



COMMERZBANK

2023 Modern Slavery and Human Trafficking Statement

Commerzbank AG





Introduction



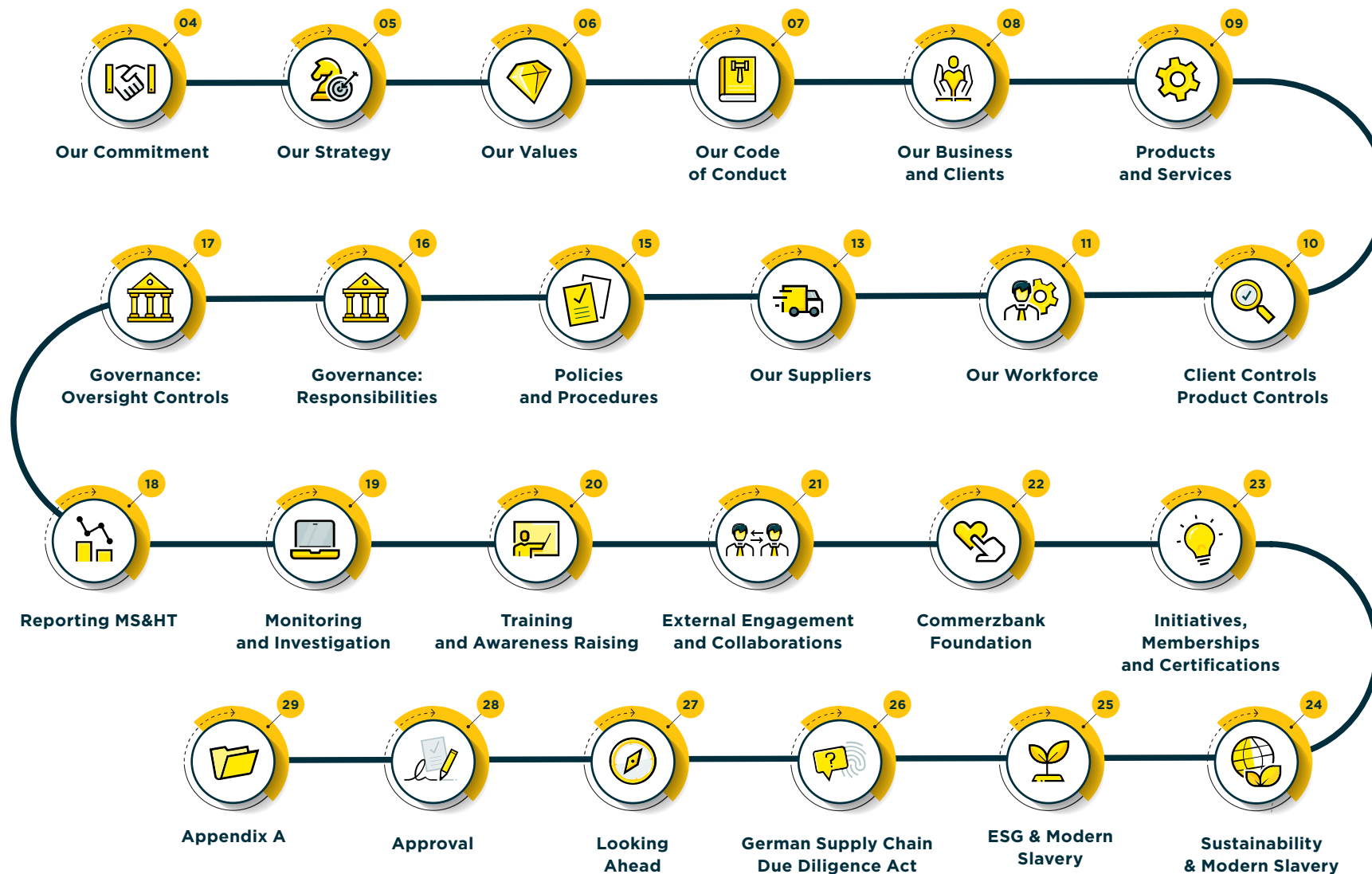
Welcome to our eighth Modern Slavery and Human Trafficking statement.

This statement is made by Commerzbank AG (the “Bank”) pursuant to Section 54 of the United Kingdom’s Modern Slavery Act 2015 and applies to Commerzbank Aktiengesellschaft, Commerzbank UK Limited and Commerzbank Finance Limited for the financial year ending 31 December 2023.

This statement details the actions the Bank has taken during the 2023 financial year and continues to take to mitigate the risks of slavery and human trafficking being facilitated through the Bank’s business, operations and supply chains.

Whilst covered in part in this statement, detailed information on our broader approach to managing environmental and social risks can be found in our [Annual Report 2023](#)

Contents





Our Commitment



Corporate responsibility is a guiding principle of Commerzbank: environmental, social and ethical aspects have a crucial role in the way we manage our company.

We believe companies can only be successful in business if their day-to-day activities are accepted by society and they meet their responsibility towards the environment and society. That is why we have firmly anchored sustainability as one of the four cornerstones of our strategy at Commerzbank. With our new net zero commitment among other things, we seek to live up to this responsibility and to actively contribute to the sustainable transformation of society and the economy. We have long had binding rules in place for handling environmental and social risks. Transparency and fairness towards our customers are one of the key pillars of sustainable business development.

Commerzbank's position on human rights is consistent with and follows internationally accepted human rights and corporate responsibility standards, including:

the Universal Declaration of Human Rights	the OECD's guidelines for Multinational Enterprises	the International Labour Standards of the International Labour Organisation
the OECD's framework 'Due Diligence for Responsible Corporate Lending and Securities Underwriting'	the International Covenant on Economic, Social and Cultural Rights	
the International Covenant on Civil and Political Rights	United Nations Guiding Principles for Business and Human Rights	

By participating in the UN Global Compact, Commerzbank has committed itself to*:



supporting and respecting the protection of the internationally proclaimed human rights



ensuring not to be complicit in human rights abuses



safeguarding the freedom of association and the effective recognition of the right to collective bargaining



standing up for the elimination of all forms of forced labour



standing up for the abolition of child labour



promoting the elimination of discrimination in regard to employment and occupation

**Within the framework of the applicable laws and regulations, we have implemented these standards.*



Our Strategy

About 150 years ago, merchants from Hamburg, Germany founded Commerzbank with the aim of creating new prospects. The principles of the honourable merchant are still the foundation on which we stand.

Sustainability has been an integral part of our corporate strategy since 2020. Our current strategy "Moving Forward" is based on three pillars: **Growth**, **Excellence**, and **Responsibility**. At the core of our sustainability strategy is our commitment to becoming a net-zero bank. This applies to our own operations as well as to our loan and investment portfolio. To achieve this goal, we provide our clients with innovative product solutions and actively support them in their transformation toward sustainability.



Integrity is the foundation of our business model

To be in accordance with our values and rules, even if no one is watching – that is our basic conviction. Integrity is what can be expected of us since we expect it from ourselves.



Performance is our engine

We do our best every day. We enjoy taking ourselves further, and with it our team and Commerzbank. Because only when our customers realize that they are becoming more successful thanks to Commerzbank, we are more successful as well.



Responsibility is our mission

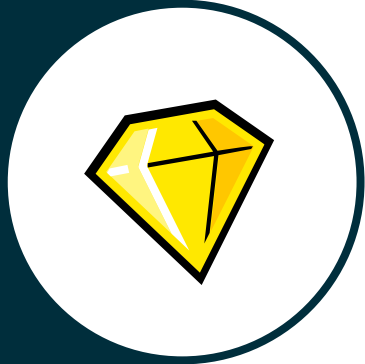
We are proud to take responsibility. For our teams, our customers, our industry and society. Our future is borne by all of us and Commerzbank is committed to its contribution.



Our Purpose:

“We create prospects for ambitious people and companies.”





Our Values



Our corporate values shape our interaction both for co-operation and in our behaviour towards our customers, business partners and society. The values show that we are aware of our corporate responsibility and are guided by traditional values.



TRUST is the anchor of any promotion.

This is about the reliability of a relationship. Right from the start, we spend a lot of time exchanging ideas and talking to our funding partners. Both sides benefit from this.



