. In cooperation with AM and the European Federation of Financial Analysts Societies (EFFAS), this training program focuses on the efficient evaluation, measurement, and integration of ESG topics in investment analysis.

WM is also working to improve our clients' understanding of ESG-based investment approaches and ESG-related market developments. We are achieving this via educational outreach to our client teams and via our Chief Investment Officer (CIO) Insights series launched in November 2017. The aim is to facilitate dialog with clients and help them to better understand ESG – its importance today and potential future investment implications. The CIO Insights on ESG published in April 2018 focused on measuring historic performance in ESG investing. The third edition of the ESG series (release due in the first quarter of 2019) highlights the environmental and climate-related aspects of ESG investing.

With our WM client outreach and interaction increasingly focused on ESG, our Key Client Conclave event in October 2018 was entitled 'Wealth Horizons: Shaping a Responsible Future. (Link to stakeholder engagement section) A Wealth with Responsibility forum held in Germany in November 2018 had a similar focus. CIO representatives remain proactively engaged with various EU entities regarding ESG-related topics through participating in consultations and project groups including an active exchange of views, and talking about ESG topics at conferences and panels.

Looking forward to 2019, WM intends to expand its ESG product offering globally via access to enhanced ESG ratings that will cover both single names and funds to support WD and Advisory solutions. We anticipate this will substantially boost our discretionary ESG assets under management (AuM) in 2019 and also expand our advisory funds' offering to meet a growing client interest.

Asset Management

At Asset Management (AM) we consider ESG integration as part of our duty as a fiduciary partner. We see ESG as a value-enhancing development for our clients because it enables a more comprehensive analysis for risk-return expectations. As consistent and strong management is key to effective integration of ESG factors into investment processes, we established a Responsible Investments Leadership Team (RILT) in 2017 led by the Global Head of Responsible Investments who reports to the CEO of AM. Through DWS Group, AM is a signatory to the UN Principles for Responsible Investment and its Responsible Investment Statement guides its ESG approach.

Our ESG Engine enables data-driven ESG analysis based on input from seven leading ESG data vendors: ISS Ethix, MSCI, ISS-oekom, RepRisk, SIGWATCH (at the end of 2018, AM cancelled the SIGWATCHsubscription), Sustainalytics, and Trucost. As a proprietary software system, it is the centerpiece of our commitment to integrating ESG into our investment process and our Active and Passive portfolios. The structured ESG information is embedded into portfolio management, thus supporting our due diligence process and enabling us to offer clients bespoke ESG solutions. In 2018, we enhanced our assessment of how companies contribute to the SDGs through a new SDG rating system and included the Green Bonds Standard in the ESG Engine to allow a rigorous assessment of the ESG quality of green bond issuances. As the ESG Engine is fully integrated into the global portfolio management system and research architecture, all portfolio managers and research analysts have access to a 360° assessment of issuers and investees. Through close collaboration between our CIO for Responsible Investments, portfolio managers, and research analysts, we are improving the incorporation of ESG considerations into investment decisions and the quality of our dialog with companies on environmental and social issues.

To support ESG integration across our entire investment platform, we regularly train our investment professionals across all divisions in Active, Passive, and Alternatives on the assessment of ESG risks and opportunities. In 2018, we continued the engagement of AM investment professionals towards environmental and social issues in Active and ran mandatory internal training sessions for Active investment experts, which AM organizes since 2011. This included offering them the optional EFFAS ESG Certification Program, which trained employees in Active and other areas to become certified ESG analysts. Overall 143 employees throughout AM registered for the exam to become certified ESG analysts in 2018. We will continue with in-person ESG trainings in 2019. Furthermore, AM is subject to several internal policies, such as the publicly available Responsible Investment Statement (see dws.com/solutions/esg/ri-statement) the Policy on Controversial Conventional Weapons, or our ESG Integration Policy for Active Investment Management, as well as the recently finalized ESG Engagement Policy.

As of December 31, 2018, we reported € 47.1 billion of ESG assets under management (AuM), made up of € 32.8 billion of ESG and sustainable AuM, € 13.4 billion of real estate investments in certified green-labeled buildings, and € 862 million infrastructure assets in renewable assets, within an overall asset management volume of € 662 billion.

We follow industry standards and guidelines in classifying ESG AuM. Through regional organizations such as the European Sustainable Investment Forum (Eurosif), the US Forum for Sustainable and Responsible Investment (USSIF), and the UK Sustainable Investment and Finance Association (UKSIF), investor reporting to the Global Sustainable Investment Alliance (GSIA) has become a global standard for categorizing ESG assets, and we follow its methodology.

As of December 31, 2018 our Active portfolio management teams were responsible for € 28.9 billion of ESG AuM within an overall Active AuM volume of € 471 billion. Our Passive portfolio management teams were responsible for € 3.3 billion of ESG AuM within an overall AuM volume of € 115 billion. The growth in Active and Passive AuM reflected our launch of a series of new ESG-focused ETFs, a series of conversions of retail and institutional funds, and net flows into our dedicated ESG strategies. In 2018, the Alternatives portfolio management teams expanded the initiatives to integrate ESG into investment processes across the various asset classes and were responsible for € 14.9 billion of ESG AuM (comprising our sustainable investments funds, individual real estate and infrastructure assets) within an overall Alternatives AuM volume of € 76 billion.

ESG and sustainable assets under management

in € m.	Dec 31, 2018	Dec 31, 2017
Active management		
Retail and institutional funds, including screened, best-in-class, and themed funds for institutional clients[1]	28,922	9,637
Passive investments		
Exchange traded funds, products or mandates	3,313	559
Sustainable/impact/alternative investments		
Private equity or debt funds focused on sustainable/impact investing, including public–private "blended finance" funds with environmental or social objectives	595	355
Total	32,830	10,551

[1] Additional assets under administration with product initiators outside of AM amount to € 2.27 billion, where either portfolio management or advisory on the product is provided by a third party.

ESG real estate and infrastructure investments

in € m.	Dec 31, 2018	Dec 31, 2017
Certified green labeled buildings (ENERGY STAR, LEED, BREEAM, etc.)	13,436	9,432
Renewable assets, both in debt and equity investments, including solar, wind and waste-to-energy[1]	862	407

[1] Valuations of € 716.9 million of equity investments made within Pan-European Infrastructure Fund and Pan-European Infrastructure Fund II are per 30 September 2018. Equity investments are revalued each quarter. Year-end 2018 figures will be made available in the context of fourth quarter 2018 reporting to investors on 30 March 2019 and 30 April 2019 for the two funds. Debt investment amounts are set and do not change unless debt is repaid.

In 2018, we created the ESG Liquidity Fund (ESGXX), the first money-market fund to apply ESG criteria in the US. The fund invests in high-quality, short-term, US dollar-denominated money-market instruments that pay a fixed, variable, or floating interest rate. In the security selection process, it filters for various ESG factors, e.g. level of involvement in controversial sectors and weapons, ESG performance relative to a peer group of companies, and efforts to meet the UN's SDGs. AM's passively managed product portfolio has also been enhanced with the launch of new exchange-traded funds (ETFs). The ETFs track indices that are part of the MSCI ESG Leaders Low Carbon ex Tobacco Involvement series. The indices use filtering based on MSCI ESG research, which means included companies meet strict ESG and low-carbon requirements. The ETFs launched in 2018 complement the existing Xtrackers II ESG EUR Corporate Bond UCITS ETF, which is also based on a comprehensive MSCI screening process. In 2018, we also added three US-domiciled ETFs to our ESG product range.

Several of our actively managed funds were also converted into dedicated ESG funds by adopting our internal ESG investment minimum standards (MESGS), which were established in 2017 to ensure a consistent approach in classifying our retail funds as ESG. The MESGS are built on the various pillars of ESG, apply market-common exclusions on controversial sectors, as well as violations of the UN Global Compact, and implement best-in-class methodologies, including the assessment of carbon risks.

The ESG framework is built on the following pillars:

- Exclusion screening for companies not meeting ESG criteria;
- Standards-based screening for human rights' abuses, child/forced labor, health and safety, environmental impact, and business ethics;
- Corporate best-in-class ratings to identify ESG leaders and laggards;
- Assessment of environmental risks and opportunities, including carbon;
- ESG Engine assessment of whether a fixed income instrument is a green bond as defined by the Green Bond Principles;
- Screening based on sovereign standards to gauge responsible investments in around 200 sovereign nations;
- A methodology for assessing the ESG quality of portfolios, such as funds, ETFs, or indices based on general ESG quality plus an additional best-in-class approach.

In 2018, we further consolidated our ESG Engine capacity by rolling it out globally and integrating it into different corporate functions, such as client reporting. We continue to develop the ESG methodology, especially with regard to carbon and climate risk sensitivity, opportunities from impact investing, and the SDGs, by integrating them into the ESG Engine.

Sustainable investment funds

Our AM Sustainable Investments (SI) team creates solutions for institutional investors, private investors, development banks, and governments that share common social and environmental investment objectives and seek attractive financial returns. SI operates investment initiatives ranging from financial inclusion and microfinance to sustainable agriculture, renewable energy, and clean urban transportation. In 2018, AM managed eight sustainable and impact funds with a combined volume of € 595 million. Our partnership with a significant corporate client demonstrates the strength of our ESG franchise. Through a traditional fund vehicle, we help the client and select suppliers address their carbon emissions footprint. The fund was specifically designed to identify and invest in renewable energy projects in China as a means to connect select suppliers to renewable energy sources as part of the client's overall supplier clean energy program. The fund is a closed-end, discretionary private equity vehicle through which limited partners commit a fixed allocation of capital over a finite investment period.

Sustainable investment funds and their contribution to the Sustainable Development Goals (SDGs)

Fund	Mission/Information
Africa Agriculture and Trade Investment Fund (AATIF)	Improve food security and end poverty through sustainable investment along the entire agricultural value chain in Africa.
SDGs	1, 2, 8, 9, 13, 14, 15
European Energy Efficiency Fund (EEEF)	Energy efficiency and renewable energy in the public sector in Europe.
SDGs	11, 13
Essential Capital Consortium B.V.	Debt financing to health, energy, and financial service providers in low income communities in the developing world.
SDGs	1, 3, 4, 5, 7, 8
Global Microfinance Funds III	Senior and subordinated debt financing for microfinance institutions and banks in the developing world, to increase access to high-quality financial services
SDGs	1, 2, 3, 4, 5, 8
China Renewable Energy Fund (CREF)	The fund's objective is to generate investment returns as well as offset in-vestors' carbon emissions in their global supply chain
SDGs	7, 13
Clean Energy and Environment Fund (CEEF)	The fund intends to fund the growth of private companies that focus on developing clean energy and clean technology sectors in China
SDGs	7, 13
Global Commercial Microfinance Consortium II	Senior and subordinated debt financing for microfinance institutions and banks in the developing world, to increase access to high quality financial services
SDGs	1, 2, 3, 4, 5, 8
Microcredit Development Fund	Senior and subordinated debt financing for microfinance institutions and banks in the developing world, to increase access to high-quality financial services
SDGs	1, 2, 3, 4, 5, 8

Climate risks

As a global financial institution, we recognize our responsibility to combat climate change and to facilitate the transition to a low-carbon economy. Multiple stakeholders, including clients, investors, employees, and society at large, expect us to:

- Protect our own and our clients' assets from physical and transition climate-change risks;
- Provide transparent disclosure of our exposures to, and management of, climate risks;
- Reduce the carbon intensity of our operations (both direct and indirect).

We have committed ourselves to the Paris Pledge for Action, and are formal supporters of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations to develop a consistent approach to climate-related financial risk disclosures.

We continue to develop our approach to climate risk assessment and management, and are working to further align our disclosures in line with the TCFD recommendations, including via participation in industry working groups to close gaps. Hence, our climate risk disclosures will evolve and expand over time. A particular focus is on the development of consistent approaches to scenario development and stress testing across the banking industry.

We are committed to the development of a sustainable finance environment and promote the integration of climate-related factors across our entire investment platform. Therefore, we have taken the opportunity to contribute to climate-related legislative initiatives and participated in industry-wide consultations on EU and national level, such as the European Commission (EC) on certain components of the EU Action Plan on financing sustainable growth and the UK Prudential Regulation Authority (PRA) on Enhancing banks' and insurers' approaches to managing the financial risks from climate change, both via direct engagement and contributions to consultation responses / policy papers by banking associations.

Business opportunities are associated with the transition to a low-carbon economy (see ESG product portfolio) , but physical and transition-related climate risks present an increasing risk to the banking sector. Potential negative impacts on our business include:

- Exposures to clients and assets that could be impacted by climate-related physical and/or transition risks, e.g. climate-related developments in policy and regulations, the emergence of disruptive technology or business models, shifting market sentiment, and societal preferences;
- Reputational risks from a failure to adapt to climate risks that may also drive litigation claims from parties who are seeking compensation after suffering loss or damage;
- Business disruption risks to our offices, staff, and processes in locations that may be affected by physical climate-related risks, e.g. extreme weather events and/or disruptive longer-term shifts in climate.

Deutsche Bank has established risk management frameworks to identify, quantify, and mitigate our exposures to these risks.

Governance for managing climate risks

The management of climate-related risks is integrated within the multi-disciplinary, bank-wide processes.

Group Sustainability, a central function, is responsible for screening emerging topics and sustainability trends, including climate change. The Sustainability Council established at the end of 2017 and including senior representatives from Risk Management addresses key sustainability topics, including climate change, and advises the Management Board.

From a risk management perspective, the Enterprise Risk Committee (ERC) chaired by the Chief Risk Officer for CIB and Head of Enterprise Risk Management is responsible for approving risk strategies and portfolio risk appetite thresholds for carbon-intensive (and other) industries. Reports on industry risk developments and exposures are regularly provided to the ERC and to the Group Risk Committee (GRC), a sub-committee of the Management Board.

Transactions with a potential material reputational risk from a climate risk perspective and identified via the Group Reputational Risk framework are referred to one of the four Regional Reputational Risk Committees, which are sub-committees of the Group Reputational Risk Committee, which reports to the GRC.

Risks to our bank's people and processes in locations that may be affected by physical climate-related risks are monitored and approved by the Non-Financial Risk Committee, a sub-committee of the Management Board.

Management of client and asset exposures

Managing exposures to carbon-intensive industries

Deutsche Bank's principal tool for managing exposures to sectors vulnerable to climate risks is its industry risk management framework. A key component of this framework is the assignment of short- and long-term industry risk ratings based on internal assessment of the risks and opportunities that an industry faces.

These ratings are used to inform risk appetite and strategy setting and to determine the frequency of regular portfolio reviews. Incorporated within the ratings is an assessment of an industry's vulnerability to transition-related climate risks, with oil and gas, utilities (electric power generation and natural gas distribution), and coal mining considered among the most directly impacted.

In order to manage our risks in these industries, Deutsche Bank has taken the following actions:

- No financing for new coal-power facilities and reduction of existing exposures to power companies heavily dependent on coal;
- Financing of new thermal coal mines is also prohibited, with Deutsche Bank targeting a 20 % reduction in our existing exposure to the sector by 2020 as per our 2016 commitment; we have already achieved this target and we continue to review our portfolio in this area;
- Environmental and social due diligence, including review and sign-off by a control function Group Sustainability, required for certain sectors, including those exposed to climate risks, i.e. oil and gas, metals and mining, and utilities (see ESG due diligence);
- Lowering of overall industry concentration thresholds for the oil and gas and utilities sectors (also considering inherent long-term climate risks) in 2018.

