



DZ BANK AG Policy Statement on Respect for Human Rights

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Introduction

For DZ BANK AG (hereinafter referred to as DZ BANK), sustainable development is the benchmark for a long-term corporate policy that addresses not only economic, but also ecological and social challenges. Acting responsibly is a central corporate objective for DZ BANK and is part of the self-image of cooperative institutions.

With this policy statement, which was adopted by the Board of Managing Directors on 19 December 2023, DZ BANK underlines its commitment to respecting human rights and environmental standards and due diligence obligations. DZ BANK respects and protects human rights and does not tolerate any violations of the obligations imposed by the German Supply Chain Act (Lieferkettensorgfaltspflichtengesetz, LkSG). Pursuant to Section 2 (2) and (3) LkSG, human rights prohibitions include, for example, the prohibition of child labour, the prohibition of forced labour, the prohibition of slavery and the prohibition of unequal treatment. Prohibitions under environmental law include the ban on the environmentally unsound handling of waste and the ban on the export and import of hazardous waste. A company's points of contact with the human rights or environmental risks specified in the LkSG are highly sector-dependent. For DZ BANK as a financial services company, the focus is therefore on compliance with human rights in its own business area and at its suppliers that provide services for the Bank.

The aim of this policy statement is to outline DZ BANK's approach to implementing the human rights and environmental due diligence obligations set out in the LkSG and to highlight key risks. In addition, DZ BANK's human rights and environmental expectations of its employees and its suppliers in the supply chain are formulated.

Commitment to international human rights standards and other initiatives

DZ BANK is always aware of its responsibility towards its employees, society and the environment, not only in its own business area but also in the supply chain, and takes this seriously. Accordingly, DZ BANK's corporate responsibility also relates to respect for human rights and the environment. DZ BANK's business activities are based on shared values and a commitment to various standards and sustainability initiatives.

In addition, DZ BANK demonstrates its understanding of responsibility for human rights and the environment by recognising international guidelines and standards and supporting industry initiatives:

- **Universal Declaration of Human Rights** proclaimed by the United Nations General Assembly (UDHR)
- **European Convention on Human Rights** (ECHR)
- **Principles of the Global Compact** of the United Nations (UNGC): DZ BANK made a clear commitment to the United Nations Global Compact when it joined in 2008. The first six principles of the initiative explicitly refer to respect for human rights and the implementation of labour standards.
- Conventions and recommendations of the **International Labor Organization** (ILO) on labour and social standards
- **Diversity Charter**: DZ BANK is committed to the opportunities created by diversity and has therefore signed the "Diversity Charter". It is committed to creating a working environment free of prejudice and exclusion.

DZ BANK is also committed to the United Nations Sustainable Development Goals and the Paris Climate Agreement. Further details can be found in the DZ BANK Group's Sustainability Report.

Expectations of DZ BANK employees and suppliers

The standards and values enshrined in the aforementioned frameworks are also reflected in DZ BANK's own guidelines and form the binding framework for action for employees, business partners and suppliers:

- **DZ BANK AG's Code of Conduct** provides the foundation for a legally compliant and ethically oriented sustainable corporate culture to which DZ BANK is committed both internally and externally.
- The **DZ BANK Group's Human Rights Guideline** specifies how the companies in the DZ BANK Group deal with the issue of human rights.
- With the **Sustainability Commitment**, DZ BANK confirms its binding commitment to sustainability to customers and business partners and the level of ambition it is aiming for.
- Since 2010, DZ BANK has been integrating minimum social and environmental standards into its purchasing processes on the basis of existing standards as part of the **Sustainability requirements for Suppliers of the DZ BANK Group**.
- In accordance with the guideline "Sustainability in Procurement at the DZ BANK Group", which is based on the principles of the UN Global Compact and applies to all Group companies, economic, environmental and social standards must be observed in the DZ BANK Group's procurement processes, including human rights aspects and fair labour practices.

DZ BANK will continue to drive forward the further development of sustainability services on this basis in the future. The following expectations regarding the observance of human rights and environmental obligations apply to the employees and suppliers of DZ BANK.

Employees

As part of its due diligence obligations, DZ BANK respects and promotes the human rights of its employees, most of whom work in Germany.