TRANSPARENCY and appreciation are closely related.

The basis for this is, for example, open interaction with one another and dialog about expectations.



RESPONSIBILITY shapes promotion.

Our foundation enables, supports and helps in relevant social areas, because we believe: Support creates the future.



RESPECT between the funding foundation and the project partner is the most important thing.

By this we mean a mindful interest in each other, meeting at eye level, as well as opening up spaces for each other.



COURAGE is part of every foundation's actions.

We see ourselves as a learning foundation. For us, it is important to keep trying out new things. A constructive culture of making mistakes is just as much a part of this as the joy of discovery.



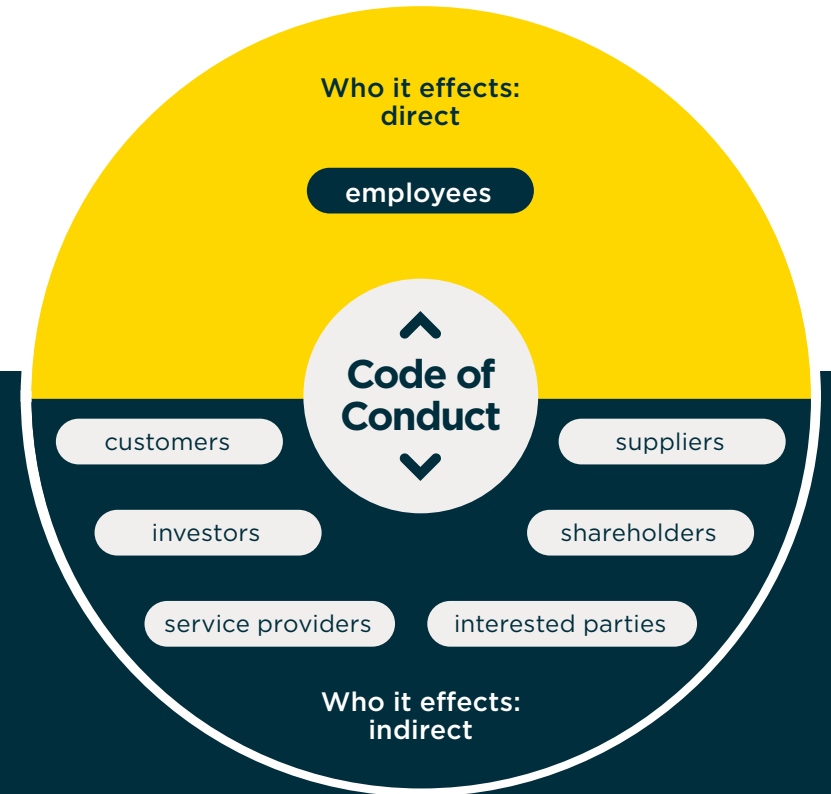
SUSTAINABILITY is the theme of our present and future.

For us, it starts with structural and strategic issues in the context of a funding partnership.

Our Code of Conduct



The Bank's Code of Conduct, which is globally binding for all its employees, sets out the Bank's values and its expectations of staff and includes a clear commitment to human rights.



01

We behave as we expect others to behave.

02

We are attentive to the interests of our customers, act carefully and in accordance with the rules.

03

We are committed to society and take on responsibility.

04

We critically assess ourselves and manage risks and conflicts constructively.

05

We do not accept bribes and act honestly and in compliance with tax law.

06

We do not give unauthorised persons access to data.

07

We respect digital values and are transparent with our customers on the use of their data.

08

We use service providers professionally and require their integrity.

09

We are mindful of our behaviour in public and seek out support when necessary.

10

For us, leadership means setting an example, trusting others and taking responsibility.



Our Business and Clients



Commerzbank is the leading bank for the German Mittelstand (SMEs) and a strong partner for around **25,500** corporate client groups and almost **11 million** private and small-business customers in Germany.

“ **Commerzbank AG is a listed public limited company. It is one of the 40 companies in the DAX index of Deutsche Börse.** ”

Commerzbank is a leading international commercial bank with branches and offices in almost 40 countries. In the two business segments Private and Small Business Customers, as well as Corporate Clients, the Bank offers a comprehensive portfolio of financial services which is precisely aligned to the clients' needs.



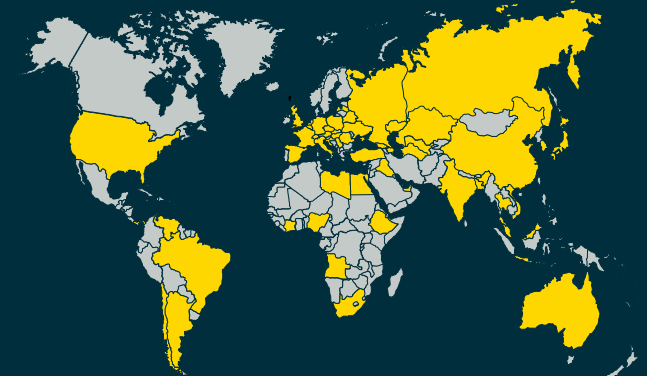
The Polish subsidiary **mBank** is an innovative digital bank. It serves around 5.8 million private and corporate customers, mainly in Poland but also in the Czech Republic and Slovakia.



As a financial institution and provider of capital, we have an important role in tackling MS&HT. Commerzbank does not want to become linked through our business relationships to any form of modern slavery. Commerzbank expressly stands up for its corporate responsibility and for the sustainable orientation of its business activities. For this reason, Commerzbank implements a variety of measures in various areas and carefully considers the economic, ecological and social consequences of how we do business with our clients. Our client due diligence and screening controls therefore encapsulate MS&HT considerations and risk assessments.



Outside Germany, the Bank is represented through:



14

OPERATIONAL FOREIGN BRANCHES

32

REPRESENTATIVE OFFICES

5

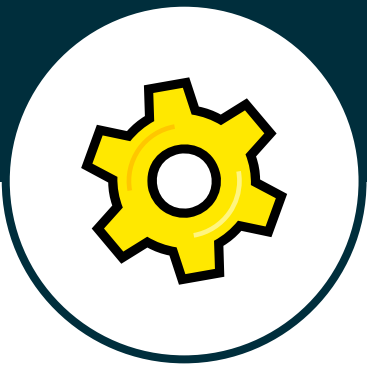
MATERIAL SUBSIDIARIES

on all continents; in the Corporate Clients' business, the Bank is present internationally in more than 40 countries

[Complete list of holdings in affiliated and other companies](#)



Products and Services



We combine advantages of a digitalised bank with personal advisory services, consistent customer focus, and sustainability. We intend to support our customers with relevant products and solutions and to further improve the customer experience across all channels and therefore strengthen our revenue base.

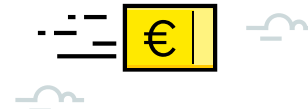
Private and Small-Business Customers segment

We will expand the range of optimised and digital banking solutions for the Bank's almost 11 million customers. With a holistic approach and its two brands, Commerzbank and comdirect, all customer needs will be met - be it online or mobile, in our advisory centre, or across around 400 existing branches. Commerzbank is committed to offering every customer the right model for their daily banking needs. As a premium provider, Commerzbank aims to be first point of contact for demanding customers. Comdirect will strengthen its position as the primary digital bank with an expanded product range and its excellent brokerage platform.

Corporate Clients segment

Client orientation is our strength - we are the Bank for Germany. As the leading bank for the Mittelstand, Commerzbank will continue to closely support its corporate clients during their ongoing transformation. In line with our strategic plan until 2027, the Bank will maintain its strategy in corporate banking by targeted investments in products and digital solutions. We consistently consider all activities, products and processes from the client's perspective, as the needs of our corporate clients are the basis of our strategic orientation. In our international business, we accompany clients with a business relationship to Germany, Austria or Switzerland as well as from future industries.