Our exposure to the oil & gas, utilities (electricity and natural gas distribution), and coal mining industries is contained.

- Loan exposure to the oil and gas industry is € 7.5 billion, equivalent to 2 % of Deutsche Bank Group total, plus revocable and irrevocable lending commitments of € 8.8 billion. The majority of our exposure to the oil and gas industry is to investment-grade-rated diversified majors and national oil and gas companies;
- Loan exposure to the utilities (electricity and gas) sector is moderate at € 3.9 billion, or 1 % of Deutsche Bank Group total, plus revocable and irrevocable lending commitments of € 7.4 billion. The majority of our portfolio in the utilities sector is with large incumbents in the EU and the US that benefit from diversification across the value chain – including transmission and distribution businesses – and/or a balanced energy mix;
- Our exposure to coal-mining groups[2] is negligible since we have tightly managed and reduced our exposures in recent years.

[2] Client groups with majority of sales from coal mining.

We have conducted scenario analyses for our loan portfolios to oil and gas and utilities (electricity and gas) sectors, based on the energy demand assumptions outlined in common climate change scenarios (e.g. the International Energy Agency's New Policy Scenario and the Sustainable Development Scenario). Under more severe scenarios we would expect to see a deterioration in credit quality in these industry portfolios, particularly for less diversified and weaker client groups. However, this is not expected to have a material impact on our overall balance sheet quality given (i) our focus on well-rated and diversified clients, and (ii) our ability to customize portfolio strategies and take mitigating actions as the risk outlook develops.

We also closely monitor developments in other industries that are more indirectly affected by the impacts of climate transition risks, including transportation, automotive, metals and steel, and building materials. Our Enterprise Risk Committee regularly reviews portfolio strategies and risk appetites.

Aside from our industry risk framework, physical risks to our clients and assets are considered in the assessment of credit and market risk exposures that may be heavily impacted by acute events (such as insurance companies who underwrite climate-related risks). Where specific transactions or counterparties are assessed as having material exposure to such risks, this is taken into account in risk decision-making by Credit Risk Management (CRM) and Market Risk Management (MRM).

Managing risks from commodity price volatility

Innovation and changes to the regulatory environment may also have a profound impact on commodity prices and volatility in the medium to long term. We regularly stress our trading portfolios under a range of severe scenarios – whereby commodity price shocks are included in the macroeconomic stress scenarios – to ensure that downside risks are manageable. Currently, Deutsche Bank is not materially exposed to commodity price fluctuations via its trading book exposures.

Managing physical risks to infrastructure, staff, and key processes

Our Enterprise Risk Management (ERM) unit comprises an in-house intelligence team, which measures and tracks country- and city-specific risks, including meteorological, climatological, hydrological, and geophysical risk to our assets and operations. Short-term impact(s) to the bank's buildings, infrastructure, and staff from climate change-linked risk crystallization are also calculated. A quantitative analysis of environmental and climate-related risks, trends, and patterns is supplemented by qualitative reporting and geospatial intelligence. These risk assessments inform strategic location planning and scenario design for testing and exercising crisis management in order to ensure robust business continuity and crisis management plans, and to minimize the disruption risk. They also inform corporate security plans, notably health and safety, staff duty of care, and building resilience.

Human rights

Respect for human rights is one of the guiding principles embedded in our bank's Code of Conduct. Our Human Rights Statement reinforces this commitment and outlines the approach we take to address this important topic. We also publish our UK Modern Slavery Statement in compliance with the respective UK regulation. 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, and is guided by international standards and frameworks such as the UN Guiding Principles on Business and Human Rights. Our objective is not to engage in any activities or relationships where there is clear evidence of severe human rights' violations.

Screening client transactions

We manage human rights' issues in client interactions in line with our Environmental and Social (ES) Policy Framework. Of 397 transactions and clients reviewed in 2018, two were declined on the grounds of human rights' issues. Moreover, we participated in the work of the Joint Money Laundering Intelligence Taskforce (JMLIT) set up by the UK's National Crime Agency in partnership with the financial sector. One of JMLIT's operational priorities is to prevent the funding flows linked to organized immigration crime, human trafficking, and modern slavery. As a result, in late 2017 leading into 2018 our Financial Crime Operations (FCO) unit in the UK integrated human trafficking, modern slavery, and organized immigration crime into the monthly intelligence alerts distributed globally to promote awareness across the bank. As part of our ongoing work with JMLIT, our FCO received 25 requests for information in support of criminal investigations pertaining to human rights' breaches, all of which were reviewed and a reply provided to law enforcement agencies. Such criminal investigations range from human trafficking for sexual and labor exploitation to organized immigration crime.

Deutsche Bank is also a member of the European Bankers' Alliance (Alliance), which together with Thomson Reuters is collaborating with the private sector, NGOs, and law enforcement agencies to combat human trafficking. The Alliance was involved in the development of a set of indicators to systematically identify potential human trafficking. To this end, the Alliance looked at specific red flags across transactional, behavioral, and KYC indicators. This resulted in a toolkit developed by the Alliance that can assist in the identification of potential human trafficking, modern slavery, or organized immigration crime.

In 2019, we aim to strengthen our global approach and share best practices on investigations and findings. Moreover, as we gain additional experience, our FCO unit will seek to provide ongoing training and advance the identification of typologies in order to improve our ability to tackle breaches of human rights, both locally and in support of our global approach.

Reviewing vendors

In 2018, we continued to review our vendor population with respect to ES matters. In this review, we focused on those vendors who are active in sectors or countries that we categorize as critical concerning the respect of human rights. For none of the 117 vendors reviewed in 2018 (2017: 123) did we find indications of human rights' issues. In 2019, we are aiming to finalize the ES review of vendors in scope. Furthermore, in 2019 we are also looking to launch a new vendor certification process including specific requirements governing our vendors' approach to human rights, e.g. dedicated human rights' policies, corresponding certifications, and information on employee-related matters. The rollout of dedicated vendor-related training for our staff is another priority for 2019.

Prioritizing employees' human rights

At Deutsche Bank we place a high priority on our employees' human rights. This involves aspects such as treating everyone with dignity and respect, regardless of their position or circumstance; ensuring equal opportunities without discrimination with regard to marital status, gender, age, religion or worldview, race or nationality, sexual orientation, or disability; and respecting labor rights, such as fair compensation, freedom of association, and collective bargaining. In all this, the ILO Declaration on Fundamental Principles and Rights at Work and other relevant labor laws provide us with important guidance.

Details of all employee-related matters can be found in our Human Resources Report. See db.com/ir/en/annual-reports

Employee matters

People strategy

The success of Deutsche Bank largely depends on the ideas, competence, commitment, and health of its employees. That is why the bank attaches great importance to offering its employees an attractive working environment so they can help the company become more innovative. The bank's Human Resources (HR) agenda seeks to create an environment where people can work in partnership and are enabled to deliver sustainable organizational performance.

Our HR strategy is embedded within individual Management Board objectives, which have been agreed with the Supervisory Board. In doing so, individual aspects and focus areas (e.g. achieving agreed diversity ratios) help us to measure individual performance and progress. This was reflected in our strategic HR priorities for 2018:

– Strengthening our talent agenda by expanding bank-wide leadership and Director/Vice President acceleration program coverage;
– Investing in the future of work;
– Further embedding diversity and inclusion in all people processes;
– Prioritizing the management of employee health;
– Supporting restructuring measures and enabling internal mobility.

Details of our HR priorities and programs, including personnel data, can be found in the Human Resources Report. See db.com/ir/en/annual-reports.

Implementing HR policies and standards

HR has a clear governance structure. Our global priorities and standards are defined and monitored by the Global HR Executive Committee. This includes the global heads of HR, the divisions and entities sharing responsibility for HR management, as well as the HR heads responsible for processes and products in the regions, and is responsible for defining and controlling Group-wide HR standards and policies. Deutsche Bank's revised Code of Conduct governs employee behavior by guiding them on how to act ethically, responsibly, and sustainably, and explaining how to deal with relevant risks, conflicts of interest, and confidential information.

Policies are a fundamental part of the bank's control environment and can be accessed by our employees via the Deutsche Bank Policy Portal. 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, compensation, off-boarding, termination, and employee-related incident management. Additionally, there are guidelines and policies for performance management procedures, disciplinary and dismissal procedures, grievance, and anti-harassment and bullying procedures, for example.

Recruiting and developing talent

Recruiting talent continues to be a key priority for Deutsche Bank. Filling open positions in front-office roles and operations centers was again a priority in 2018, as was hiring talent to meet the growing demand in regulatory roles (e.g. Anti-Financial Crime, Audit, and Compliance). Additionally, talent acquisition focused on insourcing of 1,207 external roles (2017: 1,446), particularly in IT, as well as hiring 1,517 graduates and vocational trainees (2017: 1,235).

Graduates and vocational trainees

We remain committed to the strategic priority of hiring graduates, as they contribute to our agenda of change, build culture, reflect our future clients, and diversify our organization. In 2018, we hired 910 graduates (excluding Postbank brand), 2017: 619). This increase was due to additional investments in the Corporate & Investment Bank (CIB) and our Technology function, particularly in Pune, where the intake doubled in a year-on-year comparison.

For the first time, the bank ran two separate orientation and training programs – one regionally in India for the bank's local Technology cohort and one in London, as in previous years.

Vocational training and dual studies are an important component of our junior staff strategy and offer an additional opportunity, particularly in Germany, to attract young talent to our company. This is of particular importance in the current training market, which is characterized by difficult recruitment conditions and declining target-group interest. Thanks to our marketing strategy #dbKarrierestart implemented in 2018 and the DB-Insider initiative, we were able to attract more attention to our offers in the course of the year and the number of applications received rose by about a fifth. In 2018, we hired 607 new vocational trainees (2017: 616).

Internal career mobility

Internal mobility plays a vital role in retaining qualified and talented employees and keeping their expertise and experience within the bank. In 2018, we continued to develop and embed our internal mobility strategy and uphold our commitment to filling vacant positions with suitable internal candidates. All vacant positions are first advertised to internal staff for at least two weeks. Prioritizing internal candidates helps employees affected by restructuring find new roles at the bank. We also promote cross-divisional mobility to enable employees to expand their skills and experience for rounded careers. Furthermore, internal mobility helps reduce the bank's redundancy and recruitment costs. 37 % (2017: 32 %) of all job vacancies were filled internally in 2018 (excluding Postbank brand). In Germany, the figure was 65 % (2017: 66 %) due to redundancies caused by restructuring measures, as well as by changes resulting from digitalization and control functions.

Leadership development

Launched in September 2018, the bank-wide speak-up campaign – Be on the right side – speak up – aims to support the introduction of the revised Code of Conduct, anchor the bank's values in our day-to-day business, and encourage all employees to promote an open and honest culture of discussion within the bank.

Deutsche Bank's Leadership Capability Model and our values and beliefs define what we expect from our leaders, as well as providing a shared view of the capabilities that are vital to leading employees and ensuring business success in line with our strategy and culture. These frameworks represent the foundation for our approach to developing leaders through a range of flagship programs.

We run two mandatory Management Fundamentals programs for new managers. The core program is designed for new managers up to vice presidents who are taking on people management responsibilities at the bank for the first time. The executive program is tailored to the needs of managing directors and directors. Both programs are built around three key areas: managing people, driving business success, and shaping culture. To date, more than 3,000 employees have attended these cross-divisional programs in more than 20 locations around the world. We also offer skill practice pods for experienced managers, focusing on topics such as Building Talent and Leading in Challenging Times. As of year-end 2018, 1,034 participants had attended skill pods around the globe (2017: 753).

Postbank brand offers its leaders a dedicated Management Curriculum program. The training courses are geared towards the different roles of a manager, e.g. as a strategy developer, change manager, or coach. Many courses can be attended jointly by managerial and non-managerial employees. In 2018, 429 Postbank brand employees attended a Management Curriculum training course (2017: 429).

Acceleration development

To help our employees develop professionally and personally and advance their careers, the talent acceleration programs at Deutsche Bank follow a cross-divisional approach. In June 2018, the fifth cohort of the Accomplished Top Leaders Advancement Strategy (ATLAS) acceleration program for female Managing Directors started with 21 female executives. This is the largest cohort to date, due to the strong talent pool identified for this program. The bank-wide Director Acceleration Program (DAP), which was launched in 2017 and received strong feedback following the first round, had 152 participants in 2018, with their development journey spanning twelve months. The Vice President Acceleration Program completed its third year in 2018. 41 % female participation was the highest proportion in the program to date. This six-month development journey comprises two modules held in Europe (London, Frankfurt, Milan), the Americas (New York), and Asia (Singapore).

Postbank brand has its own development programs, e.g. Advanced Professionals, a program aimed at supporting high performers in a specialist career and personal and professional stocktaking, the Junior Management Program, and the Management Program for non-managerial employees with the potential and drive to advance.

Changing the way we work

Technological developments offer unprecedented opportunities for banks. In their traditional business model, they are increasingly being challenged by providers of disruptive business models. Banks are faced with the task of making their existing business efficient and profitable while developing new business opportunities. Deutsche Bank’s aim is to position itself as a technology company, be a leader in digital banking with new ideas, and establish systematic research and development for innovations through combining state-of-the-art technology with analyst know-how, e.g. ROBIN, Deutsche Bank’s digital asset management. The continuous need to make decisions in this area demands not only the knowledge and experience of employees, but also a high degree of willingness and ability to develop completely new and hitherto unknown areas.

Designing effective and future-oriented HR work means explaining to existing and future employees the sense, direction, and orientation of Deutsche Bank’s path and strategy in our fast-moving and dynamic business environment. How quickly we recognize internal and external changes and how effectively we react to them to offer clients added value will be critical for success in the future.

At the same time, we need to make profound changes to the way we work – without neglecting traditional strengths. We have to work on the way we work and bring agility into our thinking. Today, the ability to change and adapt quickly has become a decisive success factor. As a result of demographic and cultural change, generation diversity, and increased mobility, to mention just three factors, we will experience social upheaval demanding completely new approaches. In order to further exchanges beyond Deutsche Bank, we engage in external dialogs, e.g. with other companies, universities, and politicians.

As an employer, we can only stay competitive if we proactively shape challenges. Today, we are already preparing our employees for these changing requirements – both professionally and mentally. In addition to attractive, contemporary learning opportunities and coaching, this includes a wide range of health care offerings and opportunities to combine personal and professional life.

Innovation

For us, employees are the key to innovation. This is why we encourage their intellectual curiosity and focus on lifelong learning and the courage to try things out. We promote a corporate culture that rewards innovative, agile, and creative work. In Germany in April 2018, we successfully started to test agile working methods for innovation within the HR department, and to develop user-centric solutions for concrete challenges in the following areas in multidisciplinary teams:

- Capabilities;
- Leadership, culture and cooperation;
- Welfare and benefits;
- Work environment and organization.

In view of the positive employee engagement, involvement of users in the development, and early testing with prototypes, we will continue this kind of work in an HR Greenhouse initiative in Germany where Deutsche Bank’s strategic intra-organizational HR challenges will be solved in multidisciplinary teams and a user-centric and agile manner.

