

## 2024 Statement on Slavery and Human Trafficking according to the UK Modern Slavery Act

With this document Muenchener Hypothekenbank eG (short "MHB") declares according to Section 54 of the UK's Modern Slavery Act 2015 that MHB supports the Act and its objective to eradicate all forms of modern slavery and human trafficking. In the following the Bank constitutes the status and the measures taken during its 2024 financial year ending 31st December 2024 to ensure that slavery and human trafficking do not occur in any of its supply chains or any part of its business.

### Business Model

MHB is a German credit institution specialising in residential and commercial property financing for private and professional customers. It is an independent credit institution with no majority shareholder and currently has around 57,000 members. MHB belongs to the Cooperative Financial Network (Genossenschaftliche FinanzGruppe).

The Bank is active in both national and international markets. In commercial property financing MHB is doing business among others in the UK, though there exists no separate branch. Here the Bank finances existing properties with a focus on residential, office, retail and logistics properties.

### Supply chain

When considering MHB's value chain, both the upstream and downstream value chain need to be considered and analysed.

The upstream value chain primarily comprises loan funding, as well as suppliers and service providers for the Bank's own operations. Regarding social aspects, suppliers' and service providers', employees and indirectly those involved in providing services and products are relevant.

Within the company, the primary downstream impacts that need to be considered concern the company's own employees, as well as employees of service providers, business partners and customers. No direct (business) relationships exist with other stakeholders in the downstream value chain, such as the employees of companies in the building trades.

### Corporate policies, governance and measures

The Board of Management of MHB is responsible for compliance with Human Rights. The operational implementation lays with the Non-Financial-Riskmanagement team. It is reflected in the following guidelines and measures:

## Code of Conduct

As a common guideline, the Code of Conduct (last updated in 2023, signed by the entire Board of Management and published on MHB's homepage) sets out binding standards for legally compliant, responsible and ethically oriented, sustainable business conduct and applies to all employees, including the members of the Management Board of MHB and its subsidiaries, as well as to its external business partners.

Regarding human rights, it states that MHB is committed to the United Nations Universal Declaration of Human Rights and the conventions of the International Labor Organization (ILO). In the day-to-day business, human rights are respected, and appropriate action is taken if any kind of violation is suspected.

## Supplier guideline

Based on the Code of Conduct, a supplier guideline was drawn up in 2024 and sent to all mayor contractual partners.

In 2022 already, the Facility Management department conducted a survey on supply chain management among its suppliers. The survey revealed that there was no need for action in terms of a change of suppliers. The survey was repeated in 2024. Results are expected in the following year.

## Guideline governing human rights and diversity

This guideline from 2019 establishes the ethical framework for our interaction with employees, clients, business partners and suppliers specifically on human rights and diversity.

A risk analysis of the potential impact on human rights was conducted internally. Several specialist departments and external experts were involved in this process, and MHB also conducted its own research. As the outcome of the analysis, this guideline focuses on the following two aspects rated as particularly relevant to the Bank and its stakeholders: the Bank's own employees and its clients.

Responsibility for implementing the guideline governing human rights and diversity resides with the MHB's Board of Management. A revision of the guideline was initiated in 2024 and is currently still in progress.

## Responsible Investment Policy

MHB also considers potential ethical and social consequences in connection with the investments that it makes itself. The Bank's responsible investment policy defines exclusion criteria based on the Freedom House Index and the Democracy Index. For example, the Bank avoids investments in countries where human and civil rights and democratic structures do not exist or are systematically violated. An annual screening process is carried out to check the conformity of the investments with the policy criteria. There were no issues in 2024.

## Whistleblowing system

Employees can report a specific suspicion or a fraudulent or other illegal act anonymously via MHB's whistleblower system. Employees are informed in the written rules of the Bank about the system set up and its channels.

If employees of MHB, its subsidiaries or business partners have questions or remarks about MHB's Code of Conduct, the Compliance department is the first point of contact. If customers or partners also have complaints beyond, the Bank has set up a corresponding management system.

### KYC-process

The exclusion of business with sanctioned customers is ensured by established processes. Special verification obligations also apply to lending business that could entail reputational risks. If potential customers are suspected of disregarding human rights in individual business, the Bank orders a review.

### Training and awareness

All employees were given access to an ESG training platform in 2024. 98% of the workforce have completed a general ESG training.

## Compliance with the UK Modern Slavery Act

MHB affirms its commitment to taking steps to ensure that slavery and human trafficking are not taking place in its business or supply chains.

This Statement will be reviewed annually and updated as required.

Reviewed and approved by MHB's Board of Management on 18 March 2025



*Dr. Holger Horn, CEO, Muenchener Hypothekenbank eG*