Our Products and Services



TRANSACTION BANKING

- Corporate Account
- Cash Management
- Trade Finance
- Electronic Banking



INVESTMENT SOLUTIONS

- Investment Management
- Pensions Management
- Equities & Liquidity Management
- Risk Management



CORPORATE FINANCING

- Working Capital Financing
- Sureties & Guarantees
- Capital Expenditure & Structured Finance
- Capital Markets Financing



CORPORATE FINANCE ADVISORY

- Advisory Services
- M&A Advisory

“ **Commerzbank transacts approximately 30% of Germany's foreign trade.** ”



Sustainable Products:

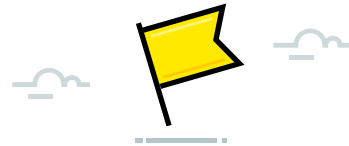
We are continuously expanding the share of sustainable products for our customers. One of our key sustainability goals is to reduce CO2 emissions from our credit and investment portfolio to “net zero” by 2050. See our ESG Framework where we set out the criteria we use to classify financial commitments and products as sustainable, and how we are making the composition of the sustainable business portfolio transparent.



Client Controls



Using a risk based approach, where material issues, relating to any topic, are identified pre or post onboarding, a client/ transaction may be escalated to the **Regional Customer Governance Committee London ('RCGC')** to assess the Bank's appetite for that relationship. MS&HT risks (e.g. slavery related adverse news against a counterparty) are raised and discussed by senior management (including the UK MLRO) during compliance governance meetings.



Risk based enhanced due diligence reviews of high risk customer files cover MS&HT red flags.



Local adverse media screening "top ups" covering MS&HT are applied to pre-onboarding and rolling reviews for all London Branch clients. Positive string searches will pick up terms like "slave" and are escalated to Financial Crime Compliance for review.



Publication of a MS&HT statement is a standard agenda item discussed on '**Compliance2Compliance**' due diligence calls held with high risk clients. Commerzbank is proactive in engaging in MS&HT discussions with our clients.



Our pre and post client onboarding '**Know Your Client**' due diligence includes open source research including Factiva and Dow Jones screening. This involves looking for references to potential slavery issues such as poor labour practices.

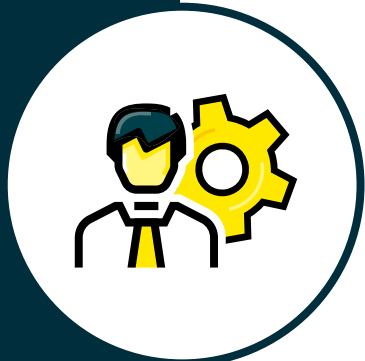
Product Controls



The **New Product Process ('NPP')** is a Commerzbank Group wide approach which covers the setup and approval for new products and changes to existing products. The objective of the NPP is to identify, analyse and assess the embedded risks of any new activities including the impact on the overall risk profile and on the risk appetite of the Bank. Various departments are required to review and vote on each NPP request via the Bank's NPP tool, this includes Financial Crime Compliance.

For example, where a London nexus exists, the London Compliance Policy and Advisory team are required to assess the financial crime risks (including MS&HT risks) posed by each new product or change in product.

Each Support Unit's (i.e Compliance, Tax, Reputational Risk, Finance etc.) risk rating and overall assessment of NPPs may result in process amendments, changes in the IT environment, reporting requirements and any other risk-based controls/set conditions we see fit to manage any identified risks. Senior management approval and oversight is also part of the end-to-end NPP process.



Our Workforce

Commerzbank AG employs around 40,000 staff globally. Commerzbank respects the human rights and personal freedoms of its workforce and expects the same from our employees and contractors.



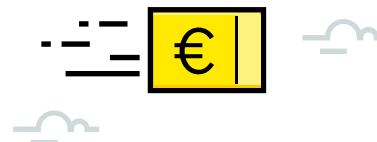
Employee Vetting

As part of the newhire onboarding process, reference and background checks are completed for all new joiners. The checks vary for different employees, depending on them being a conduct or certified staff. 'Human Trafficking' is one of the key words for Adverse Media Searches and there are also sources included that check that within the Global Sanctions Enforcement Check. The checks are carried out to ensure we hire the right employees and also to safeguard the organisation from potential MS&HT risks. In the London Branch, this proactive check is carried out by a third party vendor. Human Resources in London also complete a monthly Compliance Control Governance Check attesting that Know Your Employee checks (which cover MS&HT screening) have been successfully completed for all new hires.



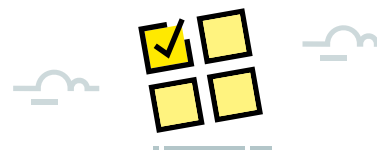
Fair Interaction

Fair interaction in the spirit of partnership is a cornerstone of cooperation at Commerzbank. This involves respectful interaction between employees, but also fair treatment of customers. Commerzbank doesn't tolerate any form of unequal treatment or exclusion. Since 2004, the principles for fair interaction in the spirit of partnership have been consolidated in a Works Agreement. In March 2021, the Bank updated the agreement together with the Central Works Council, the Senior Staff Spokesmen's Committee and the Representative Body for Severely Disabled Employees.



Fair Pay

In terms of fair remuneration in London, we work closely with McLagan to ensure our salary benchmarking is fair and in line with market practices.



Employee surveys at Commerzbank

Commerzbank regularly runs various employee surveys throughout the year. Our surveys cover a wide range of topics, from classic workplace-related surveys and internal customer satisfaction surveys to commitment and engagement measurements, regular change and team climate pulse checks, and surveys on general motivation and mood. Our employees' views and opinions on our strategy and the changes in the Bank are very important to us.



Strategy 2024 to Strategy 2027

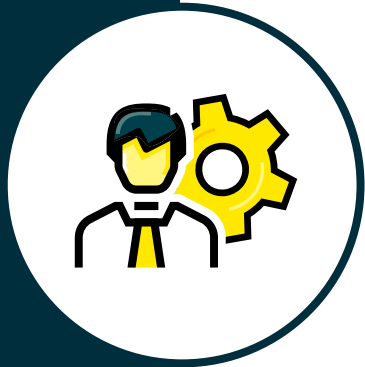
With our elaborated and refined Strategy 2027, our focus is on the employees.

We are investing in an attractive working environment. Key areas are the development of our people, qualification measures and continuous learning. We are working to strengthen a diverse and team-oriented corporate culture. In this way, we are creating perspectives for people and companies with high expectations. The personnel transition of Strategy 2024 is nearing completion.

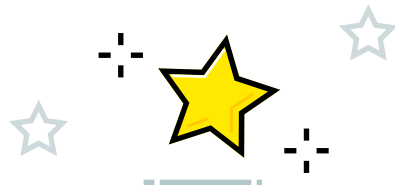


Health and Safety

Improving working conditions and supporting healthier lifestyles are important components of our corporate culture. Occupational Health Management team continually seek to improve and maintain the health and safety of our employees by ensuring good working environments which comply with occupational health and safety regulation.



Our Workforce



Commerzbank Culture Award

With the Commerzbank Culture Award, the bank is setting a sign of recognition and appreciation. The award recognizes those who have shown an outstanding performance and have acted in a special way in accordance with our values of performance, responsibility or integrity.



Diversity Charter

Commerzbank AG is a founding member of the German Diversity Charter which has since expanded Europe wide. Since we signed the charter in 2010 we have committed ourselves to creating a prejudice free working environment in which an atmosphere of openness and respect can develop and provide space for innovation and creativity and courage. All employees are recognised, appreciated and included – regardless of gender, nationality, ethnic origin, religion or belief, disability, age, sexual orientation or gender identity. We select our employees based on their talent and skills. We view different educational background and experiences as an enrichment to the Group, because we focus on people and value their different perspective and talents. Our recruitment policies include clear diversity definitions and aim to anchor and actively promote the consideration of equal opportunities and diversity in the Bank's appointment processes. Diversity and Inclusion are fundamental cornerstones of our Global corporate strategy



We are a signatory of the UN Women's Empowerment Principles



We were the first bank in Germany to establish an action plan for the inclusion of people with disabilities

“ Diversity is our strength. Different Together. Sustainably inclusive. ” 

Commerzbank's Action Plan Inclusion 2.0

With our first Action Plan Inclusion, 'Different Together', which was published in 2018 and based on the UNCRPD issued by the United Nations, as a bank in Germany we took the step into a public commitment; we have now even expanded upon this with our Action Plan 2.0. To this day, we remain the first bank in Germany to have made a clear commitment to complete compliance with human rights on the basis of an action plan and state its intention to become an inclusive enterprise. This Action Plan takes existing measures into account and develops them further in accordance with the goals of the UNCRPD. Within just five years' time, the bank has taken meaningful steps towards becoming an inclusive employer and raising awareness amongst employees that employees with disabilities or health impairments not only represent an enrichment for the company but also, in significant ways, contribute towards its success.