DZ BANK has committed itself to this by signing the UN Global Compact and has laid down corresponding principles in its own Code of Conduct. Under the Code of Conduct, all employees are expected to behave lawfully while upholding DZ BANK's standards and measures relating to human rights and the environment. The Human Rights Guideline for the DZ BANK Group was published in 2023 to further specify the content of the Code of Conduct on human rights. It is based on the core conventions of the International Labor Organization (ILO), the Universal Declaration of Human Rights of the United Nations General Assembly and the European Convention on Human Rights.

Training on the German General Equal Treatment Act (Allgemeines Gleichbehandlungsgesetz, AGG) is mandatory for all employees and especially for managers at the German locations. In addition, DZ BANK employees are made aware of the contents of the German Supply Chain Act, LkSG.

Further details can be found in the DZ BANK Group's Sustainability Report.

Suppliers

From the suppliers of DZ BANK, compliance with the sustainability requirements, which regulate the demands of DZ BANK in the procurement process, is expected. This is intended to ensure that all suppliers comply with human rights and environmental obligations. In accordance with the guideline "Sustainability in Procurement at the DZ BANK Group", which is based on the principles of the UN Global Compact and which is mandatory for DZ BANK, procurement processes must take account of economic, environmental and social standards, including human rights aspects and fair labour practices. Processes and objectives for sustainability in purchasing are continuously being developed.

DZ BANK requires its suppliers to comply with minimum standards in accordance with the "Sustainability requirements for suppliers of the DZ BANK Group".

These are based on the principles of the UN Global Compact, the Code of Conduct adopted by the German Association of Materials Management, Purchasing and Logistics (BME) and the core labour standards of the International Labor Organization (ILO).

Further details can be found in the DZ BANK Group's Sustainability Report.

Structure and responsibilities for the implementation of due diligence obligations

Responsibilities have been defined at DZ BANK for monitoring compliance with and implementation of the human rights and environmental due diligence obligations arising from the LkSG. These due diligence obligations include the establishment of a risk management system, which also includes carrying out a risk analysis, defining preventive and, if necessary, corrective measures, setting up a complaints procedure and regular documentation and reporting.

To anchor risk management in all relevant business processes, DZ BANK has established LkSG governance with clear responsibilities and competencies.

To monitor risk management, the position of Human Rights Officer has been established as a central unit within the Compliance division of DZ BANK. DZ BANK's Human Rights Officer has a monitoring and awareness-raising function with regard to the implementation of due diligence obligations. It coordinates the risk analyses in accordance with the LkSG, compares the results of the specialist departments with the legal requirements and a uniform system and monitors the implementation of any necessary measures. The Human Rights Officer also prepares internal and external reports on human rights and environmental issues as part of the monitoring function. The Human Rights Officer provides the Board of Managing Directors of DZ BANK with regular and ad hoc information on the human rights and environmental risk situation and the implementation of due diligence obligations.

The Human Rights Officer is supported by DZ BANK's LkSG working group for the strategic development and coordination of interfaces and the promotion of knowledge exchange in the operational implementation of due diligence obligations. The DZ BANK Group also engages in an exchange on human rights issues to promote strategic development, the exchange of experience and coordination on dealing with human rights issues within the DZ BANK Group.

Concept for the implementation of due diligence obligations

This chapter describes the concept as well as the structure and responsibilities of DZ BANK for the systematic and continuous fulfilment of the individual due diligence obligations of the LkSG.

Risk Management

In accordance with section 4 LkSG, DZ BANK is obliged to introduce appropriate and effective risk management to deal with human rights and environmental obligations. The purpose of the LkSG is to identify, prevent, minimise or eliminate potential or actual human rights or environmental risks or violations. According to the LkSG, a human rights or environmental risk is a situation in which there is a sufficient likelihood of a violation of one of the prohibitions defined in Section 2 (2) and (3) of the LkSG (e.g. the ban on the employment of persons in forced labour or the ban on the export of hazardous waste). These risks are to be prevented through the implementation of risk management.

