

# Modern Slavery – Slavery and Human Trafficking Statement

24 November 2020

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 2019, relating to the steps and other measures taken by pbb to ensure 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 and public investment finance. It is a limited liability company incorporated under the laws of Germany headquartered in Munich and listed on the Frankfurt Stock Exchange. In addition to Germany, pbb has established operations in other European countries, including a branch establishment in London where it is subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority.

Further information about our business, including how we are regulated, is available on our website [www.pfandbriefbank.com](http://www.pfandbriefbank.com).

## Supply chain relationships

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 sheltered entirely from such risks and the London Branch of pbb undertook due diligence exercises (in 2017 and 2018) to identify 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 these exercises was, in each case, to ensure that our suppliers were able to provide 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.

In 2019, pbb London Branch reviewed its procurement processes in order to be able to assess whether they took into account the expectations of Act. Moving forward, should pbb London Branch look to appoint a new supplier it will take steps to ensure that they at meet those expectations.

## Policies

Our commitment to fair employment practices in relation to our own employees is embodied in both our Code of Conduct and Whistleblowing Policies, and these are reviewed at least annually. These provide our employees with information regarding pbb's commitment to ethical business practices and expressly refer to the expectation of pbb that vendors and suppliers will be committed to sustainability and whose operations do not conflict with our own ethical standards.

## Training and awareness

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.

## Risks

In 2016 the London Branch reviewed our terms of engagement which would be issued to new suppliers. The review recommended controls 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 supplier relationships since the inception of the Act.

### **Future Policy**

In 2017 the London Branch designed a questionnaire that was sent to UK suppliers where pbb London Branch assessed a greater risk of exposure under the Act. That questionnaire was again distributed to suppliers during the course of 2018. That questionnaire has now been integrated into the new supplier / service provider procurement process within pbb London Branch.

pbb London Branch will endeavour to 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.

### **Approval for this statement**

This statement was approved by the Management Board of pbb on 24 November 2020.