This is how the **Commerzbank Action Plan Inclusion 2.0** builds upon the previous successes of the first action plan. Our areas of emphasis are reflected in seven action areas and include:

- the ongoing integration of inclusion in our corporate culture
- the promotion of preventive health care
- the awareness of needs and the design of products from the client's perspective
- implementation of the German Accessibility Enhancement Act in ways that go above and beyond the scope of this legislation.

[🔗 You can read more about our Action Plan Inclusion here](#)

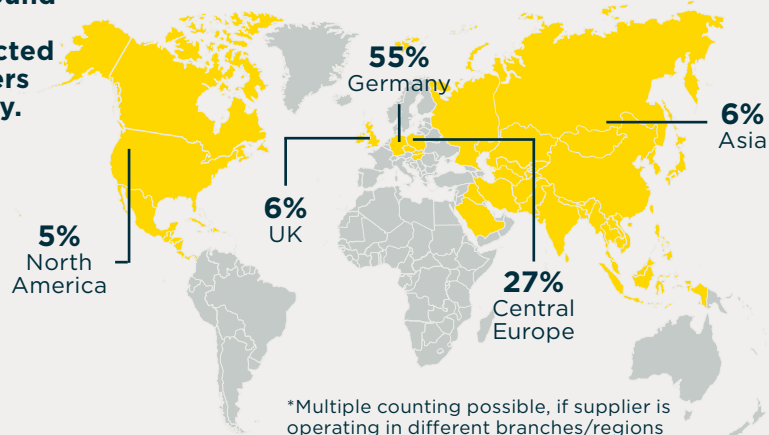


Our Suppliers

Responsible sourcing is integral to the way we do business. All colleagues engaged in sourcing follow the defined procurement process and undertake sourcing in line with the requirements of our Procurement Guidelines.

Commerzbank's main supply base generally fall into one of the following categories: Facilities Management, Technology Infrastructure, Software & Services, Banking Operations, Professional Services, Marketing and Human Resources. Geographical split of our supplier population

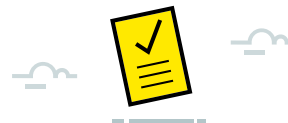
Commerzbank has around 2,425 contracted suppliers globally.



*Multiple counting possible, if supplier is operating in different branches/regions

**Data as at the end of 2023

“ **Commerzbank actively influences the sustainable orientation of suppliers and service providers through its purchasing decisions.** ”



The Bank performs pre-onboarding supplier due diligence. This involves:

- › requiring all suppliers to complete a questionnaire detailing their anti-MS&HT standards, commitments and controls,
- › performing Dow Jones for adverse media, including MS&HT related negative news,
- › where necessary, reviewing the supplier's MS&HT relevant policies, procedures and annual statements.



Instances of identified non-compliance by suppliers will be assessed on a case by case basis and can lead to the termination of the business relationship.



All procurement processes at Commerzbank are managed centrally by Corporate Procurement. This ensures that consistent sustainability standards are employed. In procurement projects, Commerzbank's Corporate Procurement department also contributes towards the achievement of the defined sustainability targets by selecting ecological products and environmentally conscious suppliers.



Commerzbank has developed clear standards for sustainable procurement and is committed to ensuring that its supply chains are free from MS&HT. The sustainability performance of the suppliers is an explicit award criterion in the award decision.



All sourcing activity is undertaken in line with the Bank Procurement Guideline which sets out the responsibilities of all stakeholders in the procurement process and which is also embedded in the Bank's Code of Conduct.



All suppliers are asked to ensure that they and their own suppliers and service providers comply with these procurement standards which include internationally accepted human rights standards. Adherence to such social standards by the Bank's suppliers is an integral part of the Bank's purchasing and procurement guidelines.





Our Suppliers

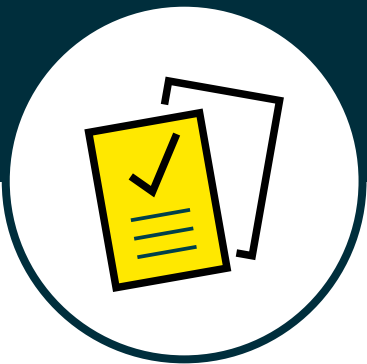


Commerzbank expects its business partners to observe and comply with the following human rights and personal rights. Compliance with social standards by suppliers and service providers represents an integral component of the standard for sustainable procurement.

Commerzbank expects its suppliers not only to make efforts to meet environmental and social standards, but also to send this expectation to their downstream suppliers. Commerzbank's corporate responsibility does not end with its internal processes, but extends throughout the entire supply chain.

<p>Ban on discrimination</p> <p>Suppliers and service providers must commit to equal opportunities and the equal treatment of their employees. Nobody should be discriminated against or disadvantaged on grounds of skin color, race, national origin, language, disability, sexual orientation, gender, pregnancy, age, religion, political orientation or other reasons.</p>	<p>Treatment with respect</p> <p>Commerzbank expects suppliers and service providers to respect the dignity, private sphere and personal rights of their employees and to provide a workplace that does not affect the physical or intellectual integrity of a person. Sexual harassment or abuse, intimidation, mobbing and corporal punishment must not be tolerated.</p>	<p>Freedom of association</p> <p>Suppliers and service providers must respect their employees rights to freedom of association and collective bargaining and must ensure employees active in trade unions or employee organisations are not discriminated against or preferred in any form.</p>	<p>Ban on illegal employment</p> <p>Suppliers and service providers should not permit illegal employment. Commerzbank expects VAT and income tax, as well as social insurance, to be paid according to the applicable statutory provisions.</p>
<p>Health and safety</p> <p>Suppliers and service providers are responsible for the health and safety of their employees. Commerzbank expects suppliers and service providers to guarantee a safe and healthy working environment and to act to prevent accidents and occupational illnesses through preventive measures.</p>	<p>Diversity & Inclusion</p> <p>Commerzbank expects suppliers and service providers to demand and promote the appreciative and active handling of diverse topics (diversity) and cooperation in a spirit of partnership (inclusion). The D&I standards, which complement the corporate constitution and the philosophy of Commerzbank with the Code of Conduct and its Corporate Values, are decisive for this.</p>	<p>Remuneration for work</p> <p>Suppliers and service providers must pay fair wages and additional payments, which fulfil all applicable laws and which correspond to the applicable local and industry-specific practices.</p>	<p>Working time</p> <p>Suppliers and service providers must guarantee that their employees do not exceed the locally applicable, statutorily specified maximum working hours.</p>
		<p>Free choice of work</p> <p>Suppliers and service providers should not force anyone to work and shouldn't permit any form of forced labour.</p>	<p>Ban on child labour</p> <p>Suppliers and service providers should not employ children younger than the minimum age specified by the International Labour Organisation or by national laws. The maximum specified minimum age applies.</p>

Policies and Procedures



Commerzbank is committed to combating financial crime and has implemented policies and procedures designed to detect and prevent all forms of financial crime.

A number of our internal Global and Local Group policies and procedures reflect our MS&HT commitments and control. For example:

The [Policy Statement Of Commerzbank AG On Human Rights and Environmental Due Diligence](#)



is a public document which describes Commerzbank AG's stance on human rights and environmental due diligence, with a particular focus on how we adhere to the German Supply Chain Due Diligence Act.

The [Commerzbank's Position on Human Rights](#) further sets out the human right strategy for the entire Group.

The **Global Policy for Protection of Human Rights and Environment**



sets out the requirements of the German Supply Chain Due Diligence Act and SCDDA relevant obligations and controls. The English version of this Policy was published in August 2023.