For risk management to be considered appropriate, it must be integrated into all relevant business processes and adapted to the specific business activities, size, structure and performance of DZ BANK and implemented by means of appropriate and effective measures. To anchor risk management in all relevant business processes, DZ BANK has established a LkSG governance (see Chapter 4).

On the one hand, risk management covers DZ BANK's own business area. Own business area comprises all activities undertaken by DZ BANK to achieve its corporate objective, including the manufacture and sale of products and the provision of services in Germany and abroad. On the other hand, direct suppliers must also be considered when implementing the due diligence obligations. Direct suppliers include contractual partners for the supply of goods or services that are required for DZ BANK's own product manufacturing or service provision. An ad-hoc risk analysis must be carried out for indirect suppliers if DZ BANK obtains substantiated knowledge that human rights risks or environmental risks could exist at indirect suppliers. Indirect suppliers are suppliers of a direct supplier of DZ BANK that also provide necessary supplies.

In addition to risk analysis, risk management also includes preventive and corrective measures. Further elements of risk management are the complaints procedure and the documentation and reporting obligations.

The Human Rights Officer is responsible for ensuring effective and appropriate risk management of human rights and environmental due diligence obligations.

Risk analysis and implementation

The risk analysis is the first operational duty of care of the LkSG. The aim of the risk analysis in accordance with the LkSG is to identify, weight and prioritize human rights and environmental risks in the company's own business area and in the supply chain. The LkSG risk analysis looks at the impact of DZ BANK's business activities on employees and the environment and therefore analyzes them from the perspective of those (potentially) affected. This creates the basis for validating the preventive measures and for defining suitable remedial measures.

As part of appropriate and effective risk management, the LkSG distinguishes between two types of risk analysis: The regular risk analysis and the ad-hoc risk analysis. The regular risk analysis takes place once a year for DZ BANK's own business area and for its direct suppliers. The ad-hoc risk analysis is carried out if there is substantiated information that makes such an ad-hoc analysis appear necessary, such as changes or expansions in DZ BANK's risk situation. This includes

findings from the tool used for sustainability ratings of companies. Furthermore, the anonymised evaluation of complaints or information, for example from the whistleblower system, can provide information about a risk, which can also lead to indirect suppliers being included in the risk analysis.

Risk analysis in own business area

In order to review compliance with human rights and environmental standards in DZ BANK's business area, the locations in Germany and abroad were first analysed. In addition to the German locations, the risk analysis in our own business area also includes the foreign branches and representative offices in Europe, America and Asia. The risk analysis in the company's own business area is carried out in an initial analysis by screening the Country and sector-specific risks of violations in relation to human rights or environmental due diligence obligations. Based on these findings, a specific risk assessment is carried out in the relevant specialist areas and locations in Germany and abroad. In this process, the probability of occurrence, severity, contribution to causation and DZ BANK's ability to influence the potential LkSG risks are determined and the effectiveness of the preventive measures is reviewed.

Risk analysis of direct suppliers

There may also be risks in the supply chain that have a negative impact on the environment and society and could jeopardize the supply relationship. For this reason, DZ BANK pays attention to sustainability aspects and the minimization of human rights and environmental risks when selecting service providers and suppliers and when purchasing goods and services.

The risk analysis of DZ BANK's direct suppliers is carried out using a risk analysis tool. In the first step, a screening of the suppliers, based on the country of location and sector of the company, is carried out for the risk of violations regarding human rights or environmental due diligence. Based on this initial abstract risk assessment, key suppliers for DZ BANK are requested to undergo an individual rating, which, depending on the results, may lead to recommendations for measures to improve the supplier's rating by DZ BANK.

If there is substantiated knowledge of a risk or breach at an indirect supplier, this supplier is also included in the risk management process in the same way as the direct suppliers.

Preventive measures

Preventive measures are intended to mitigate potential violations of human rights and environmental damage that could be triggered by DZ BANK's direct or indirect involvement at an early stage. Preventive measures must be defined and implemented for the company's own business area and for direct and, in certain cases, indirect suppliers. Depending on the results of the risk analysis, the preventive measures are validated and adjusted if necessary.

