



Human Rights Guideline DZ BANK Group

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Introduction

The DZ BANK Group is part of the Volksbanken Raiffeisenbanken cooperative financial network, which is one of the largest private financial services organisations in Germany. The DZ BANK Group includes Bausparkasse Schwäbisch Hall, DZ BANK AG, DZ HYP, DZ PRIVATBANK, R+V Versicherung, TeamBank, Union Investment, VR Smart Finanz and various other specialist institutions. With its range of financial and banking services, insurance and home savings products, the DZ BANK Group provides a comprehensive spectrum of services for both its own customers and for the cooperative banks and their customers.

For the companies of the DZ BANK Group, sustainable development is the benchmark for a long-term corporate policy designed to meet not just economic but also ecological and social challenges. Acting responsibly is a central corporate objective for us and is part of the self-image of cooperative institutions.

With its [Code of Conduct](#), the DZ BANK Group is committed to democracy, tolerance, equal opportunities and respect for human rights. We are aware of our responsibility towards our customers, business partners, shareholders, employees and society. Against this background, the business activities on which we focus and how we conduct them are of great importance.

This guideline specifies the content listed in the Code of Conduct on the topic of human rights. The principles outlined in the following represent human rights principles which the companies of the DZ BANK Group have set for themselves and which are continuously being developed. Observing the principles is a top priority. Compliance with applicable laws and regulations is a matter of course for the DZ BANK Group. In addition, international principles and initiatives serve as an important guide for the sustainable focus of our actions.

By signing the [UN Global Compact](#), the DZ BANK Group* has committed itself to supporting respect for international human rights. This includes the avoidance of complicity in human rights violations. We recognise and observe human rights. This applies in particular to the [Universal Declaration of Human Rights \(UDHR\)](#) of the United Nations General Assembly and the [European Convention on Human Rights \(ECHR\)](#). We strictly reject any form of forced labour and child labour and recognise the right of all employees to form trade unions and employee representatives on a democratic basis within the framework of national regulations. The protection of fundamental labour rights as defined by the [International Labour Organisation \(ILO\)](#) and core labour standards are also of significant importance for our actions.

* Here Bausparkasse Schwäbisch Hall, DZ BANK AG, DZ HYP, DZ PRIVATBANK S.A., R+V Versicherung, TeamBank, Union Investment, VR Smart Finanz

Implementation in relation to different target groups

The DZ BANK Group as an employer

At all of their domestic and foreign locations, the companies of the DZ BANK Group are guided by the principles of the UN Global Compact and the ILO core labour standards on the prohibition of forced and child labour, freedom of association, the right to form trade unions, the right to equal pay for work of equal value for women and men, and the elimination of discrimination in employment.

Additional company benefits apply in principle to all employees. In the case of temporary workers, the Group companies are guided by the principle of equality set out in the German Temporary Employment Act (AÜG, section 8) and the implementation of the European Union Directive on Temporary Agency Work applicable in Germany and other EU member states in which DZ BANK Group companies are located. This directive establishes, among other things, the principle of non-discrimination between temporary agency workers and employees in a company.

More detailed information on the positioning of the DZ BANK Group as a responsible employer can be found in the document "[Labour Standards DZ BANK Group](#)".



Freedom of association and right to collective bargaining/wage negotiations

All companies within the DZ BANK Group grant their employees freedom of association, the right to collective bargaining and the right to strike. The formation, joining and membership of a trade union are never grounds for unjustified discrimination or retaliation. At its German locations, where a total of more than 90 percent of all its employees are based, the DZ BANK Group is subject to the German Works Constitution Act (Betriebsverfassungsgesetz), which also governs cooperation between the employer and the employees' council (employee representation) and is established in all the companies of the DZ BANK Group. Likewise, all employees may claim the right of freedom of association and join in trade unions or associations to achieve common goals. The Employers' Association of DZ BANK and other companies in the DZ BANK Group covered by collective bargaining agreements conduct regular collective bargaining with the employee representatives. All the companies of the DZ BANK Group always inform their employees about collective bargaining negotiations or wage agreements via the intranet, which is freely accessible to every employee, and they implement the agreements reached. At the German locations, information to employees is also provided by the respective employee representatives. If legal standards stipulate lower requirements or if these are lacking, the companies at the foreign locations are guided at least by the core labour standards of the ILO.

Ensuring occupational safety and health protection in the workplace

The companies of the DZ BANK Group ensure the appropriate occupational safety for their employees in order to prevent accidents and health hazards. In doing so, they comply at least with the local legal requirements for occupational safety and health protection. At their German locations, the Group companies have appointed company doctors and

occupational safety specialists and regularly conduct workplace inspections as part of formal processes. If legal standards stipulate lower requirements or if these are lacking, the DZ BANK Group ensures occupational safety and health protection at least in accordance with the ILO core labour standards.

In addition, there are independent social counselling services in all companies to support employees and managers in dealing with psychological stress, for example through special training on the prevention of psychological stress in the workplace. Employees returning to work after a long illness are supported at all German locations in accordance with the company integration management system.