Embracing diversity and inclusion

As a global organization, Deutsche Bank is committed to an inclusive culture that respects and embraces the diversity of our employees, clients, and communities. As diversity and inclusion are central to the bank's culture, we seek to:

- Build talented and diverse teams to drive business results;
- Create a respectful and inclusive environment where people can thrive;
- Strengthen our relationship with clients, partners, regulators, communities, and potential employees.

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 and digitalization, we follow an integrated and multi-dimensional approach to diversity and inclusion.

Throughout 2018, the bank continued its journey to embed diversity and inclusion in our people processes. The key focus areas in 2018 were as follows:

- Renewing our commitment to improve gender diversity: given that the current voluntary declaration to substantially raise the proportion of all female managers globally came to an end at the end of 2018, the Management Board agreed to set voluntary next-level goals;
- Strengthening the role and visibility of Employee Resource Groups (ERG): ERGs are critical to our employee engagement efforts and continue to be a key demonstration of our inclusive and diverse culture, both internally and externally;
- Advancing LGBTQI (Lesbian, Gay, Bisexual, Transgender, Queer, Intersex) inclusion worldwide: LGBTQI inclusion is widely seen as a leading indicator for the diversity and inclusion maturity of an organization.

Continuing our focus on gender diversity

Deutsche Bank continued its efforts to advance women in the workplace throughout 2018. The percentage of women on the Supervisory Board stood at 30 % at the end of the year (2017: 35 %), which met the statutory requirement of 30 % for listed and co-determined German companies under gender quota legislation introduced in 2015.

The Supervisory Board's latest target for the Management Board was set in 2017 as at least 20 % female members by June 30, 2022. This translates to two women given a Management Board size of between eight and twelve members. With one woman (Chief Regulatory Officer) currently on the Management Board, this target has not yet been met. Within the Diversity Principles of the Suitability Guidelines for selecting the members of the Management Board, the Supervisory Board is working towards the 2022 target.

As of year-end 2018, 20.8 % of positions at the first management level below the Management Board were held by female executives (2017: 18 %). At the second level below the Management Board, this percentage stood at 20.9 % (2017: 19.6 %). In accordance with legal requirement in Germany, the bank set targets for December 31, 2020, of 20 % and 25 %, respectively.

In 2011, Deutsche Bank signed a voluntary declaration to substantially raise the proportion of female managers globally by the end of 2018. As of year-end 2018, the percentage of female Managing Directors and Directors stood at 22.8 % (excluding Postbank brand 2017: 21.9 %). Since 2010, the number of women at this level has increased by 24.1 %. The share of female officers was 33.6 % (2017: 33.3 %).

While women's representation at Deutsche Bank is not where we want it to be, we continue to monitor and report on our progress to the Management Board. We have a variety of measures in place including talent development programs, manager training, best practices on people-related decisions, internal monitoring, and significant support for grassroots, employee-driven initiatives.

The Management Board remains committed to increasing the representation of women in leadership positions. In March 2019, the Management Board decided to restate our voluntary group-wide aspirational goals for the representation of women. Since transparency facilitates change, we have disaggregated our goals for December 2021 to focus on our top three corporate titles individually (in headcount): Managing Director (21 %), Director (28 %) and Vice President (35 %). This will also strengthen the internal pipeline for the two levels below the Management Board. We believe improved gender balance in leadership roles will meaningfully contribute to the future success of Deutsche Bank.

Creating an inclusive work environment

For the first time in 2018, Deutsche Bank made the list of the top 100 most inclusive companies on the Thomson Reuters D&I Index. Now in its third year, this investable index is informed by ESG data and evaluates companies on various components of inclusion. Deutsche Bank ranks #68 of all the 2,173 companies evaluated. This puts us in the top 100, which is the investible index referenced. In the banking services category, we ranked fourth out of 185 companies and sixth out of 84 German companies.

As one of many activities to support LGBTQI inclusion and to support the bank's LGBTQI colleagues, Deutsche Bank has a long-standing Allies program. These visible Allies, who do not self-identify with a particular LGBTQI group, play a key role to foster a culture of inclusion across the bank. As leaders and advocates of change at all levels of the organization they are helping LGBTQI employees to feel safe at work, to bring their whole self to work, and subsequently also to be more productive.

During almost 20 years of experience in diversity and inclusion, a number of key external partnerships were built across the globe. These partnerships not only help us to drive our internal agenda. They also enable us to share good practice and to positively impact on the societies we are operating in. We are convinced that his helps us to strengthen relationships with clients, partners, and communities.

- In Germany, the bank is a founding member and currently management board member of the *Charta der Vielfalt* (Charter of Diversity), an association under the patronage of Chancellor Angela Merkel that actively fosters diversity in the workplace;
- Elsewhere, Deutsche Bank is a founding signatory of the UK Treasury's Women in Finance Charter, promoting a more gender-balanced financial services industry, as well as the *Charte de la Diversité* in Luxembourg, the *Charter Diversidad* in Spain, the Manifesto for Women's Employment in Italy, and i-Gen, the Portuguese business forum for gender diversity.

Health management

At Deutsche Bank we prioritize the management of employee health. Our core health offering, which does not cover Postbank brand, includes preventative medical examinations for physical and mental health, fitness, and nutrition. Reports show that such examinations contribute to improvements in fitness, blood pressure, nutrition, and nonsmoking. Our Employee Assistance Program (EAP), which is available to all employees in Germany, supports staff in dealing with issues in their personal and professional lives, and also runs a confidential 24/7 hotline staffed by psychologists and therapists.

Work reintegration management

As required by the German Social Security Code IX, work reintegration management remains an important part of our work and health culture. Hence, we support employees who are unable to work – consecutively or overall – for more than six weeks in one year. By taking into account their situation and actively involving the individual employee, we determine the approach to reintegration at an early stage, with options ranging from staged re-entry to full-time work. In 2018, 441 people made a staged re-entry into work (2017: 429).

Postbank brand's own company health management program offers a wide range of measures, including personal consultations on specific health questions, effective short exercises for the workplace, regular personalized courses focusing on a selection of topics, and a free flu vaccination. Central health contacts are also available at 13 major Postbank sites to provide employees with advice and assistance on specific topics.

Mental health

At Deutsche Bank we attach great importance to our employees' mental health and well-being. To this end, we offer a wide range of mental health resources aimed at reducing the stigma associated with mental health and providing support both to those affected and to those closest to them. Our company-owned health insurance scheme (*Betriebskrankenkasse Deutsche Bank*) and our occupational health management program collaborate to run biannual preventive workplace health measures, with a special focus on psychological issues. The 2017-18 topic was the interdependence of psychological and physical health entitled Inner strength and outer power. In 2019-20, we will focus on mindfulness with the headline Mindful day by day. More than 300 events, workshops, and lectures have taken place since the launch of the program in 2014.

Restructuring our organization

Restructuring is a trend that spans the entire banking sector, not least due to the pace of digitalization. Deutsche Bank is no exception. The Management Board reduced the number of full-time employees to less than 93,000 by the end of 2018, with less than 90,000 expected by the end of 2019.

While implementing our strategy, as of December 31, 2018, Deutsche Bank had 91,737 employees, a decrease of 5,797 employees or 5.9 % in 2018. All regions have been impacted by the restructuring measures. Europe (excluding Germany) saw the sharpest decline in employee numbers (-2,672 FTE), largely driven by the sale of the retail business in Poland in the fourth quarter of 2018. In 2018, we continued to insource business-critical external roles, especially in IT.

Works councils and employee representatives

The Bank cooperates with employee representatives and their bodies on the basis of the relevant national legal regulations. Germany's Works Constitution Act governs the involvement of works councils by stipulating their rights and duties, and prescribing the cases and form in which employers are required to involve a works council. With members elected every four years, these councils represent the interests of our employees through entering into discussions and negotiations with Deutsche Bank as an employer. Our executive employees have their own representative body, which is also governed by German law (*Sprecherausschussgesetz*).

On the basis of the agreement on cross-border information and consultation of Deutsche Bank employees in the EU 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 German law prohibits us from asking our employees whether they are members of labor unions, we do not know how many of our employees are union members.

Employability

Deutsche Bank's holistic change concept, which is embedded in the bank's social plan, provides support to employees affected by restructuring measures by promoting employability and offering individual coaching in change scenarios. A comprehensive set of measures and systematic assistance is available to employees, managers, members of the works council and HR advisors involved in change processes. Furthermore, the concept supports the bank's strategy to fill open jobs with suitable internal candidates, as well as utilizing a dedicated network of external partners to identify job opportunities outside the organization. Since the beginning of 2016, approximately 15,000 employees have made use of the various offerings.

Key employee figures

Key employee data is shown below. For full details, as well as our strategic HR priorities and achievements, please refer to our Human Resources Report 2018.

	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Employees (in FTE)[1]	**91,737**	97,535	99,744
Regions (in %, FTE)			
Germany	45.4%	43.6%	44.7%
Europe (excluding Germany), Middle East and Africa	22.8%	24.1%	24.1%
Americas	10.3%	10.9%	11.0%
Asia/Pacific	21.5%	21.4%	20.2%
Divisions (in %, FTE)			
Corporate & Investment Bank	17.8%	18.1%	18.2%
Private & Commercial Bank	45.5%	45.1%	45.6%
Asset Management	4.4%	4.1%	4.1%
Non-Core Operations Unit	0.0%	0.0%	0.1%
Infrastructure	32.3%	32.7%	32.0%

	2018	2017	2016
Talent Management			
Global graduates hired	910	619	813
Vocational trainees hired	607	616	741
Number of vocational trainees at year end	1,459	1,641	1,902
Total hires (in k FTE)	8.9	10.3	10.5
Voluntary staff turnover rate	8.4%	7.8%	7.0%

	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Gender diversity			
Women on Supervisory Board	30.0%	35.0%	35.0%
Women on Management Board	1	2	2
Women at Management Board level - 1	20.0%	18.0%	16.0%
Women at Management Board level - 2	21.0%	19.6%	19.5%
Female staff (based upon global corporate titles, in FTE)[2]			
Female managing directors and directors	22.8%	21.9%	21.3%
Female officers	33.6%	33.3%	32.8%
Female non-officers	56.5%	55.8%	55.6%
Total female staff	**41.7%**	41.6%	41.5%
Age (in %, headcount)			
Up to 29 years	15.5%	16.2%	17.1%
Female staff	7.3%	7.6%	7.9%
Male staff	8.2%	8.6%	9.1%
30 - 39 years	29.3%	30.1%	29.9%
Female staff	12.2%	12.5%	12.4%
Male staff	17.1%	17.5%	17.5%
40 - 49 years	27.6%	27.7%	28.2%
Female staff	12.7%	12.9%	13.4%
Male staff	14.9%	14.8%	14.8%
Over 49 years	27.7%	26.0%	24.8%
Female staff	14.1%	13.2%	12.6%
Male staff	13.6%	12.8%	12.1%
Length of company service (in %, headcount)			
Up to 4 years	33.7%	34.5%	34.2%
5 - 14 years	27.4%	27.3%	27.3%
More than 14 years	38.9%	38.2%	38.5%

[1] In 2018 BHW KSG aligned its FTE definition to Deutsche Bank which increased the Group number as of December 31, 2018 by 95 (prior periods not restated)
[2] Amounts allocated to the business segments have been restated to reflect comparatives according to the structure as of December 31, 2018
[3] Excluding Postbank brand
Numbers may not add up due to rounding.

Society

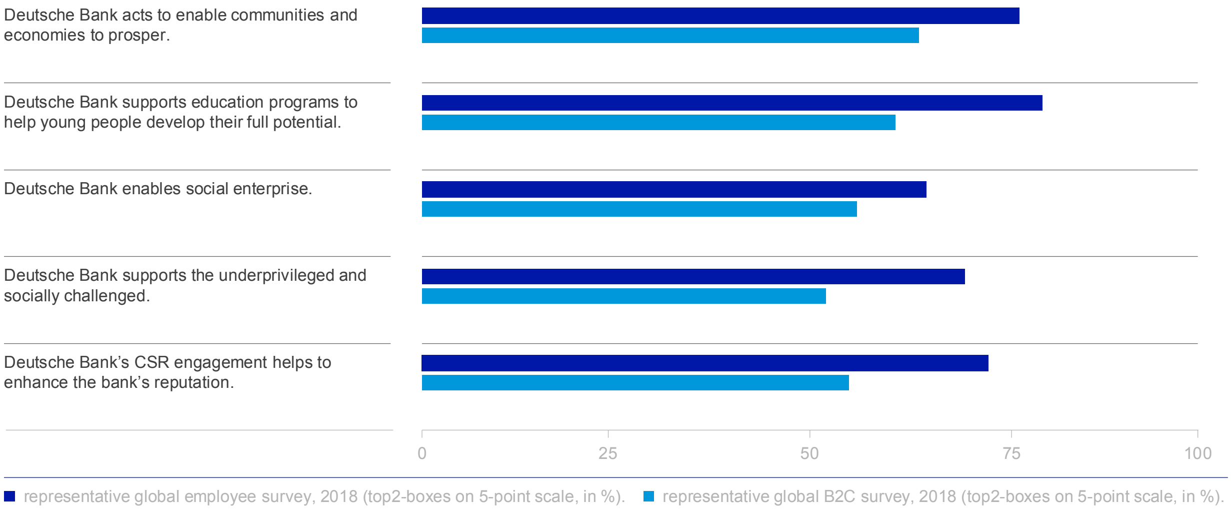
Corporate social responsibility

Deutsche Bank's social engagement contributes to the bank's stated purpose of enabling economic growth and societal progress. It does so by creating a positive impact on the communities we operate in. In spite of heightened budget pressures, we have impacted 1.8 million lives with the bank's corporate citizenship initiatives in 2018.

Deutsche Bank's corporate social responsibility (CSR) mission is to enable communities and economies to prosper. Our initiatives have a strategic focus on education, enterprise, and community, and we encourage our employees to underpin the bank's citizenship activities where they can. In Postbank brand, CSR initiatives are focused on Germany and bundled under the motto "We for children."

All of these programs help to build trust, employee and client loyalty, as well as strengthening our reputation as a socially minded enabler, reliable partner, and catalyst for societal change. To drive our CSR agenda and initiatives forward, we foster employee involvement, interact with stakeholders, seek long-term partnerships with charities, and support advocacy initiatives as well as intercompany efforts to promote impact orientation.

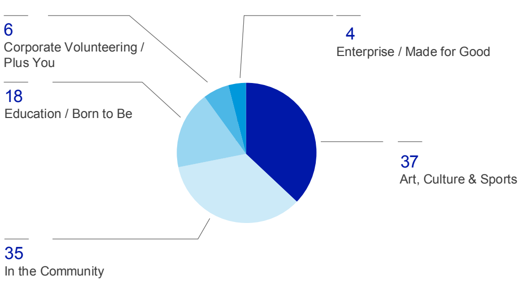
Stakeholder relevance of Deutsche Bank's CSR commitment



Our 2018 achievements demonstrate the consistent impact we make as a corporate citizen: we reached some 4.2 million people in all – 1.8 million through our CSR programs and some 2.4 million via our Art, Culture & Sports projects – and invested € 53.7 million in our initiatives. Some 18,000 Deutsche Bank employees (23 % of staff worldwide) and 260 Postbank brand employees in Germany engaged as corporate volunteers in civic projects.