The **Client Lifecycle Management ('CLM') Global Screening Procedures** defines the AME screening categories including Social/Labour red flags.



The **Enhanced Due Diligence ('EDD') & Anti-Money Laundering ('AML') Advisory Procedures** includes a risk analysis matrix which covers the MS&HT topic.



Supply risk and human resource risk is covered by our **Global Risk Manual**, which is an overarching document that describes how various risk types across the Bank are addressed in relation to risk strategy, risk control and risk management.



The **Standard for Sustainable Procurement and the Code of Conduct** define binding rules for ecological, social and ethical conduct in procurement. The ecological, social and governance (ESG) criteria specified in the standard reflect Commerzbank's corporate responsibility demands on its service providers and suppliers.



To standardise our approach to writing the Annual Modern Slavery Statement we have a **Annual Modern Slavery Statement How-to-Guide**,



which details what the annual statement should cover as per the legal and regulatory requirements/guidance; the roles and responsibilities for drafting and approving the statement; and how and where it should be published.

Exclusionary Criteria and Minimum Standards

Commerzbank recognises the provision of certain financial products and services may be linked to adverse human rights impacts. MS&HT risks may be particularly heightened in a jurisdiction that experiences political instability, weak governance, corruption, or repression of minority groups or in high-risk MS&HT industries/sectors such as agriculture, the textile industry, mining etc.

Our **Reputational Risk Management** department defines criteria for and limits of business operations and carries out differentiated analyses of transactions, products and customer relationships. The assessment process starts in the front office as soon as an issue defined as sensitive by the Bank is affected. Reputational Risk Management perform in-depth assessments with regard to allegations concerning possible environmental and social risks (including MS&HT risks) that may be associated with the existing or potential business partners or the content of the transaction.

The final evaluation of environmental and social risks is then carried out in reputational risk management using a five-point scale (*no, low, average, significant, high reputational risk*). This detailed assessment can lead to the rejection of the product, the business or even the business relationship itself. In serious cases (high reputational risk), Reputational Risk Management has the option of imposing a veto, which can only be resolved by escalating the matter to the Board of Management level.



Governance: Responsibilities



Commerzbank attaches great importance to responsible and transparent corporate governance aimed at sustainable value creation.



UK Head of MS&HT

From a programme oversight management perspective, since 2021, Commerzbank London Branch has appointed a dedicated SME and programme lead, assigned as the 'Primary Responsible Party' for the MS&HT topic in accordance with the Bank's MaRisk framework. The UK MS&HT programme lead, who sits within Financial Crime Compliance is responsible for designing and implementing risk-based MS&HT risk prevention and mitigation controls; including creating effective training, raising awareness via communication, developing policies and procedures, assessing the Bank's risk exposure to MS&HT, driving system enhancements, etc.



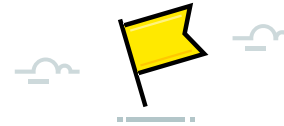
Supply Chain Due Diligence Operations

From a Global perspective, in 2023, a Third Party Risk Management Team was created in Global Financial Crime Compliance to ensure the adequate implementation of the Supply Chain Due Diligence Act ('Lieferkettensorgfaltspflichtengesetz').



Global Human Rights Officer

In 2022, a Human Rights Officer was appointed to assume the responsibilities arising from the SCDDA. The Chief Compliance Officer performs this important and responsible role, in which capacity they report directly to the Chief Risk Officer. The Board of Managing Directors is also assisted by other units with a view to covering human rights standards as holistically as possible within Commerzbank.



London Risk Function

From a second line of defence perspective, the London Risk Function assess MS&HT as part of credit and market risk strategies. Their objective is to prevent the UK branch engaging with clients that might be involved in MS&HT.



Reputational Risk Management

Reputational Risk Management also acts as a second line of defence function by assessing business relationships, products and transactions within sectors that have a high risk of being linked to environmental and social risks.



Legal

Legal ('GM-L'), another second line of defence function, scan regulatory bulletins including proposed changes to the MSA to ensure the Bank remains up to date with its MS&HT legal and regulatory obligations.



Audit

The Bank's Internal Audit function, as the third line of defence may review MS&HT as part of its risk-based audit plan.

Governance: Oversight Controls



MS&HT Working Group

On an operational level, a cross-functional MS&HT Working Group, driven by the London Branch, involving relevant stakeholders from local and global departments has been in place since 2021 and continues to convene on a biannual basis. The aim of the working group is to define, centralize and manage MS&HT risks, roles, responsibilities and initiatives. The working group includes representatives from Compliance, Legal, London Risk Function, Reputational Risk, Credit Risk, Global Standards AML, Global Risk Models, Procurement, Communications and Human Resources.



Management Oversight

Obligations/changes in legislation or regulatory requirements are tracked and discussed at the branch-wide London Regulatory Forum on a monthly basis. Additionally, all relevant MS&HT activities, risks, horizon scanning, projects etc. are tracked at the monthly Compliance Committee London ('CCL') to ensure all London Branch's senior management have clear oversight of the topic.



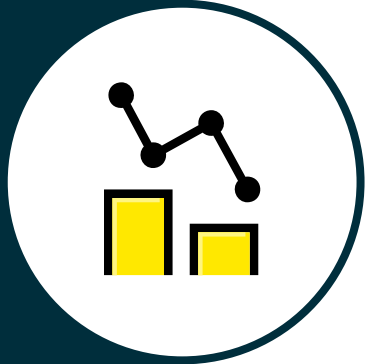
Group Sustainability Board

A Group Sustainability Board (GSB) was established in 2021. Headed by the Chairman of the Board of Managing Directors, it is the highest body responsible for sustainability issues below the full Board of Managing Directors. Since 2022, sustainability has also been anchored in our Supervisory Board with its own ESG Committee. A Sustainability Advisory Board with external members has also been augmenting our new ESG governance since 2022. As an independent advisory body, the Advisory Board supports us in the further development of our sustainability strategy. Sustainability is part of our risk management. It is considered a horizontal risk type and is therefore managed across different control units of the Bank. For social risks ('S') and governance risks ('G'), Group Sustainability Management additionally acts as a central overview function. For environmental risks ('E'), the overview function lies with our Chief Environmental Risk Officer (CERO) within the risk control function.



MS&HT E-mail Address

In order to co-ordinate, document and centralise MS&HT related queries and escalations, we have a dedicated MS&HT e-mail address for the London Branch.



Reporting MS&HT

Commerzbank encourages everyone to report financial crime activities and breaches of any legal, regulatory or internal requirements connected to Commerzbank.

The BKMS® Incident Reporting (Business Keeper Monitoring System) is an internet based application that enables employees, clients and third parties to report financial crime and breaches of legal, regulatory and internal requirements (whether against or within the Bank). Reports can be submitted anonymously if needed. Commerzbank recognizes the importance of protecting all whistleblowers and does not tolerate retaliation against those who raise concerns. We have implemented fair and consistent consequence management where the conduct or performance of staff fails to meet expected standards.

“ The Bank strongly encourages a speak up culture. ”

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In 2023 we had no reported incidents of human rights breaches, slavery or trafficking incidents reported through our Whistleblowing tool in London

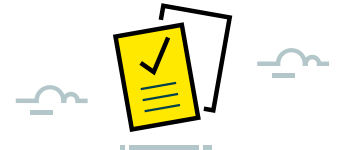
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Incident in Frankfurt related to SCDDA was reported in 2023 through our Whistleblowing tool



We have a **Global Whistleblowing Policy**, which defines the various options for submitting Whistleblowing reports, the protection of whistleblowers and describes the general steps and responsibilities connected to whistleblowing.

The **Internal Suspicious Activity Reporting Guidance**, which also covers process to escalate financial crimes, including MS&HT concerns.



Both the **Policy Statement Of Commerzbank AG on Human Rights and Environmental Due Diligence** and the **Commerzbank's Position on Human Rights** reinforces employees and third parties right to report any human rights related matters via the Whistleblowing Tool.



London Branch staff are also informed in various **London Compliance Trainings** and via the **London Compliance Intranet Page**, that if they suspect a firm or individual has engaged in illicit activity (which also cover acts of MS&HT) and they do not feel comfortable reporting their concerns via internal channels, they have the option to report via the **FCA Whistleblowing Service**.



