

Modern Slavery – Slavery and Human Trafficking Statement

17 September 2019

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 2018, 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.

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 this exercise was, in each case, to ensure that these suppliers were able to provide confirmation to us of their policies, procedures and other measures imple-

mented to mitigate such [related] risks. Of the suppliers contacted, all had a statement in place, provided a response or fell below the turnover threshold that required any action.

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 are reviewed at least annually. These provide our employees with information regarding pbb's commitment to ethical business practices and expressly refer to the pbb expectation that vendors and suppliers will be committed to sustainability and whose operations do not conflict with our own ethical standards.

Training and awareness

External training addressing the Act specifically, its requirements and the wider expectations arising from its introduction was initially undertaken and the bank continues to monitor how industry and government are developing best practices and controls. Senior Management in London regularly reviews pbb's internal training programme in order to consider updates in light of the Act.

Risks

In 2016 the London Branch reviewed our terms of engagement which would be issued to new suppliers. The update added provisions designed to establish their continued application of practices and controls aimed at ensuring that they themselves are not exposed to the risks identified by the Act. pbb's own terms 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 assessed a greater risk of exposure under the Act. The questionnaires were again distributed to suppliers during the course of 2018. pbb will continue to monitor developments in the prevention of slavery, bonded labour and human trafficking and update its own controls and practices in this area.

Approval for this statement

This statement was approved by the Management Board of pbb on 17 September 2019.