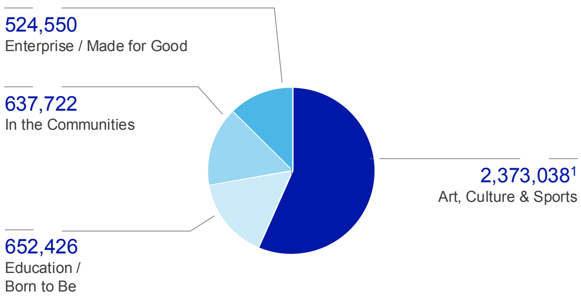
Input: Corporate social responsibility investments per area of activity

Total € 53.7 m., in %



Output: Beneficiaries in 2018/2019

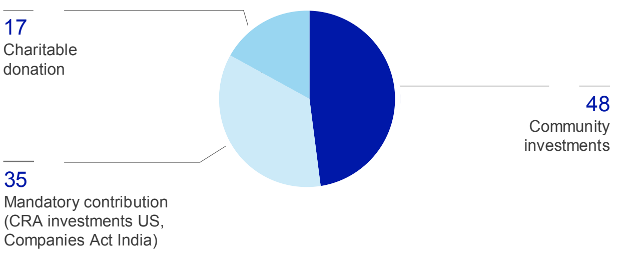
Total 4,187,736



Source: Global Impact Tracking 2018
[1] Assessment methodology changed vs. 2017; reach of Art, Culture & Sports-specific offers increased in 2018.

Motivation of contribution

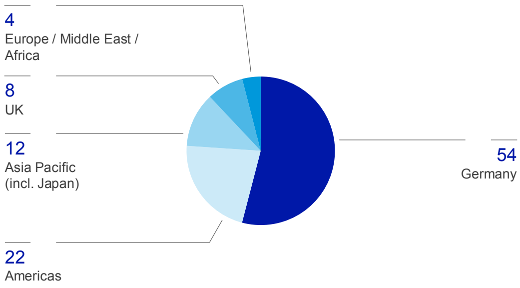
In % of projects



Source: Global Impact Tracking 2018, focus on CSR projects (47% of total investments)

Corporate social responsibility investments per region

Total €53.7 m., in %



CSR Key Performance Indicators

	2018	2017	2016
Total CSR investments, in € m. (excl. Postbank brand)	53.7	64.2	73.5
External perception of Deutsche Bank as a responsible corporate citizen (global B2B market) / (in %)[1]	60	65	65
People reached with CSR initiatives in m.	4.2	5.2	4.9
thereof:			
Born to Be, Made for Good, In the Community	1.8	2.1	2.4
Art, Culture & Sports	2.4	3.1	2.5

[1]Representative global B2B survey in 14 countries; top2 ratings on 5-point scale
[2]Assessment methodology changed vs. 2017; reach of Art, Culture & Sports-specific offers increased in 2018.

This report highlights some of our CSR activities. For details of other activities please see

db.com/cr/society

postbank.de/postbank/csr

Governance and impact tracking

Deutsche Bank's Communications & CSR team reports directly to the CEO. Dedicated policies and procedures, such as the Donations, Memberships, Sponsorships (DMS) Policy and CSR Cornerstones, constitute the mandatory operating framework for Deutsche Bank Group, and external partners acting on their behalf. Our social engagement is realized by our regional units and endowed foundations. New CSR project proposals can be evaluated along a standardized framework, and are subject to sign-off by local CSR teams, regional CSR councils, and/or Board members, depending on the value of the investment. In markets with defined legal or regulatory demands on social commitment, our CSR initiatives go beyond the minimum regulatory requirements since, whenever possible, we enhance our financial support with the professional expertise and networks of the bank and its employees. We welcome the Companies Act 2013 in India, fully embrace the Black Economic Empowerment (BEE) legislation in South Africa, and for over 25 years have received a consistent Outstanding rating for our Community Reinvestment Act (CRA) performance from the Federal Reserve Bank of New York.

To ensure that resources are deployed efficiently and projects are fully aligned with the strategic objectives of our CSR agenda, we annually monitor the direct impact of our investments and systematically collect feedback from our community partners via the Global Impact Tracking (GIT) tool. We also measure our projects' social return on investment (SROI) according to the London Benchmarking Group (LBG) methodology, as it is our bank's aim to move from mere charitable donations to strategic community investments. What we learn from the analyses enables us to improve our CSR portfolio over time. Our assessment of the focus and efficiency of our programs is based on three steps. The first step (Input) looks at the cash or in-kind donations, time, knowledge and expertise invested in a project. The second step (Output) reflects the output numbers, such as number of beneficiaries, project partners, corporate volunteers, and workshops held, as well as the leverage we activate from other sources, e.g. via fundraising contributions. Step three (Impact) documents the mid- to long-term impacts on the various stakeholders, based on project achievements, and satisfaction with the project objectives/cooperation. It also assesses a project's awareness rating and relevance along with its brand-building potential among all key stakeholders (beneficiaries, project partners, society, company, and employees).

Impact: How do our projects impact the beneficiaries?

Projects in total, in %

	Total	Education/ Born to Be	Made for Good	In the Community
Basis	n=364	n=153	n=60	n=137
Lives touched/ low impact	43	44	17	46
Lives enhanced/ medium impact	40	48	22	34
Lives changed/ high impact	50	49	82	35

Source: Global Impact Tracking 2018, focus on CSR projects

Born to Be – our youth engagement program

Deutsche Bank believes in the power of education. That is why Born to Be supports efforts to enable children and young people to fulfill their potential and secure gainful and rewarding employment later on. After all, education is key to both social and economic development and to social cohesion, as it enables people from disadvantaged backgrounds to earn a decent income and achieve a better quality of life. Born to Be does this by raising aspirations, attitudes and progression, by developing technical, academic and employability skills, and by enabling access and pathways to education and employment. Postbank brand focuses on supporting marginalized children with the help of fundraising contributions from employees and clients. In 2018, our education programs reached more than 652,000 children and young people in 153 projects in 27 countries. Since 2014, there have been 4.4 million Born to Be beneficiaries, and we are well under way to reach our target of 5 million in 2020.

Born to Be – facts and figures

	2018	2017	2016
Born to Be			
Born to Be projects supported by corporate volunteers (in %)	62	65	60
Cumulative Born to Be beneficiaries in m. (since 2014)	4.4	3.9	3.0

Born to Be – project highlights from Germany

Build Your Future

2018 was the first full year of the Build Your Future (*Baut Eure Zukunft*) program in Germany. Jointly initiated by Social Impact, Deutsche Bank, and Deutsche Bank Foundation, this program has been specifically designed for eighth and tenth graders. Build Your Future brings innovative design thinking into schools and encourages pupils to take on an active role in tackling a wide range of individual and social challenges, from bullying to poverty. It builds confidence and fosters new skills (see German website baut-eure-zukunft.eu).

FinanzTuber

In teaching children about financial topics, Deutsche Bank takes a fresh approach to make learning fun. That is exactly what FinanzTuber, a financial literacy project in Germany, does. Launched in 2018, this video competition enables sixth to eighth graders to learn more about money and financial topics in a hands-on way – by producing short video clips that teach their peers how to deal with the financial issues they face. Our employees can also volunteer to advise the children in this competition (see German website finanztuber.de).

Made for Good – our enterprise program for social good

Enterprise plays a vital role in the growth and prosperity of economies and societies worldwide. Nowadays, more and more entrepreneurs are opening up new ways to tackle poverty, unemployment, inequality, deprivation, and other socioeconomic challenges. One in four start-ups in Europe is estimated to be a social business. Yet recent research by Small Business Trends showed that 90 % of start-ups fail, and the hurdles are even greater for businesses with social goals. The business skills, networks, and sources of funding we provide can help start-ups, microenterprises, nonprofits, and the like to scale their offers. In line with Deutsche Bank's commitment to championing initiatives that drive positive societal change, the Made for Good program was set up three years ago to build the capacities of start-ups and early-stage enterprises that create social good. Since 2016, Made for Good has supported over 14,700 social enterprises and reached more than 640,000 people. In 2018, around 5,300 enterprises/social entrepreneurs in 16 countries benefited from over 17,700 hours of support provided by Deutsche Bank employees. We have thus made further progress towards achieving our ambitious goal of reaching a total of 20,000 enterprises by 2020.

Made for Good – facts and figures

	2018	2017	2016
Made for Good			
Made for Good enterprise projects supported by corporate volunteers (in %)	48	38	31
Cumulative number of participating social enterprises (since 2016)	14,733	11,754	9,812
Cumulative number of Made for Good beneficiaries (since 2016)	641,198	306,872	147,538

Made for Good – a project highlight from the UK

In 2018, Deutsche Bank and Nwes, the largest enterprise agency in the UK, launched We in Social Tech, a business accelerator that aims to reduce gender imbalance in the IT sector. This program supports female founders in the social tech sector in setting up, growing, or scaling their businesses within six months. It also offers the beneficiaries practical one-to-one mentoring from two expert mentors, one of whom is a Deutsche Bank employee. Participating businesses must be geared towards making a positive social impact (see weinsocialtech.co.uk).

Land of Ideas

In Germany, the Landmarks in the Land of Ideas competition continued to build the network of innovative entrepreneurs who connect worlds and hence promote solidarity in society. This network meanwhile consists of over 3,600 award-winning projects. Ten award winners received tailored mentoring within our Made for Good program and were thus able to improve their business plan, financing, or communication portfolio. In 2019, in view of the upcoming European elections, we are calling for projects that „digitize, revolutionize, motivate." and pursue innovative "ideas for work and education in Germany and Europe" (see db.com/cr/en/concrete-ldi-landmarks).

In the Community – strengthening neighborhoods

Deutsche Bank's strategy for alleviating poverty extends beyond philanthropy to include high-level field leadership in the form of coalition building, advocacy, and employee engagement. This broadens the scope of our programs and enhances the help for the disadvantaged or disenfranchised. Through our investments of both financial and human capital, we tackle issues like poverty, joblessness, homelessness, and forced migration. We also provide relief in emergencies and encourage forward thinking on emerging challenges. In 2018, we supported 137 community projects in 22 countries, impacting the lives of some 638,000 people. Since 2015, our community initiatives have impacted 2.8 million lives, and we are well on the way to making a positive impact on 4 million people by 2020.

In the Community – facts and figures

	2018	2017	2016
In the Community			
Community projects supported by corporate volunteers (in %)	53	52	50
Cumulative number of beneficiaries of community projects in m. (since 2015)	2.8	2.4	1.8

In the Community – a project highlight from the US

Deutsche Bank Americas Foundation is at the forefront of efforts to help vulnerable homeless populations. In the last three years it has invested over US $ 3 million to identify and promote the educational interventions that best support homeless students through a grant program entitled Educational Success for Students in Temporary Housing. In its first two years, this program reached over 8,300 students with direct services and yielded policy recommendations for the New York City Department of Education. One third of full-time US employees have joined the bank's commitment to this cause through a partnership launched in fall 2018 with the educational crowd-funding platform DonorsChoose.org. Employees were invited to direct Deutsche Bank microgrants (US $ 50) on the site, with a focus on classroom projects benefitting homeless students. Additional donations from employees, as well as matching funds from our campaign partners – Bill & Melinda Gates Foundation, Raikes Foundation and the rock band Pearl Jam – tripled our collective impact to over US $ 700,000 for over 1,500 classrooms in all 50 states (see db.com/usa/content/en/DonorsChoose).

Helping refugees

In response to the large inflow of refugees to Europe, and especially Germany, since 2015, Deutsche Bank joined forces with nonprofit organizations to facilitate the integration of refugees in both Germany and other countries. As a founding member of the We Together (*Wir zusammen*) initiative set up in early 2016, Deutsche Bank committed to engaging 1,000 employees to serve as integration coaches for refugees over the course of three years. This target was reached by the end of 2018, with more than 1,000 integration coaches helping refugees learn German, find employment, and become an integral part of German society. Four unique modules were implemented in 2018: Family Buddies facilitates the integration of entire families; Rainbow Refugees helps LGBTIQ refugees overcome the particular challenges they face; and e-start together, a digital language learning program, makes mentors available to refugees working in small or medium-sized enterprises that are part of the We Together network. In the UK our partnership with Breaking Barriers helps refugees to integrate into society via employment by improving IT and numeracy skills. The syllabus content was created by employees with ongoing volunteering support to deliver each course. Through our Plus You volunteering program, another 4,300 of our employees have volunteered over 7,700 days to support some 470 refugee-related community projects since 2015.

Plus You – our volunteering and giving community

For more than 25 years, Deutsche Bank has engaged employees in its corporate citizenship. Our people's commitment to helping others reflects the values Deutsche Bank lives by as well as our commitment to create a positive impact on society. With a wide range of volunteering opportunities and giving schemes available, our employees can take time out to share their professional and life skills or offer hands-on support to local community projects. Corporate volunteering not only boosts the impact of our CSR programs but also has a positive impact on the personal development, motivation, and loyalty of our employees.

In 2018, some 18,000 Deutsche Bank employees were engaged in volunteer projects, a participation rate of 23 %. Postbank brand employees supported 35 team challenges in Germany. A total of almost 210,000 hours – 48 % during and 52 % outside of office hours – were spent on volunteer work and over € 7.6 million generated through matched giving programs and fundraising initiatives. The matched giving and payroll giving schemes extend the reach and impact of initiatives that are close to the hearts of our people.

Despite the challenging operating environment, we were able to engage more colleagues in our Plus You volunteering and giving community than last year. Going forward, we aim to keep volunteering participation above 20 %, continuing our focus on skills-based opportunities and engaging our colleagues in an increasing share of projects. We will continue to encourage fundraising for charities, but have decided to adjust our previous target for annual matched giving totals to >€ 5 million – in line with reduced staff levels and budget restrictions.

Plus You – facts and figures

	2018	2017	2016
Plus You - Volunteering and Giving (excl. Postbank brand)			
Employees participating in the bank's volunteer programs	17,946	17,417	16,651
in % of total staff	23	22	20
Hours invested by corporate volunteers	209,122	235,783	188,000
Total employee donations and matching by Deutsche Bank, in € m.	7.6	10.5	12.6

Plus You – a project highlight from APAC

2018 was an especially hard year for the Asia-Pacific Region (APAC), as it was hit by multiple natural disasters. Our employees supported the disaster relief efforts with financial or in-kind donations and by volunteering their time. In March 2018, 100 of our APAC employees, half the entire Thailand branch of Deutsche Bank, were joined by 20 employees from eight other APAC countries in renovating a school in Thailand's Hua Hin province. This renovation was part of the bank's Born to Be program in partnership with *Rong Rien Khong Noo* (My School). This nonprofit raises money to build and renovate school buildings in remote villages, thus making schools more effective and enjoyable places for learning. So far, Deutsche Bank has helped rebuild 14 schools in ten years and donated bookshelves and books to another five schools in the area. Deutsche Bank and employees also donated over € 260,000 to help flood, earthquake, and drought victims in the APAC region. All of these initiatives were undertaken in close collaboration with local relief initiatives.

Alfred Herrhausen Gesellschaft

The Alfred Herrhausen Gesellschaft works to promote a free and open society and its cohesion. The work addresses individuals in positions of responsibility: decision makers and future influencers in politics, the economy, media, and society – here in Germany and across the world. The Alfred Herrhausen Gesellschaft focuses on the specific project areas Europe and Cities. A third, more flexible project area, is Free Thinking. See alfred-herrhausen-society.org.

