

# Modern Slavery and Human Trafficking Statement

## I. Introduction

Hamburg Commercial Bank AG ("HCOB" or the "Bank") is committed to preventing modern slavery and human trafficking in all its forms taking place within its operations and supply chains. We acknowledge our responsibility to address the risks of modern slavery and are committed to ensuring that our practices and those of our business partners are in full compliance with the UK Modern Slavery Act 2015.

This statement outlines the steps we have taken to identify, prevent, and mitigate modern slavery risks, as well as the actions we will continue to take to ensure our business practices uphold ethical standards.

## II. Organisational Structure and Operations

HCOB is a German CRR-credit institution supervised by the European Central Bank ("ECB"). It has its registered office in Hamburg, and offices in Berlin, Düsseldorf, Kiel, Frankfurt am Main, Munich and Stuttgart. It also currently has branches abroad in the London, Piraeus and Luxembourg, and a representative office in Amsterdam. The Bank specialises in providing finance solutions to its mostly medium-sized corporate clients focussed around the following sectors:

- HCOB offers its clients structuring expertise in the financing of commercial real estate projects with a focus on Germany as well as neighbouring European countries;
- the Bank provides European-wide project financing for renewable energies and is also involved in the expansion of digital and other areas of important infrastructure;

- the Bank has a strong market position in international shipping;
- HCOB offers tailored financing solutions for international corporate clients as well as client business in Germany;
- the Bank's portfolio is completed by digital products and services facilitating reliable, timely domestic and international payment transactions as well as for trade finance.

The Bank is characterised by its experience and sector knowledge in its clients' businesses, which is supported by its focused capital markets products and services.

The Bank interacts with various suppliers, service providers, and contractors in both the UK and internationally.

### III. The Bank's Commitment to Combatting Modern Slavery

We are committed to the highest standards of ethics, integrity, and transparency in all aspects of our business. Modern slavery, including human trafficking, forced labour, and other forms of exploitation, has no place in our operations or supply chain. We take a zero-tolerance approach to any form of modern slavery.

### IV. Preventing Modern Slavery through Anti-Financial Crime Frameworks

As part of our commitment to preventing modern slavery, the Bank recognizes the important role that financial institutions play in identifying and mitigating risks associated with human trafficking and exploitation.

Modern slavery is often linked to various predicate offences that generate illicit financial flows, including human trafficking, fraud, and organized crime. The Bank's Anti-Financial Crime

policies are designed to identify suspicious financial transactions that could indicate the proceeds of such criminal activities. Through the application of strict due diligence, transaction monitoring, and customer screening procedures, we aim to identify and block financial transactions which might include modern slavery and other forms of exploitation.

Key elements of our anti-financial crime framework that support this effort include:

- Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD): we undertake comprehensive checks on customers to ensure that they do not involve individuals or entities which may be involved in criminal activities which may include modern slavery and human trafficking. This includes screening for individuals with known links to human trafficking networks or organized crime syndicates.
- Suspicious Activity Reporting (SAR): Through the Bank's Compliance trainings, employees are made aware of the methods by which criminals attempt to place money derived from illegal activity into the financial system (including acts of modern slavery and human trafficking). If employees suspect a firm or individual to have engaged in illegal activity, we emphasise the importance of escalating through the appropriate channels. We encourage the timely reporting of any suspicious activities through internal channels, in line with regulatory requirements. This includes the identification of financial transactions that appear inconsistent with legitimate business activity.
- Transaction Monitoring: the Bank's transaction monitoring systems flag unusual patterns that could suggest illicit financial activity, such as large or frequent international transfers that may be used to move the proceeds of exploitation. These systems are continually updated to ensure they can detect evolving financial crime trends.
- Collaboration with Authorities: We cooperate with law enforcement agencies and other stakeholders to share information and intelligence about potential financial crimes, including modern slavery. This helps to ensure that we remain vigilant and responsive in our efforts to combat modern slavery through financial channels.
- Through these proactive measures, we are committed to ensuring that our financial services are not used to facilitate any criminal activity which may include modern slavery or related crimes. We take all necessary steps to ensure compliance with applicable laws and regulations, and we remain focused on continuously improving our systems to mitigate the risk of financial crimes, including those that underpin modern slavery.

## V. Risk Assessment and Due Diligence in the Bank's Supply Chains

We are dedicated to assessing and understanding the risks of modern slavery within our operations and supply chains. As part of our due diligence process, we:

- verify that suppliers and contractors are subject to a compliance check before being awarded a contract. The review process includes, for example, a comparison with negative reports, credit information and sanctions and embargo lists;
- have defined that all suppliers and contractors who invoice a volume of more than EUR 25,000 gross sign the HCOB Supplier Code of Conduct. The Supplier Code of Conduct describes a wide range of obligations and expectations that our service providers and suppliers must comply with, including with regard to conflicts of interest, corruption, bribery, competition and antitrust law as well as employees' fundamental rights and social responsibility conduct regular audits and inspections of suppliers and contractors to verify their adherence to our ethical standards and anti-slavery policies; and
- carry out ongoing reviews of our supply chains to ensure that modern slavery risks are effectively managed and mitigated.

