

Modern Slavery – Slavery and Human Trafficking Statement for the financial year 2022

12 December 2023

This document refers to the UK Branch of Deutsche Pfandbriefbank AG only.

This document is issued pursuant to section 54(1) of the UK Modern Slavery Act 2015 (the Act) and constitutes our slavery and human trafficking statement for the financial year ending 31 December 2022, relating to the steps, activities and other measures taken by pbb to demonstrate that slavery and human trafficking is not taking place in any of our supply chains, or in any part of our own business.

Organisational structure

Deutsche Pfandbriefbank AG (pbb) is a leading European specialist bank for real estate finance. It is a limited liability company incorporated under the laws of Germany headquartered in Munich and listed on the Frankfurt Stock Exchange and has offices in Eschborn, Berlin, Dusseldorf and Hamburg. Deutsche Pfandbriefbank AG is authorised by the Joint Supervisory Team, which consists of oversight from the German Federal Financial Supervisory Authority (BaFin), German Central Bank (Bundesbank) and the European Central Bank (ECB). In addition to Germany, pbb has established operations in the United States (as a Representative Office) as well as other European cities, such as Madrid, Paris and Stockholm, including a branch establishment in London. The UK operation is authorised and regulated by the Financial Conduct Authority. Details of our permissions within the UK are available on the Financial Conduct Authority's website.

Further information about our business, including how we are regulated, is available on our website www.pfandbriefbank.com

Supply chain relationships

pbb appreciates the objectives of the UK Modern Slavery Act and its commitment to the eradication of modern slavery, bonded labour and human trafficking. pbb's business activity is subject to significant regulation and does not operate directly in an industry with a high risk of modern day slavery. Its principal supply chains involve office suppliers (including maintenance and management), professional advisory services and information technology. Nevertheless, pbb recognises that no business is shielded from such risks entirely.

As such, the London Branch of pbb has conducted a number of due diligence exercises since the inception of the Act with the aim of identifying key suppliers to our business that we consider may be exposed to greater risk with respect to issues related to modern slavery, bonded labour and human trafficking. The focus of each exercise was to ensure that our suppliers provided confirmation to us of their policies, procedures and other measures implemented to mitigate such risks. Of the suppliers contacted, all had a statement in place, provided a satisfactory response or otherwise fell below the turnover threshold that required any action according to the terms of the Act.

Pbb London Branch keeps its procurement processes under review in order to be able to assess whether they take into account the expectations of the Act. It was agreed at the initial review, should pbb London Branch look to appoint a new supplier it will take steps to ensure that they meet those expectations.

In 2021, pbb Group reaffirmed its adherence to observe international best practice in respect of human rights standards and guidelines, including the international Bill of Human Rights of the United Nations and the European Convention on Human Rights (see below). Following the review pbb again expressly

distanced itself from any violation of human rights, stating that transparency, honesty and fairness, as well as dignity and respect are among its core maxims. Furthermore, pbb is committed to preventing discrimination against its employees, whether on the basis of age, disability, gender, sexuality, ethnic or social background, skills, sexual orientation or religion.

During 2022, pbb Group commenced a detailed review of its Economic, Social and Governance policies and procedures, and is committed to developing initiatives that support green finance.

In addition, pbb Group has a cautious approach to its lending strategy and all clients are subject to an in-depth on-boarding process. It is felt that this approach enhances the Group's entire business dealings, and it would not enter into relationships with clients who do not demonstrate an acceptable approach to, or reflect pbb values around, modern slavery and human trafficking, as well as wider social responsibilities.

Policies

In accordance with its obligations, pbb has a number of policies, procedures and initiatives that underpin its support of ethical treatment across its business operations. These include:

- **Green Finance commitment**
In its Annual Accounts for 2022, the Management Board, stated its commitment to helping the “commercial real estate sector achieve its transformation towards climate neutrality, so that we can live up to our responsibility to society. Green finance will be an important aspect in the strategic thrust of all of the Bank's growth initiatives going forward”.
- **Guidelines on human rights**
The guidelines record pbb Group's commitment to respect, protect and strengthen human rights and preventing human rights violations. This commitment applies both to its own business activities and to the entire supply and value chain as well as to all stakeholders.
- **United Nations International Bill of Human Rights and the European Convention on Human Rights**
The Board has stated its commitment to the applicable international standards and guidelines, including the United Nations International Bill of Human Rights and the European Convention on Human Rights.
- **Code of Conduct of Deutsche Pfandbriefbank Group**
This Code of Conduct provides guidance for employees. It documents expectations that we place on all of our employees and creates the framework for all rules and regulations within the Group.
- **Whistleblowing Policy (Group and UK specific)**
These documents include details of pbb's commitment to maintaining the highest standards of honesty, openness and accountability both within the organisation and in all its business dealings. We must be able to trust one another to behave honestly and our customers must be able to have absolute confidence in us. pbb recognises that employees have an important role to play in achieving these goals.
- **Outsourcing Governance and Control Policy**
This document sets out pbb's framework for entering into, managing and documenting outsourcing relationships with third parties and affiliated companies (outsourcing relationships within the group).
- **Diversity Charter**
Since 2010 pbb Group has been a signatory to the “Diversity Charter” and is fundamentally committed to the economic benefit that come with diversity, tolerance and fairness. This is supported by the Groups Diversity and Equal Opportunity statement.
- **Annual Mandatory Compliance Training**
New employees of pbb undergo specific training that includes Compliance, Anti-Money Laundering, Fraud and Competition Law. All staff are required to complete further training on an annual basis.

Training and awareness

In addition to the mandatory compliance training detailed above, pbb London Branch initially sourced external training to address the Act specifically, its requirements and the wider expectations arising from its introduction. The Bank continues to monitor how similar financial institutions as well as HM Government are developing best practices and controls in this field. Information relevant to this topic has also been circulated to London staff in order to maintain an awareness of this important area.

Risks

The London Branch has in place specific terms of engagement, which are issued to new professional services suppliers, and remain under review. These terms of engagement set out the Branch's expectations in respect of the Modern Slavery Act. The review of these controls is designed to establish the application and practices aimed at ensuring that we, ourselves, would not be exposed to the risks identified by the Act. pbb London Branch's own terms [of engagement] reinforce expressly our commitment to ensuring that our business and supply chains are free from slavery, bonded labour and human trafficking. pbb London Branch has not entered into any new service supplier relationships since the inception of the Act.

Future Policy

The London Branch continues to be committed to demonstrating and meeting the best practices resulting from HM Government guidance on preventing modern slavery and human trafficking, and understands its wider obligations in respect of corporate responsibility and the protection of social and ethical values to society and the environment.

To support this, pbb Group continues to monitor developments in these areas. In addition, the Branch has a questionnaire that it sends to its UK suppliers where pbb London Branch has assessed that there is a greater risk of exposure under the Act. That questionnaire is distributed to these suppliers on a regular basis to ensure that these entities continue to be mindful of their and pbb's expectations under the Act. The questionnaire is now fully integrated into the new supplier / service provider procurement process within pbb London Branch.

More generally and extending beyond the London Branch specifically, pbb will continue to monitor legal developments in relation to the prevention of slavery, bonded labour and human trafficking and update its own controls and practices accordingly across its geographical areas of operation (being Europe and the United States).

Approval for this statement

This statement was approved by the Management Board of pbb on 12 December 2023