The Whistleblowing standards are also set out on our **Global Intranet Page**.

Monitoring and Investigation

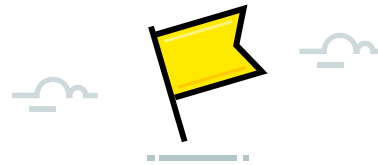


The Bank has a number of established financial crime controls in place to detect suspicious behaviour and financial crime activity which extends to MS&HT.

Clients and counterparties with an MS&HT nexus, detected internally (e.g. via internal SARs, via the Transaction Monitoring team or externally (e.g. via law enforcement agencies or other banks) are subject to investigation by the London Compliance Investigation team. The team continually review all transactional activities of clients for MS&HT related red flags and proactively investigate any intelligence leads referred by JMLIT (i.e. JMLIT Section 7 Requests) which focus on MS&HT activities. They also provide ad-hoc feedback on cases with suspected MS&HT touchpoints directly into the NCA's MS&HT taskforce.

Where material MS&HT issues are identified and Commerzbank's clients or business partners fail to adequately address the issue, Commerzbank reserves the right to discontinue the relationship.

Monitoring and Investigating Modern Slavery and Human Trafficking



Global AML/CTF Red Flag Repository

At Commerzbank, GRM-CO GFCP Global Risk Models (GRMO) has the Global Functional Lead with regard to automated transaction monitoring and customer risk rating methodologies. GRMO maintains a global red flag repository containing publicly available red flags derived from local regulations in the HUB locations (SGP, LON, NY) and Frankfurt (BaFin, FIU), supranational organisations (i.e. FATF) and institution specific insights (i.e. FCU, Monitoring and Investigations) across all types of typologies (i.e. Transaction Monitoring, KYC, Sanctions, etc.). The repository is updated on an annual basis as is the coverage gap analysis and a respective coverage gap analysis is performed to assess the relevance of the red flags and how they are captured within the automated transaction monitoring detection model to identify potential gaps and/or new typologies. The control is incorporated into the written framework as an annex to the Global AML/CTF Transaction Monitoring Model Policy and underlying procedures such as the SAM non-FI Detection Model Procedure and the Red Flag Repository Maintenance and Coverage Gap Analysis Procedure are applicable on a group level and considered group minimum standard.



Adverse Media Entities Negative News Screening

All Commerzbank clients and Business Partners are subject to daily negative news screening. In order to meet our obligations under the 6MLD as well as MS&HT requirements, it is deemed necessary to expand the scope of our AME screening categories to include "Social/Labour AME" categories. Compliance are alerted of any discrimination/workforce rights issues and human rights issues.



Detection Model Review

Detection model review takes place regularly as part of the Actimize tuning exercise. 'Below the line', 'in line' and 'above line' testing provides the justification for adjusting the thresholds. Coverage Gap Analysis includes the description of products coverage through various detection models in Actimize. The control is incorporated into the written framework within our Global Global AML/CTF Transaction Monitoring Model Policy and underlying SAM non-FI Detection Model Procedure. MS&HT is covered in this review process.

Training and Awareness Raising



Commerzbank is committed to raising awareness amongst its staff of modern slavery and human trafficking risks. In the UK, the Bank organises events for staff including external expert speakers to provide insights on real life modern slavery case studies and to help staff identify danger signs.

2023 MS&HT Training:

100%

Completion of our mandatory eLearning on anti-money laundering, which contains materials on human trafficking.

Financial Crime Induction Training is delivered to all new joiners.



Financial Crime Compliance Thematic Training was delivered in Q4 2023 to all UK 1LoD staff. Training covers: "what is Modern Slavery & Human Trafficking, why is MS&HT important, the legal and regulatory focus on MS&HT, how to spot MS&HT, what can we do to detect and prevent MS&HT?".



Environment, Social and Governance (ESG) Training is optional for any Commerzbank employee.




London Client Owner Training is mandatory for all London Client Owners.



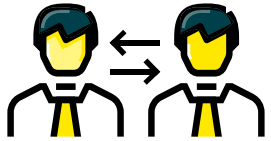
In December 2022, **Modern slavery and human trafficking awareness raising posters** were put up across the London Branch office. The posters highlighted 'Don't be afraid to report suspicious and illegal activity. You are protected' as well as how to report any MS&HT concerns using the Whistleblowing Tool and the UK Modern Slavery Helpline.



On 13 June 2023, the London Financial Crime Compliance department hosted a **Financial Crime Conference**, which was open to all London Branch staff to attend. The objective of the Conference was to inform the Branch on the latest financial crime legislative and regulatory changes, as well as, current financial crime risks and trends. A number of external experts, including key leaders across enforcement agencies, regulators and law firms delivered presentation on all Financial Crime areas, including Modern Slavery. The former UK Independent Anti-Slavery Commissioner presented on 'What is the role of financial institutions on detecting and preventing modern slavery?'.


All training is closely monitored to ensure it is completed by all employees and conducted in line with our Compliance Training policy and framework.

External Engagement and Collaborations



Corporate responsibility also means seeking a regular exchange with external stakeholders.

Commerzbank maintains relationships with numerous organisations and groups which approach the company with requests, demands or suggestions. In particular we pursue dialogue with stakeholder groups which have a perceptible impact on Commerzbank's economic, environmental or social performance or are heavily affected by it. Alongside the employees, this also includes customers and the capital market, suppliers, the media, non-governmental organisations, political bodies, representatives of civil society and science.



Similarly, Commerzbank AG Germany is a member of the Anti Financial Crime Alliance (the "AFCA"), a public-private partnership for financial crime information sharing launched in 2019 by BaFIN, Germany's Federal Financial Supervisory Authority, together with the Financial Intelligence Unit (the "FIU") and the Federal Criminal Police Office (Bundeskriminalamt), Commerzbank AG and 14 financial institutions. Through strategic exchange of information AFCA aims at strengthening the fight against money laundering and terrorist financing under the FIU's leadership. Commerzbank AG is leading Working Group II, where the disruption of slavery and child sexual abuse is a strategic objective under sub-stream 3.



Commerzbank's asset management is a signatory of the Principles for Responsible Investment (PRI), an investor initiative in partnership with the United Nations (UNEP FI and UN Global Compact). With its international network, the PRI initiative is dedicated to the practical implementation of its principles for responsible investment. The aim is to better understand the impact of investment activities on ESG criteria. By signing the PRIs, we are taking a further step toward greater consideration of sustainability criteria in our investment decisions.

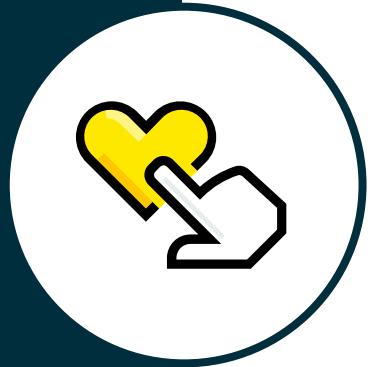


Commerzbank AG UK is a member of the Joint Money Laundering Intelligence Taskforce (the "JMLIT"), a partnership between UK law enforcement and the financial sector. JMLIT was formed to exchange and analyse information relating to money laundering and economic threats. Through JMLIT's Expert Working Group on Human Trafficking and Organised Immigration Crime, Commerzbank takes part in a cross-sector sharing of knowledge and intelligence, including red flag typologies, relating to modern slavery and human trafficking.



We have been members of the UN Global Compact since 2006. Together with other companies and the United Nations (UN), we want to implement and advance fundamental principles of human rights, working conditions, the fight against corruption and environmental protection.