DZ BANK has established the following overarching preventive measures to avoid human rights and environmental risks in its own business area:

- [Code of Conduct of DZ BANK AG](#)
- [Code of Conduct for DZ BANK Group](#)
- [Exclusion criteria, sector principles and sustainability assessment](#)
- [Human Rights Guideline DZ BANK Group](#)
- DZ BANK AG Policy Statement on Respect for Human Rights
- Active use of stakeholder feedback such as ESG ratings, NGO dialogue, other stakeholder discussions

The following section examines and classifies the preventive measures in relation to the company's own business area as well as direct and indirect suppliers.

Preventive measures in own business area

DZ BANK has established preventive measures to avoid human rights and environmental risks in its own business area: This includes in particular

- The implementation of the human rights strategy set out in the policy statement in the relevant business processes.

- The development and implementation of suitable procurement strategies and purchasing practices that prevent or minimise identified risks,
- Conducting training courses in the relevant business areas,
- The implementation of risk-based control measures to verify compliance with the human rights strategy contained in the policy statement in our own business area.

Various preventive measures have been implemented in DZ BANK's own business area. DZ BANK uses an external rating to analyse its potential for improvement with regard to human rights and the environment and derives appropriate measures from this.

Ratings on human rights and environmental risks are also requested for suppliers as part of the sustainable procurement processes in Purchasing in order to identify risks and potential for improvement and derive measures. In addition, the sustainability requirements for suppliers of the DZ BANK Group integrate minimum social and environmental standards into the purchasing process alongside cost and quality factors.

DZ BANK's training concept includes training on the General Equal Treatment Act (AGG) for employees and managers. In addition, virtual training on the LkSG is going to be introduced for all employees. Employees must also comply with DZ BANK's Diversity Policy for Employees, the DZ BANK Group's Human Rights Policy and the DZ BANK Code of Conduct.

Further measures in our own business area include the appointment of an environmental officer for operational ecological issues and membership of the ECOPROFIT Club for the DZ BANK locations in Frankfurt and Düsseldorf. In addition, active use of stakeholder feedback such as ESG ratings, NGO dialogue, other stakeholder discussions takes place. By signing the "Diversity Charter" and the "Letter of Intent", targets and measures were set to promote women in management positions.

Risk-based controls regarding the implementation of due diligence obligations are planned in our own business area.

Preventive measures towards suppliers

In accordance with the LkSG, DZ BANK must establish appropriate preventive measures for direct suppliers depending on the risk situation. These include in particular

- Consideration of human rights and environmental expectations when selecting a direct supplier,
- The contractual assurance of a direct supplier that it will comply with the human rights and environmental expectations of the company's management and address them appropriately along the supply chain,
- The implementation of training and further education to enforce the contractual assurances of the direct supplier,
- The agreement of appropriate contractual control mechanisms and their risk-based implementation in order to verify compliance with the human rights strategy at the direct supplier.

Preventive measures include the agreement of sustainability requirements for suppliers to the DZ BANK Group at the time of supplier registration. As part of the purchasing agreements between DZ BANK and suppliers, an assurance of compliance with human rights and environmental requirements and the passing on of requirements in the supply chain is established through the inclusion of pass-on clauses. This also includes the possibility of carrying out ratings and audits if certain suppliers have an increased risk potential.

Central Purchasing also discusses measures with selected sustainability-relevant suppliers in annual development meetings in order to initiate targeted further development and training where necessary.

Remedial measures

If DZ BANK determines that a violation of a human rights-related or environmental obligation has already occurred or is imminent in its own business area or at a direct or indirect supplier, appropriate remedial measures must be taken immediately to prevent or end this violation or to minimize the extent of the violation. Remedial measures must be taken on a case-by-case basis.

Should DZ BANK become aware of a violation in its own business area, DZ BANK will take measures to remedy the situation promptly.

If the violation of a human rights-related or environmental obligation at a direct supplier is of such a nature that DZ BANK cannot end it in the foreseeable future, a concept for ending or minimizing it will be drawn up and implemented immediately, which includes a concrete timetable.

Depending on the results of the risk analysis, the remedial measures are validated and adjusted if necessary.

Complaints mechanisms

The complaints procedure in accordance with the LkSG provides for receiving and discussing information and complaints about violations of human rights or environmental obligations in the company's own business area or a direct supplier and deriving measures from this. Complaints relating to human rights or environmental issues in the context of the LkSG were integrated into DZ BANK's existing whistleblower system.