Art, culture and sports

With our Art, Culture & Sports commitment we are investing in the future of society by making our initiatives and projects accessible to as many people as possible and supporting promising talent. Our Art, Culture & Sports Policy defines control principles and responsibilities for art-, culture-, and sports-related activities at Deutsche Bank.

Innovating at PalaisPopulaire

In September 2018, we launched PalaisPopulaire, an innovative new art, culture, and sports forum encompassing 3,000 square meters at a prime location in Berlin. Changing exhibitions with different international partner institutions and works from the Deutsche Bank Collection are on display here. Furthermore, we invite the public, clients, and employees to interactive cross-thematic talks and cultural evenings, such as concerts, readings, or dynamic sports workshops. Additionally, the PalaisPopulaire offers a broad educational program for children and adults.

Providing access to contemporary art

For more than 35 years, we have been offering access to contemporary art to employees, clients, and the general public through exhibiting our collection at more than 700 Deutsche Bank premises, at PalaisPopulaire, and international exhibitions, as well as through our educational programs. Deutsche Bank supports joint projects with museums, art fairs, and other institutions to award and encourage emerging artists.

ArtWorks, our global art program, aims to make art accessible to everybody. Our Head Office in Frankfurt is the heart of our global art activities. In 2018, more than 2,700 art enthusiasts visited our selection of some 1,800 artworks, with each floor of the Towers dedicated to one artist.

Partnering to promote culture

Promoting culture is an essential pillar of our corporate responsibility activities. Here, the focus is not only on long-term partnerships and important cultural institutions such as the Berlin Philharmonic Orchestra, but also on the promotion of young talent.

By partnering with the Berlin Philharmonic Orchestra since 1989, we have enabled educational programs that have introduced classical music to more than 56,000 children and young people. Moreover, by supporting the Young German Philharmonic Orchestra and Schloss Belvedere Music Academy we have provided practical support to young musicians. Whereas the Young German Philharmonic Orchestra prepares music students for careers in orchestras, Schloss Belvedere Music Academy supports some 120 students who enjoy a highly qualified music education while teaching them the skills needed for university.

Furthering talent in competitive sports

At Deutsche Bank we have supported competitive sports for decades because we believe that sport motivates people to be fair and perform to the best of their ability, regardless of the discipline.

As one of the five National Supporters, we continued to support the German Sports Aid Foundation, a privately funded initiative that furthers German athletes. In 2018, we again sponsored Sports Aid athletes through individual scholarships. We also sponsored the initiatives *Sprungbrett Zukunft* (Springboard to the Future) and *Unternehmen suchen Spitzensportler* (Corporations look for Elite Athletes) to help young top athletes advance their careers.

By establishing the Deutsche Bank Equestrian Sport Academy in 2016, we added a talent promotion component to our 60-year involvement in equestrian sports. Each year, the academy supports up to ten exceptional young dressage talents selected by the trainer of the German national equestrian team. They receive targeted training, access to selected tournaments, and advice from Deutsche Bank mentors. To encourage as broad a spectrum of young riders as possible, academy participants also become tutors themselves and train talented amateur riders.

Environmental commitment

In-house ecology

Today's severe environmental challenges, and in particular the risks associated with climate change, demand decisive action. At Deutsche Bank we see it as an integral part of our responsibility as a corporate citizen to manage and, where possible, minimize the environmental impact of our business operations, which means our offices and travel.

Reducing our environmental footprint

By signing the Paris Pledge in 2015, Deutsche Bank committed itself to contributing to the overall targets set by the Paris Agreement to limit global warming to 2 °C above pre-industrial levels. At Deutsche Bank our response has been to strive to reduce our environmental footprint and use resources as efficiently as possible. As the special report published by the Intergovernmental Panel on Climate Change (IPCC) in October 2018 revealed, our planet is warming up faster and with more serious consequences than previously assumed. Even if global warming is limited to 1.5 °C, the environmental impacts will be severe.

The most serious environmental impacts from our real estate operations come from the greenhouse gas (GHG) emissions derived from energy consumption in our buildings. We are continually enhancing our buildings' energy efficiency and reducing our energy consumption by using new, more efficient technology. We are also cutting back on business travel (particularly by air) to reduce both emissions and costs. Last but not least, we are striving to use water and paper responsibly, reduce the amount of waste we generate, and minimize the supply chain impact of our business operations.

Environmental management

We apply ISO 50001 in our energy management strategy in Germany. Across the 20 EU countries in which we operate, we follow the European Energy Directive (EED) and base our efforts on the respective national energy audit requirements. In applying the international GHG standard ISO 14064 we have developed an internal governance framework to manage data collection and define our management approach to quantifying and reporting emissions. Additionally, in compliance with ISO 50001, we assess our progress annually against energy and cost targets.

The involvement of all business functions relevant to our environmental impacts is essential in our management procedures: Facility Management (energy and water efficiency, waste and recycling), Group Travel (car fleets and business flights), and Procurement (paper consumption). We collect and collate data from all these sources to monitor our environmental performance. For example, our Eco-Performance Management Office (EcoPMO) produces monthly regional and global reports detailing the progress made against energy and water reduction targets.

Greenhouse gas reporting

We measure and report our Scope 1, Scope 2, and business travel GHG emissions based on the GHG Protocol reporting boundary, which is defined according to the GHG Protocol's operational control approach. This includes businesses and sites where Deutsche Bank staff hold executive positions in the company, and where our operational policies are implemented. Reporting scopes are defined according to the GHG Protocol and we also report according to the GHG Protocol's Scope 2 Guidance. We submit annually all the relevant fuel type, energy, and emission sources to the CDP (formerly Carbon Disclosure Project) – with the exception of Scope 3 investments, which are a significant source of emissions (see Climate risk).

Our reporting scopes are defined as follows:

Scope 1: Combustion of fossils fuels, owned and leased vehicles, and refrigerant leakage from cooling equipment.

Scope 2: Delivered energy, including electricity, district heating, steam, and cooling.

Scope 3: Indirect emissions from business travel (air, rail, taxis, and rented vehicles) where emission sources are controlled by others.

Environmental measures

The most relevant measures we have taken to minimize the environmental impact of our business operations are detailed below.

Energy efficiency and conservation

According to the UN Environment Program's Sustainable Buildings and Climate Initiative, buildings are responsible for at least 40 % of global energy consumption and about a third of greenhouse gas emissions.

We have put a particular emphasis on buildings in striving to improve our overall energy efficiency and reduce our energy consumption. In India, for example, our new buildings have been designed so as to enable energy savings, e.g. through desktop-on-demand (DoD) workplace technology. From our external facility management vendors we also demand a commitment to enhancing energy efficiency.

Thanks to progressive improvements in our electricity consumption, in 2018 we were able to raise our annual target of a 1 % reduction to a 1.5 % reduction, and are aiming to increase this to 3 % (from a 2018 baseline) for the period 2019-2021. The actual reduction achieved by the end of 2018 was 3.0 %. Each year, our EcoPMO conducts an in-depth analysis of the data to help us evaluate the performance of initiatives against targets, and to leverage synergies between our geographical regions.

Eco-efficiency tables

GHG emissions[1]

in t of CO_2e (unless stated differently)	Variance from previous year (in %)	Dec 31, 2018[1]	Dec 31, 2017[2]	Dec 31, 2016[2]
Total market-based GHG emissions[3]	(2.4)	214,244	219,424	238,012
Market-based emissions from building energy use	(1.6)	136,706	138,865	151,672
Emissions from business travel	(4.2)	73,717	76,927	79,807
Scope 1, direct GHG emissions	(1.3)	51,083	51,734	59,008
Natural gas consumption	(0.3)	30,559	30,658	32,885
Liquid fossil fuels[4]	(16.0)	631	752	1,050
HFCs[5]	5.2	3,821	3,632	6,533
Owned/leased vehicles	(3.7)	16,071	16,692	18,539
Scope 2, indirect GHG emissions	(1.8)	105,516	107,455	117,737
Market-based emissions from electricity consumption[6]	(0.4)	67,375	67,628	73,893
Steam, district heating and cooling	(4.2)	38,140	39,826	43,844
Scope 3, other indirect GHG emissions	(4.3)	57,646	60,235	61,268
Air travel	(4.3)	53,878	56,284	55,916
Rented vehicles and taxis[7]	(14.2)	1,991	2,321	3,660
Rail travel	9.0	1,777	1,630	1,692
Emissions reductions	N/M	0	0	0
Off set of market-based GHG emissions by retirement of high-quality carbon certificates[8]	0	100	100	100
Market-based GHG emissions (incl. renewables, excluding carbon credits)/rentable area per sqm[9]	1.8	0.06557	0.06442	0.06834
Market-based GHG emissions (incl. renewables, excluding carbon credits) per FTE[10]	(0.1)	2.24571	2.24900	2.35216
Total energy consumption in GJ[11]	(2.9)	3,357,271	3,455,925	3,769,917
Total energy consumption in GWh[11]	(2.9)	933	960	1,047
Electricity consumption in GWh	(3.0)	535	552	605
Energy from primary fuel sources (oil, gas, etc.) in GWh	(1.8)	222	226	241
Delivered heat and cooling in GWh[12]	(3.6)	175	182	201
Electricity from renewables in GWh[11]	(4.3)	423	442	485
Space-normalized energy consumption in kWh per sqm	1.3	285	282	301
Normalized energy consumption in kWh per FTE	(0.7)	9,775	9,839	10,349

[1] Data reported under 2018 relates to the period October 1, 2017 to September 30, 2018. Q4 2017 is used to represent activity of Q4 2018, with an uncertainty of +/- 5 % across all KPIs.
[2] Changes to the reported figures in previous years can be attributed to the following: a. Updated power grid factors b. Historic energy data updates (e.g. billing updates) c. Methodology changes.
[3] Total emissions are based on actual, estimated, or extrapolated data. All assumptions and calculation methodologies are in line with the ISO 14064 Standard Guidelines with supporting documentation. The most appropriate emission factors have been used for each activity data type, from internationally recognized sources, e.g. DEFRA (2017 and 2018), GHG Protocol, eGRID, and IEA (2018), RE-DISS (2016) or if more relevant, from country or contract specific sources. The factors include all GHGs where possible and the gases' Global Warming Potential as per the IPCC assessments.
[4] Emissions from liquid fossil fuels decreased in 2018, largely driven by a reduction in diesel use in India.
[5] Emissions from HFCs increased in 2018. The increase is in the expected range factoring in maintenance work conducted.
[6] Emission factors from IEA for electricity were used for the countries where Deutsche Bank operates (except for the US where the eGRID factors were used). The former set of factors is only available in tonnes of CO_2, while eGRID factors are specified in CO_2e. However, as the proportion of non-CO_2 GHG emissions is minute compared to CO_2, we are reporting all emissions from electricity in CO_2e.
[7] Emissions from rented vehicles and taxis has reduced, largely driven by a reduction on taxi spend in Germany and India.
[8] For 2018, carbon neutrality was accomplished by the purchase and retirement of verified emissions reduction units.
[9] All floor area metrics use an annual average derived from October 2017 to September 2018 data (3,267 million m2).
[10] All FTE metrics use an annual average for 2018 (95,402).
[11] Total energy consumption in gigawatt hours comprises all sources used in Scope 1 and 2: natural gas, liquid fossil fuels (mobile and stationary), renewable and grid electricity, district heating, cooling, and steam. Standard joule to kWh conversion factors were used. The only renewable energy source used is electricity and equals 1,523,989 GJ. There is no sale of electricity, heating, cooling or steam.
[12] Calculated electricity and heating intensities are used to estimate electricity and heating demand where data is not available. Calculated intensities from refrigerant gas loss are also used to extrapolate where data is not available.

Energy consumption reductions achieved in offices total 8.6 GWh from 170 initiatives (these saving are in-year, i.e. a saving completed in June only gets six months of savings towards 2018). The types of energy included in the reductions are electricity, district cooling, district heat, and natural gas. These totals exclude savings made in the Postbank brand portfolio.

Distance travelled

in km (unless stated differently)	Variance from previous year (in %)	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Total distance travelled	(3.7)	**641,212,313**	665,526,820	676,870,026
Total air travel[1]	(4.1)	**487,948,655**	508,925,234	506,218,268
Short-haul air travel	(4.2)	19,992,786	20,865,472	21,084,036
Medium-haul air travel	3.1	63,733,896	61,841,447	64,615,405
Long-haul air travel	(5.2)	404,221,972	426,218,316	420,518,827
FTE-normalized travel in km per FTE	(1.9)	5,115	5,216	5,003
Total rail travel[2]	2.8	**48,486,588**	47,162,896	46,486,406
Total road travel[3]	(4.3)	**104,777,070**	109,438,689	124,165,351
FTE-normalized total distance travelled in km per FTE	(1.5)	**6,721**	6,821	6,689

[1] Domestic and international air travel is derived from 99.91 % of actual flight data; the remaining 0.09 % is extrapolated based on cost. Air Travel uses GHG Protocol emissions factors. No radiative forcing factor is applied.
[2] Rail travel is derived from 97.24 % of actual rail travel data; the remaining 2.76 % is extrapolated based on cost.
[3] Taxi data reported includes data for countries based on cost and is calculated using a country level taxi tariff. For the Czech Republic, France, Hungary, the Russian Federation, the United Arab Emirates, and the United Kingdom, actual distance travelled and fuel data is used. Road travel uses DEFRA (2017 and 2018) emissions factors.
[4] Data reported under 2018 relates to the period October 1, 2017 to September 30, 2018. Q4 2017 is used to represent activity of Q4 2018, with an uncertainty of +/- 5 % across all KPIs.
[5] Changes to the reported figures in previous years can be attributed to the following: a. Historic data updates (e.g. billing updates, refunds) b. Methodology changes.

The publishing date of this report and the availability of data such as energy bills necessitated minor extrapolations to produce the data for 2018. Whether this makes a material difference to the data is under continual assessment.

Implementing carbon neutrality

One of the most important environmental targets is the endorsement by the Deutsche Bank Management Board of our commitment to continue to be carbon-neutral up to 2020. We have offset unavoidable carbon emissions covering GHG Scopes 1 and 2 and business travel since 2012 by purchasing and retiring high-quality emission reduction certificates. The carbon credits purchased in 2018 reveal investments in a diversified product portfolio supporting climate change mitigation and economic development in Africa, Latin America, and Asia. All offsetting projects comply with well-recognized global standards, including the Gold Standard (60 %) and the Verified Carbon Standard. All our carbon-neutral measures are subject to external assurance.

CO_2 offsetting portfolio - supported projects and regional split

	Dec 31,2018			
	Africa	Americas	Asia	Share
Wind energy		50,000		20 %
Biomass/biogas			0	–
Efficient cookstoves	50,000			20 %
Geothermal energy			50,000	20 %
Hydropower				–
Sustainable forest management/REDD[1]	25,000	25,000		20 %
Solar energy/photovoltaics			50,000	20 %
Share	30 %	30 %	40 %	100 %
Total	75,000	75,000	100,000	250,000

[1] Reducing Emissions from Deforestation and Forest Degradation

In line with general concerns about flying as a source of GHG emissions, our travel policy focuses on limiting the number of business flights by Deutsche Bank staff. As a result, the volume of air travel has been halved over the past six years. In 2018, we achieved a 4.1 % reduction in air travel from 2017.

In 2018, total emissions from market-based reporting (including the effect of buying renewable electricity) amounted to 214,244 metric tons of CO_2e, while emissions from location-based reporting (excluding renewables) were 387,582 metric tons of CO_2e. The difference between market and location emissions is primarily due to the renewable energy contracts, most significantly in our three largest electricity-consuming countries: Germany, the UK, and the US.

