

UK Modern Slavery Act Statement

Introduction

This statement is made by Commerzbank AG (the “Bank”) and its relevant subsidiary undertakings, pursuant to Section 54 of the United Kingdom’s Modern Slavery Act 2015. It constitutes Commerzbank’s Modern Slavery Act statement for the financial year ending 31 December 2019 and explains the actions the Bank has taken during the year and has continued to take in 2020 to mitigate the risks of slavery and human trafficking being carried out or facilitated through the Bank’s business operations and supply chains. Commerzbank Finance Limited is covered by this statement.

Commerzbank is committed to the society in which we live and work and to respecting human rights. 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 International Covenant on Civil and Political Rights
- the International Covenant on Economic, Social and Cultural Rights
- the International Labour Standards of the International Labour Organisation
- the OECD’s framework ‘Due Diligence for Responsible Corporate Lending and Securities Underwriting’
- the OECD’s guidelines for Multinational Enterprises and
- United Nations Guiding Principles for Business and Human Rights

Commerzbank has been participating in the UN Global Compact and thus commits 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, and
- promoting the elimination of discrimination in regard to employment and occupation

Commerzbank’s Business

Commerzbank is a leading international commercial bank with branches and offices in nearly 50 countries. The Bank’s two business segments – Private and Small-Business Customers and Corporate Clients – offer a comprehensive portfolio of financial services precisely tailored to their customers’ needs. The Bank serves approximately 11.6 million private and small-business customers nationwide and over 70,000 corporate clients, multinationals, financial service providers and institutional clients worldwide.

Our business is based on the principle of sustainability and the interests of society. Alongside all our efforts to achieve our ambitious business goals, we still want to fulfil our responsibility towards people, society and the environment.

Further information on the Bank and its activities can be found on the Bank's website and in its annual report.

Commerzbank's Stance on Slavery and Human Trafficking

Commerzbank respects human rights as well as personal freedoms. It considers both to be a fundamental right of our social community. We expect the same from our suppliers, clients and business partners. By participating in the UN Global Compact, Commerzbank is committing to protecting international human rights and ensuring that Commerzbank does not participate in nor is complicit in the violation of human rights.

Our Employees

The Bank believes that its corporate values are the foundation of the organisation and these rules are embedded in its 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.

Acting ethically and with integrity is a key corporate value of Commerzbank. The guidelines clearly formulate existing rules of conduct and thus provide all employees with a guidance framework for acting with integrity – including in relation to human rights – and making integrity an active part of the Bank's daily business. The Code defines mandatory minimum standards for employees' interactions with each other, customers and business partners. The guidelines apply without exception to all Commerzbank staff.

Our Suppliers

Due to the nature of its business and consequently its suppliers, Commerzbank's core business supply chain is not inherently high-risk but individual suppliers of services not directly related to its core business may be exposed to inherent risk. To address and manage this risk:

- Commerzbank has developed clear standards for sustainable procurement and is committed to ensuring that its supply chains are free from slavery and human trafficking.
- 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.
- The Bank undertakes due diligence in respect of its supply chains when considering taking on new suppliers as well as on an ongoing basis.
- 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.

Our Customers

Commerzbank takes into account human rights in its business activities with clients, in line with internationally accepted human rights and corporate responsibility standards, Commerzbank's Code of Conduct and relevant legislation including anti money laundering laws.

The Bank undertakes due diligence on all its clients to evaluate and mitigate various risks. If material exposure to slavery and human trafficking risk is identified, appropriate steps are taken.

Monitoring, Investigation and Reporting

All of Commerzbank's clients and business partners (including suppliers) are the subject of monitoring and periodic reviews for a continuous assessment of financial crime risk. Where material issues are identified and Commerzbank's client or business partner fails to adequately address the issue, Commerzbank reserves the right to discontinue the relationship.

Commerzbank has continued to develop the systems, tools and processes it uses to assess relevant risks.

In 2019 public-private partnerships provided strong momentum to the fight against crime including slavery and human trafficking.

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, including red flag typologies, relating to modern slavery and human trafficking.

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 effort to tackle slavery and human trafficking includes targeted thematic reviews that aim to better understand and identify any exposure to risk.

Commerzbank has existing internal reporting channels by which issues, such as modern slavery, human trafficking and other criminal activity can be escalated.

Training and Awareness Raising

All employees in the UK receive mandatory compliance training which includes Commerzbank's Code of Conduct and Modern Slavery. Training is closely monitored to ensure it is completed by all employees.

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 run through real life modern slavery case studies and to help staff identify danger signs

The Bank strongly encourages a speak up culture and promotes diversity, inclusivity and empowerment amongst its employees.

Commerzbank continues to raise awareness in the industry about slavery and human trafficking with experts from Commerzbank delivering talks at industry events or through public private partnerships and looking for ways to expand cooperation through working with NGOs and industry associations.

Commerzbank regularly reports on the development and improvements in the field of human rights in its UN Global Compact progress report, which is published in the Bank's report on corporate responsibility. Commerzbank remains committed to the fight against slavery and human trafficking and will continue to explore new ways and innovative approaches for tackling this issue, including through artificial intelligence and data analytics, through public-private partnerships and cross-sector dialogue as well as further awareness training.

Moving forward, an internal Working Group which involves relevant stakeholders from different departments and is dedicated to the topic of mitigating slavery risk will be looking to further enhance Commerzbank's risk identification tools and processes.

Approval

Finalisation and publication of the statement for 2019 was delayed to allow for further analysis of the efforts the Bank has taken to combat slavery and human trafficking and the strategy moving forward.

This statement was approved by the Bank's Board of Managing Directors on 8th December 2020 and has been signed on behalf of the Bank by Sabine Schmittroth.



Sabine Schmittroth
Member of Managing Board of Directors

Date: 8th December 2020