DZ BANK has implemented a whistleblower system to which both employees and third parties (e.g. customers, suppliers, external employees) can turn if they suspect fraudulent acts or other irregularities. This also includes violations of laws or regulations of DZ BANK. DZ BANK employees and external stakeholders (e.g. suppliers) can also use the whistleblower system to report human rights violations or suspected violations.

The procedure guarantees the confidentiality of the complainant's identity. The complainant does not have to fear any negative consequences as a result of using the whistleblower system, except in the case of demonstrably intentional misuse of the whistleblower system.

Information on the [Whistleblower system](#) including contact details, is publicly available on the DZ BANK website ([Home – BKMS System \(bkms-system.com\)](#)).

Documentation and reporting

The fulfilment of the due diligence obligations of the LkSG is continuously documented by DZ BANK and kept for at least 7 years. The Board of Managing Directors is regularly informed about developments and findings in the context of human rights. In addition, DZ BANK reports annually as part of the implementation of the LkSG, for the first time for the 2023 financial year. The reports are publicly available and can be accessed on the DZ BANK website from 2024.

Further information on sustainability management and DZ BANK's corporate commitment can be found in the DZ BANK Group's Sustainability Report. This is published annually on DZ BANK's sustainability website.

Effectiveness control

The effectiveness of all due diligence obligations must be reviewed once a year or as required by the Human Rights Officer. DZ BANK will implement risk-based control measures to verify compliance with the human rights strategy contained in the policy statement in the supply chain and in its own business operations.

Key risks identified

DZ BANK has carried out an initial risk analysis for its own business area and for direct suppliers as well as an ad-hoc risk analysis of an indirect supplier. It came to the following conclusions about the overall risk situation.

The abstract risk analysis of the country and sector risks for the company's own business area carried out in the first step already revealed a low level of risk for the European, American and some Asian locations. For some other DZ BANK locations, it was determined that these are located in countries in which there is generally a higher human rights risk and/or environmental risk, resulting in an increased risk disposition at an abstract level. The focus here is particularly on our employees and less on environmental issues such as hazardous waste, as these are not associated with increased risks for DZ BANK as a financial services provider.

Based on the results of the abstract country and sector risks, a concrete analysis of human rights and environmental risks was carried out for DZ BANK's locations worldwide. As a result, DZ BANK came to the conclusion that a large number of country risks do not apply to the financial services sector (e.g. child labor or land rights). Relevant topics, on the other hand, are occupational health and safety, equal treatment and wage aspects in relation to employees. Preventive measures have already been established at all locations and can essentially be classified as effective. Based on a specific analysis of DZ BANK's own business field, this results in a very low to low rating for human rights and environmental risks for all locations.

With regard to DZ BANK's direct suppliers, the level of risk for human rights and environmental risks is predominantly classified as low (moderate risk). The majority of direct suppliers are located in Germany, followed by the United States of America and other European and non-European countries. The suppliers are largely distributed across the IT, consulting and other service sectors. For individual suppliers, there was an increased risk disposition in the abstract risk assessment due to country and sector risks. In particular, this concerns temporary employment agencies, with potential risks relating to, among other things, fair pay and unequal treatment, as well as the automotive industry, with potential risks relating to environmental pollution, occupational health and safety violations and forced labor in the supply chain. However, no high risks for direct suppliers of DZ BANK were identified on the basis of a specific analysis as part of the regular risk analysis. Based on substantiated knowledge of a possible breach at an indirect supplier to the automotive industry, an ad-hoc risk analysis was carried out and further measures were initiated. Measures were initiated for some other direct suppliers on the basis of the risk analysis, such as the implementation of ratings and supplier discussions.

Updating the policy statement

The policy statement was prepared and published by DZ BANK for the first time in 2023. An update is carried out on the basis of the results of the risk analysis. If the policy statement has been updated, the changes will be mentioned here and the reasons for them explained. DZ BANK also regularly reviews its processes and other communications in the area of human rights and adapts them to changing circumstances as necessary.

DZ BANK AG, 19.12.2023

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