“ We are committed to our public and private sector partnerships to enhance our ability to collectively tackle MS&HT. ”



Commerzbank Foundation

“ Taking responsibility toward fellow human beings is the fundamental principle of our commitment. That is why we support charitable institutions, initiatives and projects that enable and sustainably improve active participation in our society for everyone, and especially for disadvantaged people. In doing so, we stand for a courageous and diverse society. ”



COMMERZBANK
STIFTUNG

Commerzbank Foundation

In the spirit of corporate citizenship, Commerzbank is committed to an effective social commitment as a “good citizen” for the community that goes beyond its actual business activities. With the foundation, it wants to contribute to the solution of social problems in Germany and thus show itself as an active member of a future-oriented and at the same time solidary community. The foundation is thus part of the company’s sustainability strategy. Since its establishment on February 26, 1970, with an initial capital of 5 million deutschmarks, the Commerzbank Foundation has developed into an important Germany-wide sponsoring partner with an endowment capital of over 60 million euros. The corporate foundation has built up many sustainable partnerships and has thus established itself as a permanent sponsorship partner. In the 50 years of its existence, it has successfully supported well over 1,000 projects with a total of almost 40 million euros. Its partnership network ranges from cultural institutions to non-profit associations and scientific institutions.



Initiatives, Memberships and Certifications



Global Initiatives

- Working Groups Sustainability within Bankenverband (Federal Association of German Banks / since 2013)
- Projekt Committe on Sustainable Finance within Bankenverband (Federal Association of German Banks / since 2020)
- ICC Sustainable Trade Working Group (International Chamber of Commerce / since 2016)
- IIF Sustainable Finance Working Group (Institute of International Finance / since 2016)
- Peer Learning Group on Human Rights (German Global Compact Network / since 2017)

Global Initiatives

- UN Global Compact (since 2006)
- UN Environment Programme – Finance Initiative (UNEP- FI) (founding member 1992)
- UN Principles for Responsible Banking (PRB) (since 2019)
- UN Principles for Responsible Investment (PRI) (since 2020)
- Task Force on Climate Related Financial Disclosure (TCFD) (since 2020)
- Net Zero Banking Alliance (since 2021)
- Task Force on Nature Related Financial Disclosure (TNFD) (Since 2023)

Environment

- German Environmental Management Association (B.A.U.M) (since 1985)
- Climate Neutral Now (since 2018)
- Biodiversity in Good Company (since 2022)

Sector Initiatives

- German Association for Environmental Management and Sustainability in Financial Institutions (VfU) (since 2006)
- Green and Sustainable Finance Cluster Germany (since 2017)
- Climate Commitment of the German Financial Sector (since 2020)

Core Business

- Green Bond Principles (since 2014)
- Carbon Pricing Leadership Coalition (since 2015)
- Climate Bonds Initiative (since 2020)
- Science Based Targets Initiative (SBTi) (since 2020)
- Partnership for Carbon Accounting Financials (PCAF) (since 2023)

Social

- Germany's Diversity Charter (since 2008)
- Partner for Youth at UPJ (since 2013)
- UN Women's Empowerment Principles (since 2018)

Corporate Governance

- German Corporate Governance Code (since 2002)





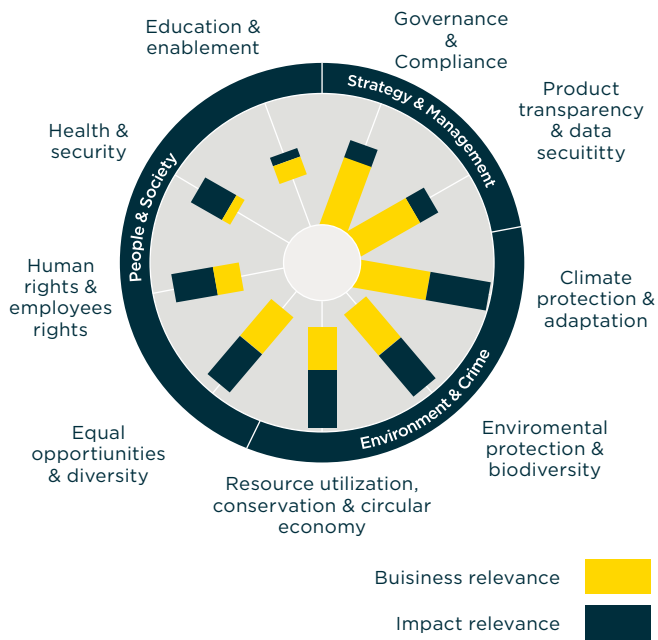
Sustainability & Modern Slavery

The transformation into a sustainable economy affects our customers and ourselves in equal measure. Sustainability, with a particular focus on the 'S' and the 'G' of ESG, is therefore an important part of our current strategy "Moving Forward", which is based on three pillars: **Growth, Excellence, and Responsibility.**

Materiality Analysis

At the beginning of 2022, we identified the sustainability issues most relevant to us via a new materiality analysis. This analysis shows us which topics we need to pursue strategically as a matter of priority. A list of potential sustainability topics was analysed in collaboration with external partners, applying two materiality Perspectives.

Nine topics have consequently been identified as material. They relate to all three sustainability dimensions - environmental, social and governance - and will form the future focus of our sustainability management activities.



[For more information on sustainability see our: Combined separate non-financial report](#)

Our sustainability strategy is implemented through the overarching strategic initiative Sustainability 360°. The customer segments, Risk Management and numerous other relevant Group divisions are involved in the Group-wide initiative, as is Commerz Real. The programme represents an overarching framework for all sustainability activities and ensures that cross-cutting issues are closely joined up, a co-ordinated approach is taken and tracking is strict. A steering committee consisting of members of the top management of the relevant divisions monitors progress every two months. The status of the programme is regularly reported to the Board of Managing Directors.



Commerz Real has been pursuing its Sustainable4Life sustainability strategy since 2020 and has embedded it within the company's business strategy, in the four impact areas of Portfolio & Investments, Directives & Processes, Team & Stakeholders and Innovation & Digitalisation.

mBank At mBank, too, the ESG agenda is a key component of the business strategy for 2021 to 2025. It is guided by the United Nations Sustainable Development Goals that are relevant for it, and by the UNEP FI Principles for Responsible Banking. Its strategy covers matters such as responsibility for climate change, for the financial situation of its customers, for society, for investors and for alignment with ESG values.



Organisational chart for the 360-degree strategic initiative



- 1 Products / Eco-Systems
- 2 Guidelines & ESG-Framework
- 3 EU-Taxonomy & CRR
- 4 Risk
- 5 Environmental Management
- 6 ESG-Data
- 7 Communication & Qualification
- 8 CSRD



ESG & Modern Slavery



Our key building blocks of our sustainability strategy:

- We are making Commerzbank's sustainability activities transparent.
- We define what ESG means in our customer business and what we focus on.
- We present our sustainable product solution.
- We bundle all our sustainable guidelines and exclusionary criteria.
- We use this framework as a management blueprint for the sustainable transformation of Commerzbank.

Sustainability concerns us all. We as a bank have a particular responsibility and role to play in this. As a reliable partner at the side of our customers, we must and intend to actively drive the sustainable transformation of the economy. Climate change and the new geopolitical situation pose immense challenges for politics, business, and society.

Our ambition is to establish ESG factors as an integral part of all business areas. The topic of climate protection is a particular focus.

With its Center of Competence Energy, founded in 2003, Commerzbank is now one of the largest financiers of renewable energies in Europe.

Through the ESG framework, we have made our understanding of and commitment to sustainability transparent for all stakeholders. The framework creates a Bankwide standard that enables rigorous management of all relevant products, processes and activities and ensures the sustainable transformation of Commerzbank. The focus of the ESG framework is on our core business. The ESG framework provides an overview of our sustainability directives and exclusion criteria. It is updated on a continual basis to reflect both regulatory developments as well as our own progress.

[🔗 Link to our ESG Framework](#)

The Bank has adopted a clear stance on controversial issues such as arms, deforestation and fossil fuels for both environmental and human rights reasons. The Bank has formulated industry-specific requirements for controversial topics such as armaments, deforestation and fossil fuels, including oil and gas. Cross-sector requirements relate to human rights and indigenous peoples.

Exclusion criteria were defined for particularly critical businesses and business relationships. This includes, for example, financing for oil and gas production projects (conventional and unconventional production methods), as well as the decision not to finance new construction or expansion of coal mines, coal infrastructure or coal-fired power plants. Exclusion criteria were also defined for other areas such as nuclear power and deforestation. For years now, environmental and biodiversity aspects have been integrated into the core business by means of minimum environmental standards and corresponding exclusion criteria, and compliance with these standards has been monitored.

