

Jürgen Fitschen,
Co-Chairman
Deutsche Bank AG
Taunusanlage 12
60262 Frankfurt AM MAIN
Germany

20 March, 2013

Dear Mr. Jürgen Fitschen,

We are an alliance of civil society groups monitoring the human rights and environmental impacts of the POSCO-India project. On the eve of the Annual General Meeting of Pohang Steel Company Limited ('POSCO'), we write to urge you to use your influence as a high-profile and respected shareholder in POSCO to:

- Strongly urge POSCO management to:
 1. Refrain from any involvement in the interference of the human rights of local people impacted by their proposed steel plant and port operation of POSCO (India) Private Ltd. ('POSCO-India), in the east Indian state of Odisha;
 2. Uphold the provisions of the *Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights Act) 2006* (Forest Rights Act), and thereby also the will of the local people as expressed in the Gram Sabhas (local unit of self governance) of March 23, 2008, February 7, 2010, and October 18, 2012 – all of which denied consent for the taking of their land for use in the project;
 3. Refrain from any land acquisition and construction activities in the project area, thereby upholding the suspension on March 30, 2012 by the National Green Tribunal of the 2011 environmental clearance for the project (and subsequent withdrawal by the Ministry of Environment and Forests);
 4. Refrain from participating in, and publicly recommend that State authorities permanently halt, all attempts to forcibly enter into the project area for any reason;
 5. Refrain from using force and violence against the villagers and those protesting against the project;
 6. Respect international human rights law, standards and norms, and stand by POSCO's recently stated intent (in a letter to the UN Secretary General) to uphold human rights (see Briefing Note);
 7. Have senior management staff meet with two Indian representatives of the locally affected people during a trip they are making to Seoul, between March 20-22, 2013.
- Publicly urge the Indian Government to:
 1. Refrain from forced entry into the project area and the undertaking of any activities aimed at forcibly evicting local residents of Jagatsingphur District, including the destruction of their means of livelihood (i.e. betel vines);
 2. Uphold the provisions of the Forest Rights Act 2006, and thereby also the will of the local people, as expressed in the three aforementioned Gram Sabhas;
 3. Stop using, and/or the threat of using, arrest warrants to harass and detain local people on false criminal charges.
- Send senior representatives of your company, together with representatives of other shareholders and independent human rights experts, to conduct an independent human

rights and legal monitoring mission in the affected area, meeting and consulting directly with affected villagers.

Should POSCO-India reject these recommendations, we respectfully urge your company to withdraw from all investment in POSCO.

Please find attached a Briefing Note on the case, detailing further information of the human rights and other concerns mentioned above.

Background

The POSCO-India project in Odisha was originally designed, in a Memorandum of Understanding (MoU) between the POSCO Corporation and the Government of Odisha, as a 12 million tonne per year steel plant, with a captive port and iron ore mine. Four thousand acres of land have been earmarked for the project. Appropriation of this land would involve the eviction of an estimated 22,000 people and indirectly disrupt and affect the lives and livelihoods of a further 30,000 people, just in Jagatsingphur District alone.

Our alliance of civil society groups, that is monitoring the human rights and environmental impacts of the POSCO-India project, is deeply concerned about the serious human rights violations that people affected by the project and those resisting the project in Jagasingphur District are facing. We are also gravely concerned about the prospect that POSCO-India's planned forcible eviction of residents would severely further undermine the human rights of local people. Similarly we're also distressed by the degradation in human rights, including the rights to food, health, livelihood/work, participation and security of the person and home, experienced by people living in POSCO-India's transit camp for the past five years.

Reputational risks for Deutsche Bank AG

We acknowledge that by its Code of Responsible Conduct for Business, Deutsche Bank AG has committed itself to the principle that "business must serve the good of the people." Deutsche Bank's Code elaborates that *"the competition between communities and countries to attract business and the consequences of social change have led to a 'devaluation' of familiar, traditional ways of working. At the same time, the demand for other ways of working is increasing. This leads to progress and benefits, but it also causes hardships. We are committed to avoiding these hardships as far as possible, or at least to limit their consequences, in cooperation with our social partners and state institutions."*

The project in India has significant risks, given on-going wide exposure it continues to receive in India and abroad. The increasing domestic and international public pressure campaign in India, South Korea and the USA exposes Deutsche Bank's exceptional reputation to growing risks, given the affiliation your company has with the deaths and other on-going severe human rights abuses being perpetrated in the name of this private investment project, and those invested in it.

Deutsche Bank is also committed to international agreements such as the OECD Principles for Multinational Enterprises and the UN Global Compact Principles. The OECD Principles state that businesses should "avoid causing or contributing to adverse human rights impacts and address such impacts when they occur", as well as "seek ways to prevent or mitigate adverse human rights impacts that are directly linked to their business operations, products or services by a business relationship, even if they do not contribute to those impacts." The National Contact Point of the Netherlands recently stated that "The NCP would like to emphasize that the Guidelines are applicable to financial institutions and to investors, including minority shareholders. The NCP finds that the term "business relationship", as referred to by the Guidelines, is applicable to financial

relationships". Similarly, according to Deutsche Bank's commitment to the UN Global Compact, you are required to "support and respect the protection of internationally proclaimed human rights" and "make sure [you are] not complicit in human rights abuses".

Deutsche Bank has remarked, "*business can only perform its role of social cooperation in the service of the people if all of those involved live up to their responsibilities. For us, corporate responsibility primarily means that we have to be reliable and keep our promises. We must keep to the rules and pursue any infringements of the rules as far as we are able*". We urge you to reflect on these important remarks and, in good conscious, do what is within your power to respect the rights of the local people impacted by POSCO-India's project.

If you would be interested to discuss this letter further, or any other information related to the case, please contact Dominic Renfrey, of the International Network on Economic, Social and Cultural Rights (ESCR-Net), at drenfrey@escr-net.org. Given the dire situation on the ground, and the increasing pressure to evict the local people inside the project site, we eagerly await your timely response.

Sincerely, the undersigned:

Advocates for Public Interest Law	[Seoul, South Korea]
Both ENDS	[Amsterdam, the Netherlands]
Corporate For All	[Seoul, South Korea]
Corporate Accountability Working Group (CAWG) of the International Network on Economic, Social & Cultural Rights	[New York, USA]
Earthrights International	[Washington DC, USA / Chiang Mai, Thailand]
GongGam, Human Rights Law Foundation	[Seoul, South Korea]
Housing and Land Rights Network	[New Delhi, India]
Korean House of International Solidarity	[Seoul, South Korea]
Korean Lawyers for Public Interest and Human Rights	[Seoul, South Korea]
Mining Zone Peoples' Solidarity Group	[New York, USA]
National Association of Professors for Democratic Society	[Seoul, South Korea]
The Norwegian Forum for Environment and Development	[Oslo, Norway]
Posco Pratirodh Solidarity Delhi	[New Delhi, India]
SOMO	[Amsterdam, the Netherlands]
Terra de Direitos	[Curitiba, Brazil]
Video Volunteers	[Goa, India]
WITNESS	[New York, USA]

Encl: 'Briefing Note: Impacts of POSCO-India's Project on the Lives of Local People in Jagatsingphur, Odish, India'

CC: Stuart Lewis, Chief Risk Officer