



**DEUTSCHE  
PFANDBRIEFBANK**

# Guidelines on human rights

The present Guidelines apply to pbb and pbb Group, comprising pbb and its downstream affiliated companies/subsidiaries consolidated for regulatory purposes within the meaning of sections 15 et seqq. of the German Public Limited Companies Act (Aktiengesetz – “AktG”).

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# 1. Principles and objectives

As a global company, pbb Group accepts its unconditional responsibility to respect, adhere to and strengthen human rights, and to prevent human rights abuses during the course of its own business activities, but also along its entire supply and value chain as well as amongst its stakeholders. To this end, pbb Group observes international human rights standards and guidelines, including the International Bill of Human Rights of the United Nations and the European Convention on Human Rights.

The present Guidelines serve to complement pbb Group's Code of Conduct and establish the requirements the Group has defined for itself and its stakeholders as regards respecting and adhering to human rights.

# 2. Responsible action

Above and beyond legal requirements, such as those set by the German General Act on Equal Treatment and the German Act to Promote Transparency of Pay Structures, pbb Group has incorporated the stipulation to respect and honour human rights as a central theme in its Code of Conduct, the document which defines the vital ethical and legal framework governing conduct within pbb Group together with its dealings concerning clients, business partners, competitors and the general public. pbb Group expressly distances itself from any violation of human rights, whether committed by a member of staff or other stakeholder groups. Transparency, honesty, fairness, as well as dignity and respect are among the key maxims.

pbb Group has established a system that allows our internal staff – as well as external third parties – to blow the whistle on statutory violations and undesirable conduct.

## 2.1 Responsibility as an employer

pbb Group respects all people, irrespective of age, disability, gender, sexual identity, ethnic and social background, skills, sexual orientation or religion, and is committed to fostering diversity amongst its staff as far as possible. A culturally diverse workforce is an important success factor, which is why the Group is devoted to preventing or removing discrimination against its employees. The Code of Conduct, as a means of prevention, binds all employees to conduct themselves in line with the principles and values defined therein.

To highlight the importance of equal treatment, pbb Group signed the German Diversity Charter. To ensure equal working conditions and opportunities for all employees alike, pbb Group also engages in regular exchanges with its employee representatives on a variety of topics, ranging from pay equality to striking a balance between work and family commitment (including how pbb Group can help with childcare, or how to prevent discrimination and mobbing).

pbb Group has made the necessary arrangements to safeguard everyone's right to work in a secure and healthy environment in line with the applicable occupational safety and health legislation. In order to foster good health amongst employees, the Group provides occupational health management. This includes information and prevention measures, sports and ergonomic services, psychological support offers as well as treatments and consultations by a company doctor. Employees are provided with comprehensive information on occupational health and safety at the workplace via the intranet. In addition, the most important regulations were documented in a briefing on the topic.

Alongside the general whistleblowing system mentioned above, which was installed to facilitate reporting of statutory violations and undesirable conduct, the Group has also set up a Complaints Office that employees may turn to when they feel that discrimination pursuant to the German General Act on Equal Treatment has occurred. Complaints are followed up by an internal clearance, and reviewed as

to whether the General Act on Equal Treatment has indeed been violated. Where appropriate, other relevant bodies such as Legal, Compliance and Data Protection are also included in the process.

## 2.2 Responsibility as an international Group

As set forth in its Code of Conduct, pbb Group expects its clients, suppliers and business partners to respect and adhere to human rights.

Responsible and transparent corporate governance is the foundation. As a consequence, respecting human rights is a key component of the annual Non-financial Report published by pbb Group, in which the importance of respecting human rights along the entire value chain – as well as anchoring them within the Group's organisation and processes – is highlighted. In addition, pbb Group prepared a first statement of compliance with the UK Modern Slavery Act as early as 2017, in which it identifies suppliers and service providers and outlines the processes it has in place to ensure the statement's effectiveness. At present, the statement is only valid in the United Kingdom.

The duties of pbb Group employees regarding human rights also stretch to human rights abuses at the hands of other stakeholders: should a staff member become aware of any indications that a prospective client, supplier or other business partner may be involved in illegal activities or activities that could damage our reputation, or which violates human rights, they must inform the Member of the Management Board responsible for the relevant area, as well as the Compliance Officer, in accordance with our binding Code of Conduct. The relevant Member of the Management Board and the Compliance Officer will review every case individually. In addition, other organisational units within the Group may also be involved in any further investigations (e.g. Internal Audit, Legal, etc.).

These questions are also pre-empted during the Know Your Customer process that clients and business partners are subject to, as well as during country analyses used to identify target markets. One example of this is the reconciliation of business partners and clients with current embargo and sanctions lists. Where pbb Group resorts to outsourcing, an additional risk assessment is conducted, which also includes a review as to whether the service provider's conduct stands in line with the values and Code of Conduct of pbb Group. In particular, it must be ensured that service providers in third countries and any subcontractors act in an ethical and socially responsible manner and comply with internationally recognised standards on human rights, environmental protection and adequate working conditions, including the prohibition of child labour. Human rights also play a role in our lending process: anything that may point to human rights being violated must be noted in the credit application, as part of the assessment or ongoing credit management. Where appropriate, credit applications will not be approved.

## 3. Concluding remarks

Respecting and adhering to human rights is an undisputed principle at pbb Group.

The present Guidelines will be reviewed, enhanced and updated on an ongoing basis.

In case of any suspicions or indicators pointing to breaches of statutory regulations, pbb's Code of Conduct, or even to specific human rights violations, internal as well as external parties may send them (anonymously, if so desired) to the following address:

**[whistleblowing@pfandbriefbank.com](mailto:whistleblowing@pfandbriefbank.com)**