Ensuring fair pay and fair working conditions

The DZ BANK Group pays its employees sufficient and appropriate wages to ensure an adequate and secure livelihood, complies with statutory minimum wages and complies with the German Remuneration Transparency Act (Entgelttransparenzgesetz) at its German locations. This serves to eliminate wage differences between the genders for the same work or work of equal value by means of information claims. All the Group companies ensure fair working conditions for their employees and comply with national laws and regulations on working hours and occupational safety as well as the ILO core labour standards. In addition to appropriate remuneration, the companies of the DZ BANK Group also offer many voluntary benefits that contribute to the attractiveness of the workplace and promote work-life balance.

Diversity and equal opportunities

Not discriminating against people on the basis of age, gender, ethnic origin, nationality, religion, political opinion, ideology, disability or sexual identity is a core principle of the DZ BANK Group and is part of its human rights due diligence obligations. Likewise, the companies of the DZ BANK Group do not tolerate any form of verbal, physical or sexual harassment towards employees or third parties. Training on the General Equal Treatment Act (Allgemeines Gleichbehandlungsgesetz) is mandatory for all employees and specifically for managers.

The companies of the DZ BANK Group are committed to actively supporting women in their professional development, to remunerating them on equal terms in comparable positions and to giving them equal consideration when selecting managers. The Group companies* have also signed the "Diversity Charter".



The DZ BANK Group as a client

Taking environmental and social aspects into account is an important part of the DZ BANK Group's purchasing strategies. The DZ BANK Group already introduced new minimum social and ecological standards in procurement in 2010 based on existing standards and integrated them into its purchasing processes. These provide a framework for sustainable supplier relationships for all companies in the DZ BANK Group.

Since then, suppliers of the DZ BANK Group have been required to comply with the sustainability requirements for suppliers of the DZ BANK Group. These are based on the principles of the UN Global Compact in the areas of human rights, labour standards, environmental protection and anti-corruption, the BME Code of Conduct adopted by the German Association for Supply Chain Management, Procurement and Logistics (BME) and the relevant ILO conventions.

The companies of the DZ BANK Group consider the requirements to be essential for the respective business relationship. In the event of a breach of the sustainability requirements, the companies of the

* DZ PRIVATBANK plans to sign in 2023

DZ BANK Group will draw up a concrete action plan together with the business partner. This also includes an escalation scheme which, in extreme cases, can even extend to the termination of the business relationship.

The companies of the DZ BANK Group expect their business partners to also ensure that their business partners and subcontractors comply with these requirements and to address and question them. The companies of the DZ BANK Group expect their suppliers to meet the following criteria:

- » Compliance with all applicable standards on the **protection of human rights and anti-corruption**. These should also be guaranteed within one's own supply chain.
- » Recognition of the principles on **equal opportunities** as an employer and the right to **collective bargaining, minimum wages and social benefits**.
- » Ensuring a **healthy and safe working environment** (prohibition of child and forced labour, etc.).
- » **Minimising environmental impacts** and continuous improvement of environmental protection measures.

Most of the companies of the DZ BANK Group analyse their suppliers with the help of a tool from the provider EcoVadis with regard to their sustainability risks by country and sector. Based on this, the relevant companies of the DZ BANK Group obtain corresponding information on the aspects of environment, labour & human rights, ethics and sustainable procurement by means of self-disclosures from the supplier via the EcoVadis rating for sustainability assessments.

In a group-wide working group "Sustainability in Procurement", which is made up of the purchasing departments of the group companies, the processes and objectives for sustainability in purchasing are being continually further developed.

Business activities of the DZ BANK Group

The DZ BANK Group strives for a fair and partnership-based business relationship with its business partners, customers and suppliers and assumes responsibility towards society and the environment. We therefore also expect our suppliers and business



partners to conduct their business in a manner that is geared towards long-term and sustainable action.

The companies of the DZ BANK Group use various instruments in their lending, financing and investment business to minimise potential adverse sustainability impacts and limit possible risks with regard to sustainability-related risks arising from their own business activities. These include exclusion criteria, sector principles and the Group credit standard to take into account risks associated with ESG factors. As a matter of principle, the DZ BANK Group refuses to finance any products or activities that are considered illegal under the laws or regulations of the target country or under international conventions and agreements. The DZ BANK Group adheres to exclusion criteria regarding violations of international labour standards, including child and forced labour. The exclusion criteria also include violations of human rights, environmental protection and corruption requirements. Further information on the exclusion criteria applied can be found in the document "[Exclusion criteria of the DZ BANK Group](#)".

To evaluate sustainability and ESG risks, the experts in the DZ BANK Group are also surveyed as part of an annual Group risk inventory. The aim is to achieve Group-wide transparency and an assessment of the impact across the main risk types and to determine the effects on the respective business model. The Group risk inventory also includes an analysis of the ESG risk drivers in order to assess the potentially significant risk drivers from the areas of climate and the environment, social issues and corporate governance to which the DZ BANK Group is exposed.

Commitments

Group-wide commitments and frameworks

United Nations Global Compact (UNGC)

As the world's largest initiative, the UN Global Compact offers the DZ BANK Group the opportunity to live out responsible corporate governance and sustainable business practices. By signing the Compact, the DZ BANK Group commits to implementing and respecting the 10 principles of the UNGC, which are divided into the four topics of human rights, labour standards, environmental protection and the prevention of corruption.