The contractual instruments supporting the zero-carbon, supplier-specific emission factors and used by countries with a large renewable electricity support include Renewable Electricity Certificates (RECs) in the US and Canada; Renewable Energy Guarantees of Origin (REGOs) for selected sites in the UK; Guarantees of Origin (GOs) in Germany; and International Renewable Energy Certificates (IRECs) in Spain. Austria, Italy, Belgium, Luxembourg, the Netherlands, and Switzerland also have zero-carbon electricity contracts.

Reducing waste, water, and paper consumption

We are also striving to reduce the amount of waste we produce, and to reduce water and paper consumption. We have cut our paper consumption through using fewer printers and pull-print technology, as well as changes in staff printing habits, such as using Desktop on Demand technology in meetings.

Waste and paper

in t (unless stated differently)	Variance from previous year (in %)	Dec 31, 2018[1]	Dec 31, 2017[2]	Dec 31, 2016[2]
Waste				
Waste disposed[3]	11.4	10,618	9,535	10,880
Normalized waste disposed in t per FTE	13.9	0.11129	0.09773	0.10752
Waste produced	(2.7)	21,104	21,695	25,037
Normalized waste produced in t per FTE	(0.5)	0.22121	0.22237	0.24743
Waste recycled[4]	(13.8)	10,486	12,160	14,157
Normalized waste recycled in t per FTE	(11.8)	0.10991	0.12464	0.13991
Waste recycled in %	(11.4)	49.7	56.1	56.5
Waste composted[5]	38.2	4,754	3,440	3,096
Waste with energy recovery[6]	(3.2)	4,638	4,791	5,900
Waste incinerated (without energy recovery)[6]	(9.6)	888	982	1,465
Waste landfilled	4.9	337	322	419
Hazardous waste[7]	(58.1)	79	189	215
Nonhazardous waste	(2.2)	21,024	21,498	24,819
Paper				
Copy/print paper consumed[8]	(3.4)	3,612	3,739	3,894
Recycled paper[9]	(7.0)	177	190	373
Recycled content in %	(3.8)	4.9	5.1	9.6
Normalized paper consumption in t per FTE	(1.2)	0.03786	0.03832	0.03848

1 Data reported under 2018 relates to the period October 1, 2017 to September 30, 2018. Q4 2017 is used to represent activity of Q4 2018, with an uncertainty of +/- 5 % across all KPIs.
2 Changes to the reported figures in previous years can be attributed to the following: a. Historic data updates (e.g. billing updates) b. Methodology changes.
3 Waste data including the disposal method and hazardous /non-hazardous split has been determined by information provided by the waste contractor. Waste data is extrapolated based on FTEs from Germany, the UK, the US and from twelve other countries, covering 75 % of FTEs. Waste data does not include project waste, e.g. from refurbishments.
4 In 2018, there was a 13.8 % decrease in recycled waste, mainly in Germany.
5 In 2018, there was a 38.2 % increase in composted waste largely driven by changes to disposal methods at Postbank brand sites and in the UK.
6 Waste incinerated (with and without energy recovery) has decreased in 2018, largely driven by the decrease in waste generation from Postbank brand sites.
7 Hazardous waste quantities have reduced due to a large reduction from Germany sites, partially driven by improved data quality.
8 Copier paper data (“materials used” in GRI reporting terminology) is extrapolated based on consumption per FTE from 21 countries covering on average, 80 % of FTEs.
9 A reduction in the number of printers, print pooling and behavioral change among staff has contributed to a reduction in paper use. A lower percentage of paper purchased in 2018 was from recycled paper. We continue to purchase paper originating from sustainably managed forests.

Water

in m³ (unless stated differently)	Variance from previous year (in %)	Dec 31, 2018[1]	Dec 31, 2017[2]	Dec 31, 2016[2]
Total water consumed (potable)[3]	(9.2)	**1,784,037**	1,965,367	1,740,032
Normalized water consumption in cbm per FTE	(7.2)	18.7	20.1	17.2
Space-normalized water consumption in cbm per sqm	(5.4)	0.55	0.58	0.50

1 Data reported under 2018 relates to the period October 1, 2017 to September 30, 2018. Q4 2017 is used to represent activity of Q4 2018, with an uncertainty of +/- 5 % across all KPIs.
2 Changes to the reported figures in previous years can be attributed to the following: a. Historic data updates (e.g. billing updates) b. Methodology changes.
3 Actual water consumption data is based on meter readings and invoices. Water figures are extrapolated on a site level, based on rentable area, and refer to potable (municipal) water only.

Supplementary information

About this report

This is Deutsche Bank's second Non-Financial Report, which details developments from January 1, 2018 to December 31, 2018. It communicates Deutsche Bank's management approaches for a determined set of non-financial and sustainability topics, major activities, and progress in 2018, as well as describing our governance and Group-wide policies and structures.

Reporting requirements

We comply with the German Commercial Code (*Handelsgesetzbuch* (HGB)) requirements for non-financial reporting and align our reporting process to the Global Reporting Initiative (GRI). In this respect, this report has been compiled in accordance with the GRI Sustainability Reporting Standards guidelines: core option. This report also serves as our Communication on Progress for the UN Global Compact (see GRI index and UN Global Compact). The information contained in this report is subject to independent assurance (see Independent Assurance Statement). References to information outside the Group Management Report do not form part of the Non-Financial Report and the independent assurance.

While we merged the legal entities *Deutsche Postbank AG* (Postbank) and *Deutsche Bank Privat- und Geschäftskunden AG* into *DB Privat- und Firmenkundenbank AG* in the reporting year, the integration process has not yet been fully completed. As a result, some content concerning Postbank brand is still presented separately in this report while other information is no longer explicitly disclosed for Postbank brand. Independent of the merger of the legal entity, Postbank brand continues to be present in the market as a key brand of our Private & Commercial Bank.

Content marked by a bracket in the margin corresponds to the legally required information in accordance with § 315b (3) HGB.

Materiality and risk assessment

To inform our non-financial reporting, and to identify topics deemed relevant to our business and stakeholders, we regularly perform materiality assessments. In 2018, we reviewed the existing list, identified emerging topics, and refreshed and consolidated the list of non-financial topics presumably material to Deutsche Bank and its stakeholders. We then conducted further analysis to refine the topics as necessary.

The 2018 materiality assessment evaluated the economic, environmental, and social impact of Deutsche Bank's business activities on the defined set of topics, as well as the impacts of these topics on Deutsche Bank. We took into account expectations of stakeholder groups, such as government, industry peers, non-governmental organizations (NGOs), and the financial market (sustainability ratings). To assess the impacts of Deutsche Bank on these topics, we conducted desk research and executed interviews with experts from various departments at Deutsche Bank. Additionally, we conducted market research among clients who provided insights regarding their perception of Deutsche Bank's impacts and non-financial topics to focus on.

Topic relevance is ranked on a five-point Likert scale from non-existent to very high. All topics identified as material to understand the impacts of Deutsche Bank's activities on these non-financial aspects are covered in this Non-Financial Report. Ensuring accordance with § 315c in connection with § 289c (3) of the German Commercial Code (*Handelsgesetzbuch, HGB*), we also assessed each topic's impact on Deutsche Bank's profit situation, net assets, and funding. Topics assessed as material on both dimensions constitute the topics covered by the separate non-financial Group report according to §§ 315b, 315c in conjunction with 289c to 289e HGB and are marked by a bracket accordingly. As a result of our previous materiality assessment in 2017, we classified the topic of digitization and innovation as material in our NFRep 2017. For the update of the materiality assessment in 2018, we did not assess the topic individually as its non-financial aspects are covered by aspects such as data privacy and protection, information security, and future workplaces as part of the chapter employee matters.

The final assessment results were validated by experts from relevant business divisions and functions as well as the global Head of Sustainability. The results of the materiality assessment (the materiality matrix) can be found in this report's (see Identfying material topics).

The various sections discuss Deutsche Bank's management of the issues and the progress it has achieved in the reporting period.

In accordance with §§ 315c in connection with 289c (3) no. 3 and 4 HGB, Deutsche Bank evaluates all potential significant environmental, social, and governance (ESG) risks of these topics in connection with its own business activities and business relations, as well as its products and services that are very likely and have or will have a severely negative impact on material non-financial topics. No such risks were identified.

As matters related to the environment and human rights at Deutsche Bank do not fulfil the materiality criteria of §§ 315c in connection with 289c HGB, we disclose relevant information such as our management approach, as well as results on matters related to the environment and human rights, in our Non-Financial Report outside of the Non-Financial Statement.

The boundary internal and external (client, shareholders, society) applies for: Anti-Financial Crime, Business Integrity, Climate risks, ESG due diligence, Information security, In-house ecology, Regulation, Sustainable Finance/Responsible Investments, Stakeholder Engagement, and Tax.

The boundary internal and external (client, society) applies for: Data protection, Product responsibility, Social responsibility.

The boundary internal applies for: Attracting talent and employee development, diversity.

The boundary external (client, society) applies for: Human rights.

We monitor all non-financial topics and their impacts on Deutsche Bank's situation and development closely in order to be able to identify changes of materiality and disclose them accordingly in future reports.

Material topic index

Reported topics	Chapter
Anti-Financial Crime[1]	Anti-Financial Crime
Attracting talents and employee development[1]	Recruiting and developing talent
Business integrity[1]	Business integrity
Climate risks	Climate risks
Data protection[1]	Data protection
Diversity[1]	Embracing diversity and inclusion
ESG due diligence	ESG due diligence
Human rights	Human rights
Information security[1]	Information security
In-house ecology	In-house ecology
Product responsibility[1]	Business integrity in client relationships
Regulation[1]	Public policy and regulation
Social Responsibility	Corporate Social Responsibility
Sustainable Finance and Responsible Investments	ESG product portfolio
Stakeholder Engagement	Engaging Stakeholders
Tax	Tax

[1] material in accordance with HGB

Report limits and further information

We regard this report as a supplement to the Annual Report and Human Resources Report of Deutsche Bank AG. A description of the business model of Deutsche Bank Group according to §§ 315c (1) in connection with 289c (1) HGB can be found in the Group Management Report starting on page 4. The description of the business model is part of the separate non-financial Group report.

In addition to the information in this report, you can access information and our key economic data from our Annual Report (see db.com/ir/en/reports-and-events).

Deutsche Bank's system for data generation and the aggregation of our greenhouse gas emissions is based on the GHG Protocol and ISO 14064. Our in-house ecology data is subject to additional external assurance (see Independent Assurance Statement).

As well as annually reporting on our corporate responsibility performance, we strive for transparency throughout the year by disclosing to sustainability rating organizations (see sustainability ratings) and publishing information on our corporate responsibility website, as well as through regional publications and other regular updates (see db.com/cr). This 2018 Non-Financial Report is also available in German. The next Non-Financial Report will be published in March 2020.

Reports of the Independent Auditor

Limited Assurance Report of the Independent Auditor regarding the separate non-financial group report

To the Supervisory Board of Deutsche Bank Aktiengesellschaft, Frankfurt am Main

We have performed an independent limited assurance engagement on the separate non-financial group report as well as the by reference qualified part "Our Organization" (further „non-financial group report"), of Deutsche Bank Aktiengesellschaft, Frankfurt am Main (further „Deutsche Bank") according to §§ 315b, 315c in conjunction with 289c to 289e of the German Commercial Code (HGB) for the period from January 1 to December 31, 2018.

Management´s Responsibility

The legal representatives of Deutsche Bank Aktiengesellschaft are responsible for the preparation of the non-financial group report in accordance with §§ 315b, 315c in conjunction with 289c to 289e HGB.

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the non-financial group report and the use of assumptions and estimates for individual disclosures which are reasonable under the given circumstances.

Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the non-financial group report in a way that is free of – intended or unintended – material misstatements.

Independence and Quality Assurance on the Part of the Auditing Firm

We are independent from the company in accordance with the requirements of independence and quality assurance set out in legal provisions and professional pronouncements and have fulfilled our additional professional obligations in accordance with these requirements.

Our audit firm applies the legal provisions and professional pronouncements for quality assurance, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

Practitioner's Responsibility

Our responsibility is to express a conclusion performed on the non-financial group report based on our work performed of the non-financial group report within a limited assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" published by IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that the non-financial group report, has not been prepared, in all material respects, in accordance with §§ 315b and 315c in conjunction with 289c to 289e HGB. We do not, however, issue a separate conclusion for each disclosure. In a limited assurance engagement the evidence gathering procedures are more limited than in a reasonable assurance engagement and therefore significantly less assurance is obtained than in a reasonable assurance engagement. The choice of audit procedures is subject to the auditor's own judgement.

Within the scope of our engagement, we performed amongst others the following procedures:

- Inquiries of personnel at Group level who are responsible for the materiality analysis to get an understanding of the process for identifying material topics and respective report boundaries for Deutsche Bank
- A risk analysis, including a media research, to identify relevant information on Deutsche Bank's sustainability performance in the reporting period
- Evaluation of the design and implementation of the systems and processes for the collection, processing and control of disclosure on environmental, employee and social matters, respect for human rights as well as combatting corruption and bribery matters, and further matters including the collection and consolidation of quantitative data
- Inquiries of personnel who are responsible for determining disclosures on concepts, due diligence processes, results and risks, the conduction of internal controls and consolidation of the disclosures
- Evaluation of selected internal and external documents
- Analytical evaluation of data and trends of quantitative disclosures which are reported by all sites on group level
- Assessment of the overall presentation of the disclosures

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial group report of Deutsche Bank Aktiengesellschaft for the period from January 1 to December 31, 2018 is not prepared, in all material respects, in accordance with §§ 315b and 315c in conjunction with 289c to 289e HGB.

Restriction of Use / Clause on General Engagement Terms

This report is issued for purposes of the Supervisory Board of Deutsche Bank Aktiengesellschaft, Frankfurt am Main, only. We assume no responsibility with regard to any third parties.

Our assignment for the Supervisory Board of Deutsche Bank Aktiengesellschaft, Frankfurt am Main, and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this report, each recipient confirms notice of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the General Engagement Terms with respect to us.

Frankfurt am Main, March 15, 2019

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Laue Wirtschaftsprüfer	Glöckner Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Limited Assurance Report of the Independent Auditor

To the Management Board of Deutsche Bank Aktiengesellschaft, Frankfurt am Main

We have performed an independent limited assurance engagement on the disclosures on sustainability performance in the Non-Financial Report 2018 (further „Report"), of Deutsche Bank Aktiengesellschaft, Frankfurt am Main (further „Deutsche Bank") for the period from January 1 to December 31, 2018.

It was not part of our engagement to review product or service related information, references to external information sources, expert opinions and future-related statements in the Report.

Management´s Responsibility

The legal representatives of Deutsche Bank are responsible for the accurate preparation of the Report in accordance with the principles and standard disclosures of the Standards of the Global Reporting Initiative in combination with the Corporate Accounting and Reporting Standard (Scope 1 and 2) and the Corporate Value Chain Standard (Scope 3) of World Resources Institute / World Business Council for Sustainable Development and the ISO 14064-3 for the calculation of the greenhouse gas emissions for scope 1, 2 and 3, as described in the chapter "Reporting transparently" (further: "Reporting Criteria").