In addition, regular procedures are used to evaluate service providers and suppliers to ensure that any qualitative irregularities are identified in a timely manner and, if necessary, mitigated through the implementation of development plans.

The Bank's Procurement & Vendor Management department works with all internal stakeholders involved to exclude suppliers and contractors who refuse to accept the Supplier Code of Conduct from further tendering procedures if they do not provide a plausible explanation. A breach of the Supplier Code of Conduct may also lead to the termination of the business relationship.

The described risk assessment and due diligence in our supply chain ensures that we only do business with suppliers and service providers who meet important integrity standards.

## VI. The Bank's Whistleblowing Framework

The Bank recognizes that tackling modern slavery requires a collective effort, and that employees, contractors, and other stakeholders can be crucial in identifying and reporting instances of exploitation. Our whistleblowing framework is an essential tool in identifying potential risks related to modern slavery and human trafficking within the bank's operations, supply chains, and customer relationships.

A well-structured and confidential whistleblowing system empowers individuals to raise concerns about unethical or illegal practices, including those related to modern slavery, without fear of retaliation. We believe that fostering a culture of transparency and accountability is key to detecting and preventing modern slavery, and our whistleblowing framework plays a vital role in this.

Key elements of our whistleblowing framework that help combat modern slavery include:

- **Confidential Reporting Channels:** We provide employees, contractors, and third-party stakeholders with secure and anonymous channels to report concerns related to modern slavery or human trafficking. These channels ensure that whistleblowers can raise issues without fear of exposure or retaliation, encouraging the reporting of any suspicious activities that may indicate exploitation or forced labour.
- **Clear Procedures for Reporting and Investigation:** Our whistleblowing policy outlines clear procedures for reporting concerns related to unlawful activities including modern slavery, ensuring that allegations are handled promptly, investigated thoroughly, and escalated where necessary. These procedures ensure that suspected incidents of modern slavery are addressed appropriately, with a focus on protecting the rights and safety of those involved.
- **Training and Awareness:** We provide training to all employees on how to identify signs of financial crime and the appropriate steps to take if they suspect that such practices are occurring. Our whistleblowing framework ensures that employees are aware of how to report concerns related to financial crime and that they understand the protection afforded to whistleblowers. Our training is continuously reviewed to reflect the latest market and regulatory developments.

- **Protection Against Retaliation:** We are committed to protecting whistleblowers from any form of retaliation, discrimination, or harassment. Our policy ensures that any individual who reports concerns about modern slavery in good faith will be shielded from adverse consequences, reinforcing our commitment to ethical conduct and safeguarding the wellbeing of our employees and stakeholders.
- **Ongoing Monitoring and Reporting:** We regularly monitor the use and effectiveness of our whistleblowing framework to ensure that it remains fit for purpose and is accessible to all.

## VII. Performance and Effectiveness

We evaluate the effectiveness of our anti-financial crime framework through:

- regular internal and external audits; and
- reviewing incidents or complaints and taking corrective actions where necessary.

## VIII. Remedial Actions

Hamburg Commercial Bank Group's Approach to Modern Slavery:

When Hamburg Commercial Bank Group identifies any actual or potential instances of modern slavery—whether caused by the bank itself or through our suppliers—we address them based on their severity and impact.

Bank's Response Framework:

- **Direct Violations (within the Bank's own operations):**
  - Immediate action is taken to stop any violations.
  - Issues are escalated to the highest levels of the organization for resolution.

- Supplier Violations:
  - we work directly with suppliers to prevent and eliminate modern slavery.
  - the Bank's Procurement & Vendor Management department oversees these efforts.
  - violations are tracked through our Non-Financial Risk Reporting system.
  - serious violations involving outsourcing will be reviewed by management committees.

Resolution Process:

- we take appropriate corrective actions, the effectiveness of which we monitor over time.
- cases are closed only when the issue has been fully resolved.

For Ongoing Violations:

- we will take additional steps, such as carrying out supplier audits.
- if a supplier violation cannot be resolved quickly, we develop a specific action plan, which may include:
  - clear timelines for resolution.
  - joint remediation efforts with the supplier.
  - possible suspension of business relationships until the issue is addressed.

## IX. Role and Responsibilities

The overall responsibility for combatting modern slavery lies with the Managing Board of HCOB. It includes at least the control and monitoring of the UK Modern Slavery Act-related measures, supported by the London Branch Compliance function.

HCOB will critically review this Statement and its implementation as well as the prevention measures mentioned herein at least on an annual basis and, if necessary, on an ad hoc basis, update it as needed.

### About Hamburg Commercial Bank

Hamburg Commercial Bank AG (HCOB) is a private commercial bank headquartered in Hamburg, Germany, that provides customized financing solutions for German and international companies. HCOB has a strong position in structured real estate and project finance and is a reliable financing partner for the global shipping and aviation sector. Efficient and secure payment transaction services as well as innovative products for foreign trade complete the range of services. The bank is guided by established ESG criteria and operates from several locations in Germany as well as in Amsterdam, London, Luxembourg and Piraeus. For more information, please visit [www.hcob-bank.com](http://www.hcob-bank.com).