Sustainable Development Goals (SDG)

The United Nations adopted 17 Sustainable Development Goals (SDGs) as part of the 2030 Agenda. The goals adopted by the United Nations relate to the economic, social and ecological levels. In the 2020 financial year, the 17 SDGs were determined as a uniform guideline for the business activities of the companies of the DZ BANK Group.

Additional company-specific commitments

DZ BANK AG: Equator Principles

The Equator Principles comprise 10 principles for compliance with environmental and social standards that apply to all new project financing with a volume of USD 10 million or more in any industrial sector worldwide. This voluntary commitment has been signed by around 100 global financial institutions. DZ BANK has been part of the alliance since 2013 and has been implementing the fourth version of the standard since 2020.

Furthermore, individual companies of the DZ BANK Group are represented in other international, national and municipal sustainability initiatives.



Tasks and responsibilities

Group Sustainability Committee

The Group Sustainability Committee (GSC) is the central body for managing the implementation of social, business policy and regulatory requirements relating to sustainability issues (including human rights) in the DZ BANK Group. Furthermore, the GSC forms a platform for professional exchange across the Group and drives the integration of sustainability in the core areas. The GSC oversees all sustainability-specific decisions of relevance to the Group, supports the companies of the DZ BANK Group in managing, communicating and coordinating sustainability issues, and provides strategic impetus. Furthermore, the GSC supports the Group Coordination Committee of the DZ BANK Group in matters of principle. The GSC comprises the Co-Chief Executive Officers of DZ BANK AG as well as the responsible members of the Boards of Managing Directors of the main subsidiaries. The responsible division heads of DZ BANK AG or Group companies are permanent guests on the GSC in their deputising function for the members of the Board of Managing Directors.

Sustainability Coordination Group

The Sustainability Coordination Group serves to bring together, coordinate and consistently process group-relevant sustainability topics and acts on behalf of the GSC. The common interest of all the Group companies results from anchoring sustainability in the strategy as well as the guidelines and commitments in the context of sustainability. The Sustainability Coordination Group supports the GSC in all sustainability-related topics and coordinates any working groups in the operational preparation of the topics. In addition, the Sustainability Coordination Group prepares the content of the GSC meetings. The Sustainability Coordination Group also includes a sustainability manager from each of the companies represented in the GSC. Optional participation in the meetings is possible for both the deputies of the ordinary members of the Sustainability Coordination Group and the division heads involved in the GSC.

Group Procurement Committee

The Group Procurement Committee is made up of members of the Board of Managing Directors and authorised representatives of the Group companies and manages the purchasing activities of the DZ BANK Group insofar as they have an impact throughout the Group. In particular, it decides on issues of cooperation between the purchasing units, identifies and realises synergies and defines common standards and procedures. A Group-wide “Sustainability in Procurement” working group, which is made up of the purchasing departments of the Group companies, works alongside the Group Procurement Committee. Among other things, the working group takes measures to ensure compliance with human rights in the supply chain.

Human Rights Officers

As part of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – LkSG), the companies of the DZ BANK Group that fall within its scope (DZ BANK, Bausparkasse Schwäbisch Hall and R+V Allgemeine Versicherung)* analyse their human rights and environmental risks in the supply chain and in their own business areas. The companies have appointed human rights officers to monitor these human rights and environmental due diligence obligations. They are responsible for monitoring the risk analyses and the complaints procedure as well as for reporting to the Board of Managing Directors and the Federal Office for Economic Affairs and Export Control.

The DZ BANK Group also has other committees that deal with sustainability issues (including human rights), such as the Group Risk and Finance Committee and the Group Human Resources Committee.

* TEAMBANK as well as of 2024

Communication of content and reporting

Further information on sustainability management and DZ BANK's corporate commitment can be found in the Sustainability Report of the DZ BANK Group. This is published annually on the [DZ BANK homepage](#).

The Sustainability Report bundles all measures and activities of the past twelve months, thereby making our strategic development visible both internally and externally. In addition to information on the bank itself, the report also includes the goals, measures

and progress of the DZ BANK Group. Whether sustainability ratings, CO2 emissions or the impact of our business on the 17 UN Sustainable Development Goals, you can read about all this and other information in detail in the Sustainability Report.

You can also find more information about our sustainability commitment on our [Sustainability homepage](#) and on our [Investor Relations homepage](#).



Partnerships and knowledge-sharing

Group-wide exchange on human rights issues

The companies of the DZ BANK Group exchange information on human rights issues. The aim of the exchange is to share experiences in the context of human rights in the respective companies, to jointly develop approaches to deal with human rights due diligence obligations and to coordinate activities to meet regulatory requirements.

Company-specific approaches

In addition to these guidelines, the companies of the DZ BANK Group can also formulate individual company requirements.

Currently, the following company-specific documents exist in the context of human rights:

- » [DZ BANK AG's Sustainability Commitment](#)
- » [Human Rights Policy Statement of the Union Investment Group](#)

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