



Sustainability – the new paradigm in corporate management

The Challenge

The market position of all corporations will be increasingly determined by their competence in the area of sustainability.

Sustainability poses a new challenge to the financial community and also opens up new opportunities within value-generating areas of action.

Areas of Action for Deutsche Bank

■ Management competence

- Strategic cross-department tasks, TQM
- Ecological, economic, social issues (regional, national, global)
- Coordinate efforts with other business areas, industries
- Global governance activities (NGOs, governments, businesses)

■ Core business area

- Advising and counseling: maximizing opportunities, minimizing risks
- Lending business/project finance/structured finance: Credit Policy
- Capital investments: development of new models, sustainability-oriented indices

■ Engagement in sustainable livelihoods

- New business-orientation (development of lasting concepts such as micro-credit funds)
- New forward-looking market segments

Added Value

- Active networks
- Innovation
- Securing markets and developing new market areas
- Potential to minimize risk



Deutsche Bank Microcredit Development Fund

Goal

- An innovative loan fund serving as a catalyst to foster market based relationships between Microfinance Institutions (MFIs) and local commercial banks – a sustainable source of capital enabling them to grow to scale and achieve self-sufficiency

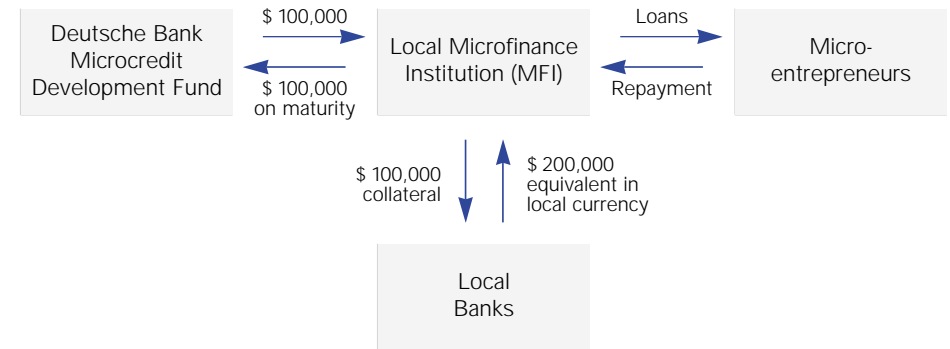
Background

- Established in 1997
- Managed by Deutsche Bank Americas Foundation
- Offers low-interest loans to Micro Finance institutions around the world
- Capitalization = approx. US Dollar 1.7 million to 19 institutions
- Funds from Bank and Private Clients (minimum contribution US Dollar 50,000)

Deutsche Bank Microcredit Development Fund

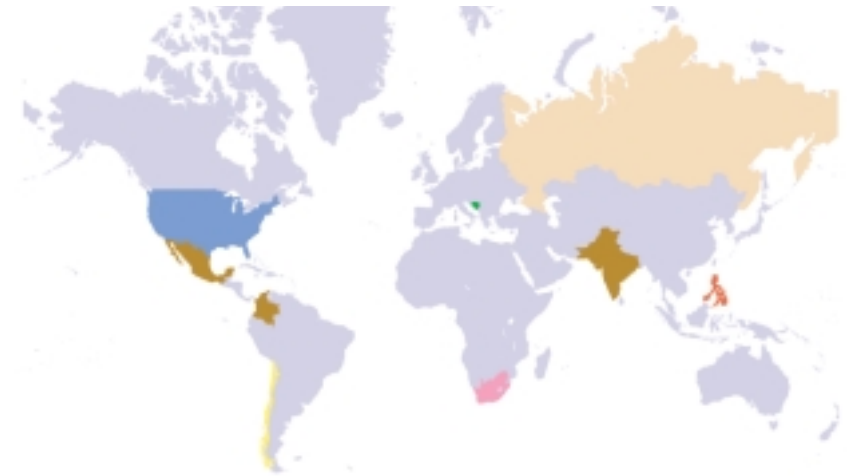
A typical Deutsche Bank Microcredit Development Fund Loan Structure

- 2 percent annual interest rate
- Quarterly interest payment in US Dollars
- 5 year maturity
- No amortization of principal



Partnerships around the world

- Accion International
- Asian Development Bank
- Grameen Bank and Grameen Foundation USA
- International Finance Corporation
- SHARE Group
- Women's World Banking
- World Bank