“ The Bank has adopted a clear stance on controversial issues such as arms, deforestation and fossil fuels. ”



Bettina Storck
Divisional
Head of Group
Sustainability
Management

With our ESG Framework, we are giving our stakeholders the greatest possible transparency on our approach to sustainability. We are creating a Bank-wide standard that will enable stringent management of all relevant products, processes, and activities, thereby ensuring the sustainable transformation of Commerzbank.



Our sustainability definition:

For us, sustainability means conducting our business activities wherever possible in such a way that the livelihoods and living conditions of this and future generations are not negatively impacted.

German Supply Chain Due Diligence Act



Implementation Progress on the Supply Chain Due Diligence Act (“Lieferkettensorgfaltspflichtengesetz”).

Germany has incorporated these international human rights and environmental law demands for businesses into domestic law by adopting the Supply Chain Due Diligence Act (SCDDA). The SCDDA entered into force on January 1, 2023. It obliges Commerzbank to prevent or mitigate human rights and environmental risks and terminate actual abuses in our own business area as well as with suppliers. These risks include, among others, discrimination at work, disregard of occupational safety, unequal salary payments, and disregard of freedom of association.



We consider it part of our due diligence obligations to be aware of potential and adverse SCDDA risks and effects of our actions on individuals and the environment along the entire supply chain.

Hans-Georg Beyer
Chief Compliance and Human Rights Officer
of Commerzbank AG






The following milestones were achieved by 1st January 2024

- 01** Update and publication of the Policy Statement of Commerzbank AG on the human rights strategy.
- 02** Update and publication of a risk-specific Global Policy for the Protection of Human Rights and Environment (LkSG) in German and English.
- 03** Publication of procedures on the methodology of the risk assessment as well as on addressing reported violations of human rights and environmental norms.
- 04** Finalization of the expansion of the existing Compliance Management System according to SCDDA requirements.
- 05** Execution of the first regular risk analysis on human rights and environment-related risks in the own business area and for direct suppliers.
- 06** Implementation of targeted preventive measures based on the result of the initial risk analysis.
- 07** Rollout of the SCDDA program in the foreign locations and relevant subsidiaries.



Further activities planned for 2024

-  Update of the Policy Statement of Commerzbank AG based on the results of the first regular risk assessment.
-  Global rollout of a business partner due diligence application to assess and monitor the human rights and environment related risks of the business partners of the Commerzbank AG.
-  Designing and establishing an internal control landscape to measure the efficiency and effectiveness of the Bank’s implementation of the due diligence obligations.

Our position on [Human Rights](#) from 2023 is a key element of our social responsibility in our customer business. In it, we commit to respecting human rights and aim to make a contribution to the promotion and protection of these rights within the scope of our influence, for example in our dealings with employees, suppliers, and clients.



Looking Ahead

Disclaimer: Any of the below proposed plans may be subject to change as risks, regulations, laws, controls, priorities and external dependencies may require.



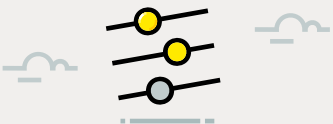
We will continue to monitor, embed and evolve the way we identify and mitigate modern slavery and human trafficking risks in our business and supply chains.

In 2024, we will continue the work we committed to in the 2022 Modern Slavery Statement and continue to develop our analytical and data tools to support investigations into modern slavery and human trafficking. We will work with both public and private partners to ensure that we are intelligence-led in enhancing our analytical capabilities, and that our Modern Slavery and Human Trafficking response is informed by the most relevant data.



Risk Assessment

We will aim to perform a UK risk assessment of MS&HT risk so that we are able to document our inherent risk exposure to MS&HT amongst our clients, suppliers and investments.



Benchmarking

Once more legal and regulatory guidance is made available on this topic, we would like to benchmark our suite of MS&HT controls against industry best practice, to identify further opportunities to enhance our internal risk management and mitigation controls.



Client Risk Management

We are considering to further enhance our client onboarding questionnaire to include questions focusing more explicitly on slavery risk and are considering to update our standard client contracts to include MS&HT related integrity clauses.



Third Party Risk Management

We aim to consider if and how MS&HT risk consideration can be further added to our current Business Partner Due Diligence process or tool. For example, whether we are able to risk assess suppliers based on geography, service sectors, spend and against Global Slavery index to identify MS&HT risk exposure. Where necessary, we may perform a thematic review of MS&HT risk on high risk introducers and distributors.



Horizon Scan

We will continue to monitor updates made to the UK Modern Slavery Act 2015 and ensure the appropriate committee are kept abreast of any changes in legal or regulatory requirements.

Approval

This statement is made pursuant to the UK Modern Slavery Act 2015 and constitutes Commerzbank AG's Modern Slavery and Human Trafficking Statement. It relates primarily to Commerzbank UK's business operations, activity, and clients. Where necessary and appropriate Global/Bank-wide controls have been included in the statement as some UK activity is driven, supported by, or similar to Global/Head Office systems, controls and activity.

This statement was approved by the Bank's Board of Managing Directors on 11th June 2024 and has been signed on behalf of the Bank by Bernhard Spalt and Michael Kotzbauer.



Bernhard Spalt
Member of Managing Board of Directors

Date: 11th June 2024



Michael Kotzbauer
Member of Managing Board of Directors

Date: 11th June 2024



Disclaimer:

All facts, figures and information in this document pertain to Commerzbank's systems, controls, resources etc., as at 2023, unless otherwise stipulated.

Please note, statements and figures presented in this document may have changed by the time this document is published.



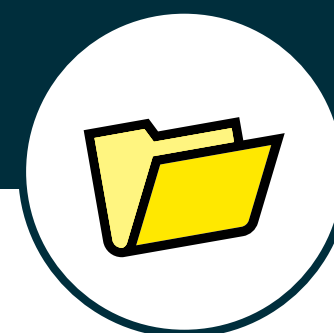
Let us know what you think

For any question or comments on our Modern Slavery & Human Trafficking Statement, please write to us at:

Chief Executive's Office Commerzbank
London Branch
30 Gresham St, London EC2V 7PG, United Kingdom

Appendix A

List of Abbreviations



Abbreviation	Meaning
1LoD	First Line of Defence
2LoD	Second Line of Defence
AFCA	Anti Financial Crime Alliance
AME	Adverse Media about Entities
AML	Anti-Money Laundering
CB	Commerzbank
CCL	Compliance Committee London
CEO	Chief executive officer
CLM	Client Lifecycle Management
CTF	Counter Terrorist Financing
DD	Due Diligence
EDD	Enhanced Due Diligence
ESG	Environment, Social and Governance
FATF	Financial Action Task Force
FCC	Financial Crime Compliance
FCU	Financial Crime Unit
FIU	Financial Intelligence Unit
GM-L	Legal

Abbreviation	Meaning
GRM-CO	Compliance
GRMO	Global Risk Models
GSEC	Global Sanctions Enforcement Check
HR	Human Resources
HT	Human Trafficking
IC	International Corporates
JMLIT	Joint Money Laundering Intelligence Taskforce
KYC	Know Your Clients
KYE	Know Your Employee
LkSG	Lieferkettensorgfaltspflichtengesetz
LON	London
LRF	London Risk Function
MLRO	Money Laundering Reporting Officer
MS	Modern Slavery
MS&HT	Modern Slavery and Human Trafficking
MSA	Modern Slavery Act
NCA	National Crime Agency
NGO	Non-Governmental Organisation

Abbreviation	Meaning
NPP	New Product Process
NY	New York
OCG	Organised Crime Group
OECD	Organisation for Economic Co-operation and Development
ORP	Operationally Responsible Party
PRP	Primary Responsible Party
RCGC	Regional Customer Governance Committee London
RFP	Request For Proposal
SAR	Suspicious Activity Reporting
SCDDA	Supply Chain Due Diligence Act
SGP	Singapore
SIP	Special Interest Persons
SMR	Senior Managers Regime
TAHub	Traffic Analysis Hub
UK	United Kingdom
UN	United Nations
WG	Working Group



COMMERZBANK