This responsibility includes the selection and application of appropriate methods to prepare the Report and the use of assumptions and estimates for individual sustainability disclosures, which are reasonable in the circumstances. Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the Report in a way that is free of – intended or unintended – material misstatements.

Independence and Quality Assurance on the Part of the Auditing Firm

We are independent from the company in accordance with the requirements of independence and quality assurance set out in legal provisions and professional pronouncements and have fulfilled our additional professional obligations in accordance with these requirements.

Our audit firm applies the legal provisions and professional pronouncements for quality assurance, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

Practitioner's Responsibility

Our responsibility is to express a conclusion based on our work performed of the Report within a limited assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and the International Standard on Assurance Engagements (ISAE) 3410: "Assurance Engagements on Greenhouse Gas Statement" of the International Auditing and Assurance Standards Board. These standards require that we plan and perform the assurance engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that the Report, has not been prepared, in all material respects in accordance with the aforementioned Reporting Criteria. We do not, however, issue a separate conclusion for each disclosure. In a limited assurance engagement the evidence gathering procedures are more limited than in a reasonable assurance engagement and therefore significantly less assurance is obtained than in a reasonable assurance engagement. The choice of audit procedures is subject to the auditor's own judgement. This includes the assessment of the risk of material misstatement in the Report under consideration of the reporting criteria.

Within the scope of our engagement, we performed amongst others the following procedures:

- Inquiries of personnel at Group level who are responsible for the materiality analysis to get an understanding of the process for identifying material topics and respective report boundaries for Deutsche Bank
- A risk analysis, including a media research, to identify relevant information on Deutsche Bank's sustainability performance in the reporting period
- Evaluation of the design and implementation of the systems and processes for the collection, processing and control of the sustainability disclosures, including the collection and consolidation of quantitative data
- Inquiries of personnel who are responsible for providing the data and information, carrying out internal control procedures and consolidating the data and information
- Evaluation of selected internal and external documents
- Analytical evaluation of data and trends of quantitative disclosures which are reported by all sites on group level
- Assessment of the overall presentation of the disclosures in the Report

Conclusion

Based on the procedures performed and the evidence received to obtain assurance, nothing has come to our attention that causes us to believe that the Non-Financial Report 2018 of Deutsche Bank Aktiengesellschaft for the period from January 1 to December 31, 2018 is not prepared, in all material respects, in accordance with the Reporting Criteria.

Restriction of Use / Clause on General Engagement Terms

This report is issued for purposes of the Management Board of Deutsche Bank Aktiengesellschaft, Frankfurt am Main, only. We assume no responsibility with regard to any third parties.

Our assignment for the Management Board of Deutsche Bank Aktiengesellschaft, Frankfurt am Main, and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this report, each recipient confirms notice of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the General Engagement Terms with respect to us.

Frankfurt am Main, March 15, 2019

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Laue Wirtschaftsprüfer	Glöckner Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

GRI and UN Global Compact

Our Non-Financial Report provides a comprehensive disclosure of our material topics for our non-financial performance. Information on financial data is available in our Annual Report 2018. Disclosures included in the report were selected based on a materiality analysis conducted in 2018. Information on in-house ecology as well as information regarding Corporate Social Responsibility activities is not material based on the materiality assessment.

In order to give a better overview, the Non-Financial Report 2018 has been prepared in accordance with the GRI Standards: core option, including the specific Sector Disclosures for the financial service sector. Information can either be found on the referenced pages in the report, via links to other reports (e.g. Annual Report (AR) or the Human Resources Report (HRR)), or directly in this table. The information outside the Non-Financial Report, e. g. information in our 2018 HR Report is not part of the external limited assurance.

Furthermore, the Non-Financial Report also serves as our Communication on Progress for the UN Global Compact (UNGC), references are made in the index as well. By participating in the UNGC, we have committed ourselves to preserving internationally recognized human rights, creating socially acceptable working conditions, protecting the environment, and fighting corruption.

GRI Standards and Disclosures		Non-Financial Report and/or Link to Source	Remarks/Omissions	SDG and UNGC Reference
GRI 102: General Disclosures				
Organisation profile				
102-1	Name of the organization	Deutsche Bank Group		
102-2	Activities, brands, products, and services	AR 4ff. – Management Report – Deutsche Bank Group		
102-3	Location of headquarters	Frankfurt/Main, Germany		
102-4	Location of operations	AR 361ff. – Note 44 “Country by Country Reporting”		
102-5	Ownership and legal form	Deutsche Bank Aktiengesellschaft		
102-6	Markets served	AR 4ff. – Management Report - Deutsche Bank Group		
102-7	Scale of the organization	49 – Key employee figures AR – The Group at a glance AR 212ff. – Consolidated Financial Statements		
102-8	Information on employees and other workers	49 – Key employee figures AR 199ff. – Employees HRR 49	Unavailability of information. Standards for steering have been established. The material KPIs are tracked and reported in Deutsche Bank’s HR Report.	SDG 8 UNGC 6
102-9	Supply chain	41 – Reviewing vendors		
102-10	Significant changes to the organization and its supply chain	48 – Works councils and employee representatives AR 255 – Note 3 “Acquisitions and disposals, AR 256ff. – Note 4 “Business Segments and Related Information”		
102-11	Precautionary Principle or approach	13 – Responsibly designing and approving products 13 – Living out product and advisory principles 29f. – Governance structures for responsible actions		
102-12	External initiatives	6 – Globally challenging and emerging trends 29f. – Governance structures for responsible actions 32ff. – ESG product portfolio 38f. – Climate risks		
102-13	Membership of associations	db.com/cr/memberships		
Strategy				
102-14	Statement from senior decision-maker	3f. – Letter of the chairman of the Management Board		
102-15	Key impacts, risks, and opportunities	6 – Globally challenging and emerging trends 18 – Public policy and regulation 19 – Promoting sustainable finance 25f. – Information security 29f. – Governance structures for responsible actions 32ff. – ESG product portfolio 38f. – Climate risks		

GRI Standards and Disclosures		Non-Financial Report and/or Link to Source	Remarks/Omissions	SDG and UNGC Reference
Ethics and integrity				
102-16	Values, principles, standards, and norms of behavior	6 – Globally challenging and emerging trends 11 – Revised Code of Conduct 11 – The Culture, Integrity and Conduct program db.com/ir/code-of-conduct		UNGC 10
102-17	Mechanisms for advice and concerns about ethics	11 – The Culture, Integrity and Conduct program 17 – Complaint management 22 – Whistleblowing 22 – Combating bribery and corruption 26 – Information security – engaging stakeholders		UNGC 10
Governance				
102-18	Governance structure	AR VI – Management Board AR VII – Report of the Supervisory Board AR XVI – Supervisory Board 6 – Globally challenging and emerging trends 29f. – Governance structures for responsible actions 11 – The Culture, Integrity and Conduct program		
102-20	Executive-level responsibility for economic, environmental, and social topics	29f. – Governance structures for responsible actions 32ff. – ESG product portfolio 38 – Governance for managing climate risks 53 – Governance and impact tracking		
102-21	Consulting stakeholders on economic, environmental, and social topics	7 – Identifying material topics 9 – Engaging stakeholders 35ff. – ESG product portfolio –Asset Management		
102-22	Composition of the highest governance body and its committees	AR VI – Management Board AR VII – Report of the Supervisory Board AR XVI – Supervisory Board		SDG 5
102-23	Chair of the highest governance body	AR VI – Management Board AR VII – Report of the Supervisory Board AR XVI – Supervisory Board AR 393ff. – Corporate Governance Report – Management Board and Supervisory Board		
102-24	Nominating and selecting the highest governance body	db.com/ir/supervisory-board db.com/ir/management-board		SDG 5
102-25	Conflicts of interest	14 – Dealing with conflicts of interest	Partially reported. Whether conflicts of interest are disclosed to stakeholders, including cross-board memberships and cross-shareholding with suppliers and other stakeholders are not reported.	
102-26	Role of highest governance body in setting purpose, values, and strategy	db.com/ir/committees-of-the-supervisory-board 11 – The Culture, Integrity and Conduct program		
102-29	Identifying and managing economic, environmental, and social impacts	29f. – Governance structures for responsible actions		
102-31	Review of economic, environmental, and social topics	7 – Identifying material topics 65f. – Materiality and risk assessment 29f. – Governance structures for responsible actions		
102-32	Highest governance body's role in sustainability reporting	The Non-Financial Report Steering Group has reviewed and pre-approved the contents of the report. The CFO Disclosure Review meeting chaired by the CFO approves the Non-Financial Report. The final responsibility lies with the board of directors. The Supervisory Board reviews the content of the NFRep.		
102-35	Remuneration policies	AR 155ff. – Compensation report HRR 29ff. – Rewarding employees		

GRI Standards and Disclosures		Non-Financial Report and/or Link to Source	Remarks/Omissions	SDG and UNGC Reference
Stakeholder engagement				
102-40	List of stakeholder groups	9 – Engaging stakeholders		
102-41	Collective bargaining agreements	9 – Works councils and employee representatives AR 199ff. – Employees	We work with works councils that represent our employees' interests in negotiations with Deutsche Bank as employer, but do not report on collective bargaining agreements.	SDG 8 UNGC 3
102-42	Identifying and selecting stakeholders	9 – Engaging stakeholders	We do not explicitly explain the identification of stakeholders in the report. However, as a listed company, bank and financial services provider, our business model is particularly linked to clients, shareholders, employees, regulators and civil society.	
102-43	Approach to stakeholder engagement	9 – Engaging stakeholders		
102-44	Key topics and concerns raised	9 – Engaging stakeholders 7 – Identifying material topics 65 – Materiality and risk assessment 11 – The Culture, Integrity and Conduct program		
Reporting practise				
102-45	Entities included in the consolidated financial statements	AR 347f. – Note 39 "Information on Subsidiaries" AR 348ff. – Note 40 "Structured Entities" AR 364ff. – Note 46 "Shareholdings – Subsidiaries" AR 372ff. – Note 46 "Shareholdings – Consolidated Structured Entities"		
102-46	Defining report content and topic Boundaries	7 – Identifying material topics 65 – Materiality and risk assessment		
102-47	List of material topics	7 – Identifying material topics		
102-48	Restatements of information	65 – Materiality and risk assessment		
102-49	Changes in reporting	65 – About this report		
102-50	Reporting period	65 – About this report		
102-51	Date of most recent report	The 2017 Non-Financial Report was published in March 2018.		
102-52	Reporting cycle	65 – About this report		
102-53	Contact point for questions regarding the report	80 – Imprint/Publications		
102-54	Claims of reporting in accordance with the GRI Standards	65 – Reporting requirements		
102-55	GRI content index	71 – GRI and UN Global Compact		
102-56	External assurance	67 – Limited assurance report of the independent auditor The information contained in this report is subject to additional external assurance. Information in the HR Report are not part of the external assurance.		
Topic specific standard disclosures				
GRI 200 Economy				
GRI 201: Economic performance				
103-1	Explanation of the material topic and its Boundary	7 – Identifying material topics 65 – Materiality and risk assessment		SDG 8
103-2	The management approach and its components	5ff. – Purpose and management approach		
103-3	Evaluation of the management approach	6 – Globally challenging and emerging trends 8 – Validating our performance		
201-1	Direct economic value generated and distributed	AR – The Group at a glance AR 212ff. – Consolidated Financial Statements		SDG 5, 7, 8, 9
201-2	Financial implications and other risks and opportunities due to climate change	6 – Globally challenging and emerging trends 29ff. – ESG due diligence 38ff. – Climate risks 62 – Implementing carbon neutrality DWS Report 10f. – Clients and products	Partially reported. We have not identified substantial changes required in operations, revenue or expenditure posed by climate change. Therefore, financial implications or costs of actions are not reported for 2018.	SDG 13 UNGC 7
GRI 205: Anti-corruption				
103-1	Explanation of the material topic and its Boundary	7 – Identifying material topics 65 – Materiality and risk assessment 20 – Anti-financial crime		SDG 16
103-2	The management approach and its components	20f. – Managing financial crime risks		
103-3	Evaluation of the management approach	20f. – Managing financial crime risks		

GRI Standards and Disclosures		Non-Financial Report and/or Link to Source	Remarks/Omissions	SDG and UNGC Reference
205-1	Operations assessed for risks related to corruption	23 – Combating bribery and corruption	The number and percentage of operations assessed are not reported. We only report with regards to business areas that are assessed for corruption risks.	UNGC 10
GRI 300 Environment				
GRI 301: Materials				
103-1	Explanation of the material topic and its Boundary	7 – Identifying material topics 65f. – Materiality and risk assessment 59 – Reducing our environmental footprint		SDG 8, 12
103-2	The management approach and its components	59 – Reducing our environmental footprint 59 – Environmental management		
103-3	Evaluation of the management approach	59 – Environmental management		
301-1	Materials used by weight or volume	63 – Reducing waste, water, and paper consumption		SDG 8, 12 UNGC 7, 8
301-2	Recycled input materials used	63 – Reducing waste, water, and paper consumption		SDG 8, 12 UNGC 8
GRI 302: Energy				
103-1	Explanation of the material topic and its Boundary	7 – Identifying material topics 65f. – Materiality and risk assessment 60 – Energy efficiency and conservation		SDG 7, 8, 12
103-2	The management approach and its components	59 – Environmental management		
103-3	Evaluation of the management approach	59 – Environmental management		
302-1	Energy consumption within the organization	61f. – Eco-efficiency tables – GHG emissions		SDG 7, 8, 12, 13 UNGC 7, 8
302-3	Energy intensity	61f. – Eco-efficiency tables – GHG emissions		SDG 7, 8, 12, 13 UNGC 8
302-4	Reduction of energy consumption	60 – Energy efficiency and conservation 61f. – Eco-efficiency tables – GHG emissions		SDG 7, 8, 12, 13 UNGC 8, 9
GRI 303: Water				
103-1	Explanation of the material topic and its Boundary	7 – Identifying material topics 65f. – Materiality and risk assessment 59ff. – Reducing our environmental footprint		SDG 8, 12
103-2	The management approach and its components	59f. – Environmental management		
103-3	Evaluation of the management approach	59f. – Environmental management		
303-5	Water consumption	63 – Eco-efficiency tables – Water	Partially reported. It is not considered material as none of our sites are significant consumers in any catchment area under water stress.	SDG 6, 12 UNGC 7,8
GRI 305: Emissions				
103-1	Explanation of the material topic and its Boundary	7 – Identifying material topics 65f. – Materiality and risk assessment 59ff. – Reducing our environmental footprint		SDG 8, 12
103-2	The management approach and its components	59f. – Environmental management 60 – Greenhouse gas reporting 62 – Implementing carbon neutrality		
103-3	Evaluation of the management approach	59f. – Environmental management		
305-1	Direct (Scope 1) GHG emissions	61 – Eco-efficiency tables – GHG emissions		SDG 3, 12, 13, 14 UNGC 7,8
305-2	Energy indirect (Scope 2) GHG emissions	61f. – Eco-efficiency tables – GHG emissions		SDG 3, 12, 13, 14, 15 UNGC 7,8
305-3	Other indirect (Scope 3) GHG emissions	61f. – Eco-efficiency tables – GHG emissions		SDG 3, 12, 13, 14, 15 UNGC 7,8
305-4	GHG emissions intensity	61f. – Eco-efficiency tables – GHG emissions		SDG 13, 14, 15 UNGC 8
305-5	Reduction of GHG emissions	60 – Greenhouse gas reporting 61f. – Eco-efficiency tables – GHG emissions 62 – Implementing carbon neutrality	The base year of 2007 is the first year in which we had the most reliable and complete data, as well as the methodology and processes in place to calculate the global emissions of the organization. The most significant changes to the base year have resulted from improved extrapolation methodologies. The market-based methodology emissions in the base-year were 698,408 tonnes CO2e.	SDG 13, 14, 15 UNGC 8,9