Microcredit and Sustainability

Commitment

■ Global

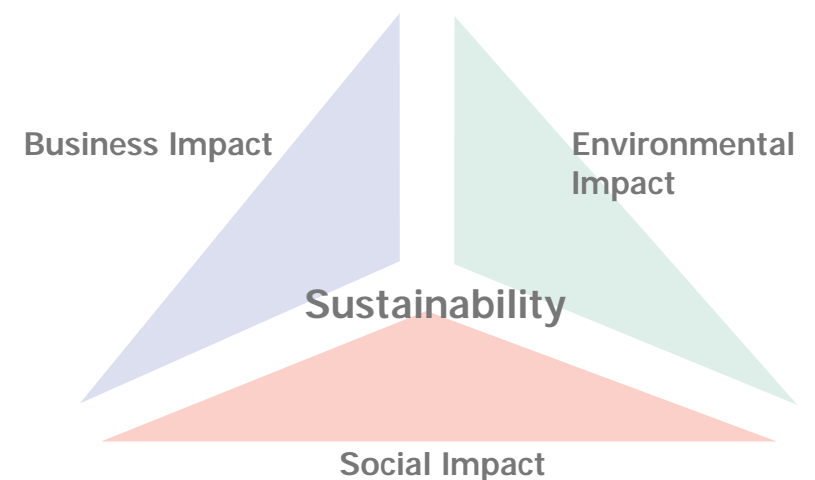
Microfinance support provided irrespective of Deutsche Bank business presence. We believe that supporting entrepreneurs is the key to developing future markets

■ Sustainable

Triple-bottom line effect – an all-encompassing part of Deutsche Bank's business policy: Microfinance has the power to positively affect economy, ecology and society without an on-going reliance on charity

■ Inclusive

Deutsche Bank employees around the world are becoming increasingly involved through working groups and in-country relationships



UNEP Finance Initiatives



UNEP Finance Initiatives (FI)

- Conceived at the Rio Earth Summit
- Growth from 1992-2001: from 6 banks to 270 financial institutions
- UNEP FI statements of commitment
 - Banking sector: Financial Institutions Initiative (FII): 180 financial institutions
 - Insurance sector: Insurance Institutions Initiative (III): 90 insurance companies

UNEP Financial Institutions Initiative (FII)

- Goal: to promote sustainability excellence across the finance sector
- Specialist working groups
 - Asset Management/Climate Change/Environmental Management and Reporting
 - Finance Sector Report for World Summit for Sustainable Development 2002, Johannesburg

Deutsche Bank

- Founding member and Co-author of UNEP declaration
 - “ A statement by Banks on the Environment and Sustainable Development”
- Chairposition since 2000: Hanns Michael Hölz, Deutsche Bank Global Head of Sustainable Development

UN Global Compact



Overview

- Background: 1999 Davos WEF, Kofi Annan challenges world business leaders to “embrace and enact” a set of universal principles
 - Human Rights/Labor/Environment
- Global Compact Inaugural Meeting July 26, 2000, New York City
 - 40 Corporations, NGOs, CSOs
- At present
 - 400+ corporations have signed
 - Regional support networks established and growing

Deutsche Bank

- Original signatory and Member of Kofi Annan’s Advisory Council
- Active support
 - “Friends of the Global Compact-Germany” / Learning Forum
 - Awareness in general public, encouragement of other corporations
 - Best-practice: Deutsche Bank Microcredit Development Fund/Sustainable Development

Global Reporting Initiative (GRI)

Global Reporting Initiative



Overview

- Multi-stakeholder process to develop, promote and disseminate a generally accepted framework for voluntary reporting of the economic, environmental and social performance of organizations
- Conceived by the Coalition for Environmental Responsible Economies (CERES) in late 1997
- Inauguration of the GRI: April 4th, 2002, United Nations, New York City

Deutsche Bank

- Member of the Board of Directors (14 total members)
- Part of Deutsche Bank's governance philosophy
- Opinion leader and institution builder

Global Reporting Initiative (GRI)

Global Reporting Initiative

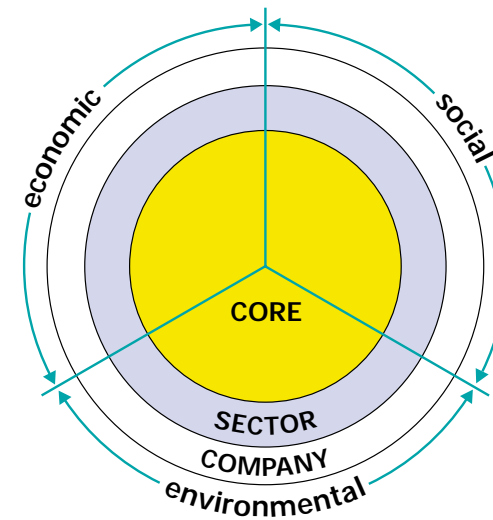


Mission

- Elevate economic, environmental and social reporting to routine practice and to the highest standards of rigor and comparability
- Design and continually improve reporting guidelines reflecting the three dimensions of sustainability: economy, environment and society
- Create a global and independent institution to become steward of the Guidelines

Why Companies use the Guidelines

- Benchmark/enhance efficiency
- Internal management improvements
- Stakeholder consultation
- Attract employees and investors
- Manage risk and protect reputation
- Competitive advantage



The Bellagio Forum for Sustainable Development

- Founded in 1993
- International network of foundations, NGOs, media institutions and corporations (MacArthur, Reuters, Rockefeller, Shell, Sony, World Bank, Deutsche Bank Americas Foundation, etc.)
- Catalyst between private sector, civil society, academia and government to design and implement sustainability projects
- Projects and programs designed to be innovative, transnational, interdisciplinary in scope
- 4 types of projects and programs:
Policy/Research/Sustainable livelihoods/Media
- WSSD Statement
 - Endowment Asset Management
 - Creating a market for Socially Responsible Investment (SRI)





Sustainability – A Challenge for Management

■ Commitment

Courage and vision, Sustainability-Guidelines clearly anchored in the corporate policy, positioned as a management function and establishment of a management system

■ Concepts

Quantifiable and qualifiable target definitions, strategic and operational integration as a corporate-wide issue, innovation

■ Competence

High quality and performance standards, establishment of steering and control functions, analysis and complete utilization of synergies/interdependencies, systematic evaluation, development of knowledge management

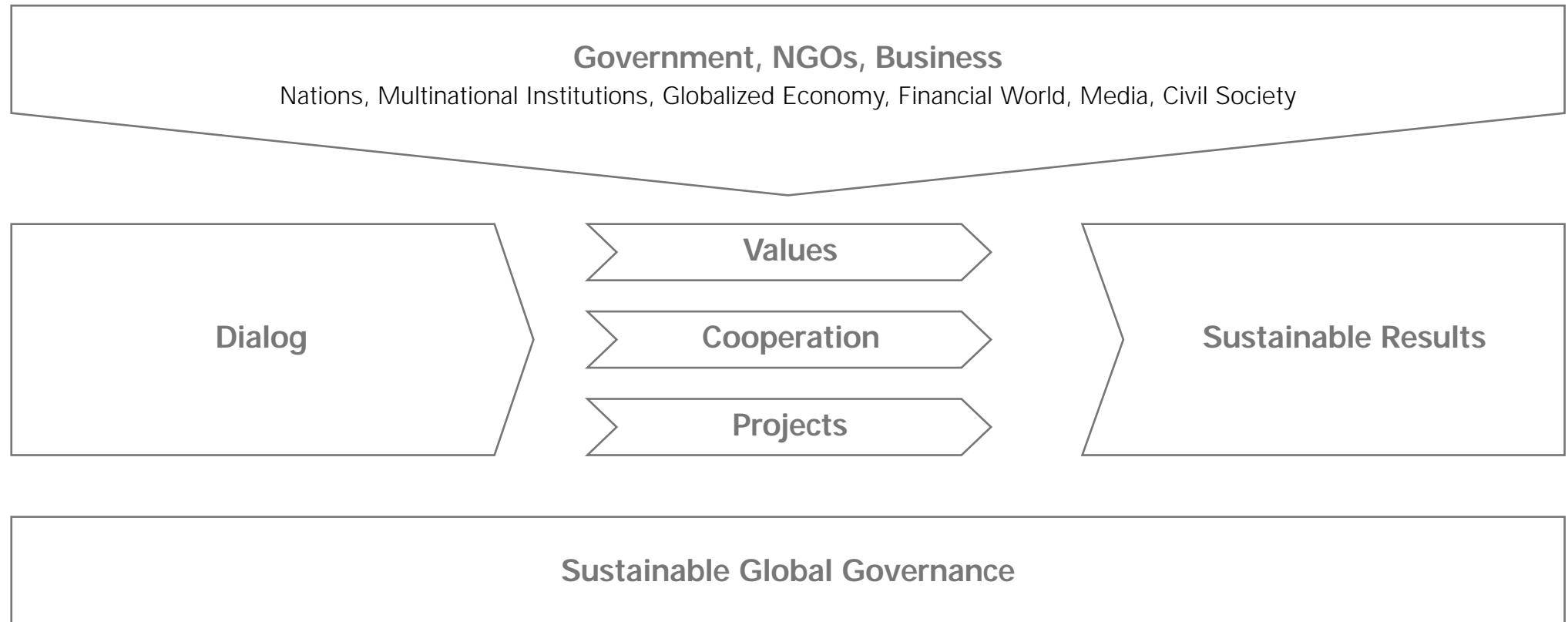
■ Connections

Establishment of a targeted and efficient networking, new access-strategy for the national and global knowledge and information transfer, strategic alliances and co-operation with worldwide organizations

■ Communication

Transparency of business decisions, concrete definition of the activities, continuous dialog with stakeholders

Sustainability: "Think global – act local"



Peace Parks Foundation



What are Peace Parks?

■ Concept

- Preserving the environment/biodiversity
- Sustainable economic development/Job creation
- Regional stability/Promoting neutral understanding

■ Training

- Wildlife college (conservation managers, game rangers, field guides)

■ Employment

- College for Tourism (guesthouse managers, owners, operators)

■ Trans-national

- Cooperation between nations and the beneficial economic results

Deutsche Bank

- Help to establish charitable entities throughout Europe
- Access to Private Client Network
- Facilitate contacts to Deutsche Bank partners (Foundations, NGOs, Governments and others)