GRI Standards and Disclosures		Non-Financial Report and/or Link to Source	Remarks/Omissions	SDG and UNGC Reference
GRI 306: Effluents and waste				
103-1	Explanation of the material topic and its Boundary	7 – Identifying material topics 65f. – Materiality and risk assessment 59ff. – Reducing our environmental footprint		SDG 8, 12
103-2	The management approach and its components	59f. – Environmental management		
103-3	Evaluation of the management approach	59f. – Environmental management		
306-2	Waste by type and disposal method	63 – Reducing waste, water, and paper consumption		SDG 3, 6, 12 UNGC 8
GRI 400 Social				
GRI 401: Employment				
103-1	Explanation of the material topic and its Boundary	7 – Identifying material topics 65f. – Materiality and risk assessment 43ff. – People strategy HRR 4f. – Shaping the future of work		SDG 5, 8
103-2	The management approach and its components	43ff. – People strategy HRR 4f. – Shaping the future of work HRR 10f. – Fostering career mobility		
103-3	Evaluation of the management approach	43ff. – People strategy HRR 4f. – Shaping the future of work HRR 10f. – Fostering career mobility		
401-1	New employee hires and employee turnover	43f. – Recruiting and developing talent HRR 53f. – Staff turnover	Partially reported due to confidentiality constraints: Although we report voluntary staff turnover in %, assessment and tracking of numbers related to turnover by age group, and gender are for internal use only. The HR report discloses staff turnover by region.	SDG 8 UNGC 6
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	47 – Health management 48 – Restructuring our organization HRR 27ff. – Rewarding employees HRR 30ff. – Wellbeing	Partially reported: Benefits provided to employees depend on country, region, and jurisdiction. Therefore, not all benefits are available to each employee.	SDG 8
GRI 404: Training and education				
103-1	Explanation of the material topic and its Boundary	7 – Identifying material topics 65f. – Materiality and risk assessment 43f. – Recruiting and developing talent HRR 17 – Accelerating development		SDG 4, 5, 8
103-2	The management approach and its components	43f. – Recruiting and developing talent HRR 4f. – Shaping the future of work		
103-3	Evaluation of the management approach	43f. – Recruiting and developing talent HRR 4f. – Shaping the future of work		
404-1	Average hours of training per year per employee	HRR 19 – Training	We do not report average hours of training in 2018 per employee. Our HR report discloses both training expenses (in EUR million) and training attendance.	SDG 4, 5, 8
404-2	Programs for upgrading employee skills and transition assistance programs	43f. – Recruiting and developing talent 45 – Changing the way we work HRR 16ff. – Development HRR 35ff. – Leadership and succession		SDG 5, 8
404-3	Percentage of employees receiving regular performance and career development reviews	HRR 26 – Comprehensive performance management	Not reported. Our HR report discloses our performance management processes, however it does not include percentages of employees receiving performance and development reviews.	SDG 5, 8 UNGC 6
GRI 405: Diversity and equal opportunity				
103-1	Explanation of the material topic and its Boundary	7 – Identifying material topics 65 – Materiality and risk assessment 43ff. – People strategy 46f. – Embracing diversity and inclusion HRR 4f. – Shaping the future of work		SDG 5, 8, 10
103-2	The management approach and its components	43ff. – People strategy 46f. – Embracing diversity and inclusion HRR 39 – An inclusive work environment HRR 40f. – Continuing our focus on gender diversity		
103-3	Evaluation of the management approach	46ff. – Embracing diversity and inclusion HRR 39 – An inclusive work environment HRR 40f. – Continuing our focus on gender diversity		

GRI Standards and Disclosures		Non-Financial Report and/or Link to Source	Remarks/Omissions	SDG and UNGC Reference
405-1	Diversity of governance bodies and employees	46 – Continuing our focus on gender diversity HRR 40f. – Continuing our focus on gender diversity AR VI – Management Board AR XVI – Supervisory Board AR 393ff. – Corporate Governance Report – Management Board and Supervisory Board		SDG 5, 8, 10 UNGC 6
GRI 412: Human rights assessement				
103-1	Explanation of the material topic and its Boundary	7 – Identifying material topics 65f. – Materiality and risk assessment 41 – Human rights 29f. – Governance structures for responsible actions		SDG 8, 16
103-2	The management approach and its components	41 – Screening client transactions 29ff. – ESG due diligence 29f. – Governance structures for responsible actions		
103-3	Evaluation of the management approach	41 – Human rights 29 – Governance structures for responsible actions		
412-2	Employee training on human rights policies or procedures	31 – Employee training and awareness	Partially reported. We report the business teams that receive training and the number of training sessions; not the number of hours or percentage of employees trained.	UNGC 1
GRI 414: Supplier social assessment				
103-1	Explanation of the material topic and its Boundary	7 – Identifying material topics 65f. – Materiality and risk assessment 41 – Human rights		SDG 5, 8, 16
103-2	The management approach and its components	41 – Human rights 29f. – Governance structures for responsible actions		
103-3	Evaluation of the management approach	41 – Human rights 29f. – Governance structures for responsible actions		
414-2	Negative social impacts in the supply chain and actions taken	41 – Reviewing vendors	Partially reported; we do not yet report the significant actual and potential negative human rights impacts in the supply chain and actions taken, but continue to identify vendors that might have potential negative human rights impacts. A percentage of identified vendors is not collected.	SDG 5, 8, 16 UNGC 2
GRI 417: Marketing and labeling				
103-1	Explanation of the material topic and its Boundary	7 – Identifying material topics 65f. – Materiality and risk assessment 13 – Responsibly designing and approving products 14 – Applying ethical standards in communications and marketing		
103-2	The management approach and its components	13f. – Business integrity in client relationships		
103-3	Evaluation of the management approach	13f. – Business integrity in client relationships		
417-1	Requirements for product and service information and labeling	13 – Responsibly designing and approving products 13 – Living out product and advisory principles 35ff. – ESG product portfolio – Asset Management	We follow product and advisory principles in designing and selling products, but we do not report the percentage of significant product or service categories covered by and assessed for compliance. The sourcing of product components and their disposal are not applicable to our business.	
GRI 418: Customer privacy				
103-1	Explanation of the material topic and its Boundary	7 – Identifying material topics 65 – Materiality and risk assessment Data protection		SDG 8
103-2	The management approach and its components	27 – Data protection management		
103-3	Evaluation of the management approach	27 – Data protection management		

GRI Standards and Disclosures		Non-Financial Report and/or Link to Source	Remarks/Omissions	SDG and UNGC Reference
Financial Services Standard Disclosures				
Product responsibility disclosures				
G4 DMA	Product and service labeling	11 – Revised code of conduct 11 – The Culture, Integrity, and Conduct program		
Product portfolio				
G4 DMA (former FS1)	Policies with specific environmental and social components applied to business lines	29 – Governance structures for responsible actions 35ff. – ESG product portfolio – Asset Management 38ff. – Climate risks 41 – Human rights DWS Report 12f. – Clients and products db.com/cr/es-policy-framework		SDG 10
G4 DMA (former FS3)	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	29 – Governance structures for responsible actions 35ff. – ESG product portfolio – Asset Management 38ff. – Climate risks 41 – Screening client transactions 41 – Reviewing vendors		SDG 10
G4 DMA (former FS4)	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	30 – Setting targets and implementing key measures 31 – Employee training and awareness 41 – Screening client transactions DWS Report 12f. – Clients and products		
G4 DMA (former FS5)	Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities	9 – Engaging stakeholders 29 – Governance structures for responsible actions 32ff. – ESG product portfolio 41 – Screening client transactions DWS Report 10ff. – Clients and products		SDG 10
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	32 – ESG product portfolio – Corporate & Investment Bank (CIB) 35ff. – ESG product portfolio – Asset Management	Partially reported: Where relevant we have reported the associated monetary value. A disclosure on the associated monetary value of every product and service designed to deliver a specific social benefit broken down by business line does not yet exist. We investigate possibilities to expand the tracking methodology.	SDG 8, 9, 10, 11
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	32ff. – ESG product portfolio	Partially reported. Where relevant we have reported the associated monetary value. A disclosure on the associated monetary value of every product and service designed to deliver a specific environmental benefit broken down by business line does not yet exist. We investigate possibilities to expand the tracking methodology.	
Audit				
G4 DMA (former FS9)	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	59f. – Environmental management 67ff.– Limited assurance report of the independent auditor		
Active ownership				
FS11	Percentage of assets subject to positive and negative environmental or social screening.	30f. – Setting targets and implementing key measures 30 – Robust transactional reviews 35ff. – ESG product portfolio – Asset Management	Partly reported. We do not report if positive or negative screening is required by law.	SDG 10
G4 DMA (former FS12)	Voting policy(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	35ff. – ESG product portfolio – Asset Management DWS Report 10ff. – Clients and products		
Society disclosures				
Local communities				
FS14	Initiatives to improve access to financial services for disadvantaged people	35ff. – ESG product portfolio – Asset Management		SDG 8, 10

Abbreviations

AATIF	Africa Agriculture and Trade Investment Fund
ABC	Anti-Bribery and Corruption
AFBC	Anti-Fraud, Bribery, and Corruption
AFC	Anti-Financial Crime
AFME	Association for Financial Markets in Europe
AM	Asset Management
AML	Anti-Money Laundering
APAC	Asia-Pacific
ATLAS	Accomplished Top Leaders Advancement Strategy
AuM	Assets under Management
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority)
BdB	Bundesverband deutscher Banken (Association of German Banks)
BEE	Black Economic Empowerment
BREEAM	Building Research Establishment Environmental Assessment Methodology
BSCO	Business Selection and Conflicts Office
CDP	Former Carbon Disclosure Project
CEEF	Clean Energy and Environment Fund
CEO	Chief Executive Officer
CFD	Contract for Difference
CIB	Corporate & Investment Bank
C&I	Culture & Integrity
CIC	Culture Integrity & Conduct
C&I OpFo	Conduct & Integrity Operating Forum
CIO	Chief Investment Officer
CISO	Chief Information Security Office
CRA	Community Reinvestment Act
CREF	China Renewable Energy Fund
CRegO	Chief Regulatory Office
CRM	Credit Risk Management
CSO	Chief Security Office
CSR	Corporate Social Responsibility
DAP	Director Acceleration Program
DoD	Desktop on Demand
DMS	Donations, memberships, sponsorships
EAP	Employee Assistance Program
EBA	European Banking Authority
EBF	European Banking Federation
EC	European Commission
ECB	European Central Bank
EcoPMO	Eco-Performance Management Office
EED	European Energy Directive
EEEF	European Energy Efficiency Fund
EFFAS	European Federation of Financial Analysts Societies
EFSE	European Fund for Southeast Europe
ES	Environmental and Social
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authority
EMEA	Europe, Middle East, and Africa
ERC	Enterprise Risk Committee
ETF	Exchange-traded-fund
EU	European Union
EuroSIF	European Sustainable and Responsible Investment Forum
FCO	Financial Crime Operations
FS-ISAC	Financial Services Information Sharing and Analysis Centre
FTE	Full-Time Equivalent
G20	Group of Twenty, an international forum that brings together the world's 20 leading industrialized and emerging econo-mies
GDP	Group data privacy
GDPR	General Data Protection Regulation
GHG	Greenhouse gas

GIT	Global Impact Tracking
GPGF	Global Product Governance Forum
GRC	Group Risk Committee
GRI	Global Reporting Initiative
GRRC	Group Reputational Risk Committee
GSIA	Global Sustainable Investment Alliance
HGB	German Commercial Code (Handelsgesetzbuch)
HR	Human Resources
IFC	Institutional Finance Corporation
ILO	International Labor Organization
IPCC	International Panel on Climate Change
IREC	International Renewable Electricity Certificate
ISO	International Organization for Standardization
IT	Information Technology
JMLIT	Joint Money Laundering Intelligence Taskforce
KfW	Kreditanstalt für Wiederaufbau (Germany's national promotional bank)
KRI	Key Risk Indicator
KYC	Know Your Customer
LEED	Leadership in Energy and Environmental Design
LBG	London Benchmarking Group
LGBTIQ	Lesbian, Gay, Bisexual, Transgender, Intersex, and Queer
MESGS	Minimum ESG Investment Standards
MiFID II	Markets in Financial Instruments Directive II
MRM	Market Risk Management
MTA	Mandatory time away
NFR	Non-financial risk
NGOs	Nongovernmental organizations
NPA	New product approval
NPS	Net Promoter Score
NTA	New Transaction Approval
OECD	Organisation for Economic Co-operation and Development
OFAC	Office of Foreign Assets Control
ORM	Operational Risk Management
PCA	Prevention of Corruption Act
PEP	Politically exposed person
PRA	Prudential Regulation Authority
PRI	Principles for Responsible Investment
REC	Renewable Electricity Certificate
RE-DISS	Reliable Disclosure Systems for Europe
REGO	Renewable Energy Guarantee Origin
RMC	Regulatory Management Council
SDG	Sustainable Development Goal
SI	Sustainable Investments
SME	Small and medium-sized enterprises
SPR	Systematic Product Review
SRI	Socially responsible investment
SROI	Social return on investment
TCFD	Task Force on Climate-Related Financial Disclosures
UK	United Kingdom
UKSIF	Sustainable Investment and Finance Association in the United Kingdom
UN	United Nations
UNGC	United Nations Global Compact
US	United States
USSIF	Forum for Sustainable and Responsible Investment in the United States
WD	Wealth Discretionary
WM	Wealth Management

Imprint/Publications

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Feedback from our stakeholders improves further development of our non-financial reporting. We look forward to new impetus and your opinion.

Publications

Publications relating to the financial statements

Annual Report 2018
(German / English)

Annual Financial Statements and Management Report of Deutsche Bank AG 2018
(German / English)

Non-financial Report 2018
(German / English)

Human Resources Report 2018
(German / English)

List of Advisory Council Members
(German)

All publications relating to our financial reporting are available at db.com/ir

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Editorial Comment

All the information in this report has been compiled in good faith and with the greatest care from various sources. To the best of our knowledge, the information and data contained in this report reflect the truth. Nevertheless, we cannot assume liability for the correctness or completeness of the information provided herein.

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Insofar as the masculine form is used in the contents of this report, it is assumed that this refers to both genders on equal terms.

We would like to thank all colleagues and external partners for their friendly support in making this report possible.

Forward-looking statements

This report contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of Deutsche Bank. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets, the development of asset prices and market volatility, potential defaults of borrowers or trading counterparties, the implementation of our strategic initiatives, the reliability of our risk management policies, procedures and methods, and other risks referenced in our filings with the U.S. Securities and Exchange Commission. Such factors are described in detail in our SEC Form 20-F of 22 March 2019 under the heading “Risk Factors”. Copies of this document are readily available upon request or can be downloaded from db.com/ir/en/reports-and-events.htm.

Our Purpose

This is why we're here. This is what we do.

We are here to enable economic growth and societal progress, by creating positive impact for our clients, our people, our investors and our communities.