

DZ BANK AG Policy Statement on Respect for Human Rights

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1 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 initially adopted by the Board of Managing Directors in December 2023 and has been updated on March 4th, 2025, DZ BANK underlines its commitment to respecting human rights and environmental standards and due diligence obligations, is committed to respecting and protecting human rights and does not tolerate any violations of the legal positions protected by the Supply Chain Due Diligence Act (LkSG). For DZ BANK as a financial services company, the focus resulting from the LkSG is on compliance with human rights in its own business area and with its suppliers that provide services for the bank.

The aim of this policy statement is to outline DZ BANK's strategy 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.

2 Commitment to international human rights standards and other initiatives

DZ BANK is always aware of its corporate responsibility towards its employees, society and the environment – in its own business area and in the supply chain – and takes this seriously. 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. These include:

- **Universal Declaration of Human Rights** proclaimed by the United Nations General Assembly (UDHR)
- United Nations **Guiding Principles for Business and Human Rights**
- **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**: By signing the Charter, DZ BANK acknowledges the opportunities of diversity and 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 DZ BANK Group's Sustainability Report.

3 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 actions by employees, business partners and suppliers.

DZ BANK will continue to drive forward the further development of sustainability services on this basis in the future.

3.1 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.

As part of the **Code of Conduct**, which also incorporates the principles of the UN Global Compact and forms the foundation for a legally compliant, ethically oriented and sustainable corporate culture, all employees are expected to behave lawfully and to uphold DZ BANK's standards and measures relating to human rights and the environment. The **DZ BANK Group's Human Rights Guideline** published in 2023 further specifies and expands on the human rights content listed in the Code of Conduct. 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.

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

3.2 Suppliers

DZ BANK requires its suppliers to comply with the **sustainability criteria for suppliers of the DZ BANK Group**, which 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). The requirements regulate DZ BANK's minimum social and environmental standards as part of the procurement process and are intended to ensure that all suppliers comply with human rights and environmental obligations.

With the **Sustainability Commitment**, DZ BANK also confirms its binding commitment to sustainability to customers and business partners and the level of ambition it is aiming for. This is supplemented by the guideline "Sustainability in procurement at the DZ BANK Group", which is based on the principles of the UN Global Compact. It defines the economic, environmental and social standards that are to be observed in DZ BANK's purchasing processes, including both human rights aspects and fair labour practices. Processes and objectives for sustainability in purchasing are continuously being developed.

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

4 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.

4.1 Risk management

To anchor risk management in all relevant business processes, DZ BANK has established LkSG governance with clear responsibilities and competencies for the implementation of LkSG due diligence. These due diligence obligations include the establishment of a risk management system, which includes, inter alia, carrying out a risk analysis in the bank's own business areas and in the supply chain, defining preventive and, if necessary, corrective measures based on risk analyses, setting up a complaints procedure and regular documentation and reporting. To monitor risk management, the position of Human Rights Officer has been established within the Compliance division of DZ BANK. The Human Rights Officer is responsible for ensuring effective and appropriate risk management of human rights and environmental due diligence obligations through regular monitoring activities with qualitative and quantitative indicators to review the implementation of due diligence obligations.

4.2 Risk analysis and implementation

The LkSG risk analysis looks at the impact of DZ BANK's business activities on employees and the environment by identifying, weighing and prioritising risks and therefore analyses them from the perspective of those (potentially) affected.

As part of appropriate and effective risk management, the LkSG distinguishes between ordinary and event-driven types of risks. The regular risk analysis takes place once a year for DZ BANK's own business area and for its direct suppliers. The event-driven risk analysis may also affect indirect suppliers and is carried out if there is substantiated information that makes an event-driven analysis appear necessary due to a significantly changed or expanded risk situation. This includes, for example, new findings from the tool used for sustainability ratings of companies and from the anonymised evaluation of complaints or tips.

4.2.1 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 are first rated on the basis of an abstract risk analysis. In addition to the German locations, the risk analysis also includes the foreign branches and representative offices in Europe, America and Asia. The abstract risk analysis 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 this, a specific risk assessment is carried out in the relevant specialist areas and locations in Germany and abroad. As part of the concrete risk analysis, the probability of occurrence, the severity, the contribution to causation by DZ BANK and DZ BANK's ability to influence potential LkSG risks are determined, and the effectiveness of any established preventive measures is reviewed.

4.2.2 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 jeopardise the supply relationship. For this reason, DZ BANK pays attention to sustainability aspects and the minimisation of human rights and environmental risks in its relationships to its 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. The first step is to screen suppliers by country of domicile and industry, for the risk of violations regarding human rights or environmental due diligence obligations. Based on this initial abstract risk analysis, key suppliers 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.

4.3 Key risks identified

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

The abstract risk analysis of country and sector risks for the company's own business area carried out in the first step revealed enhanced risk positions at an abstract level at some DZ BANK locations. However, DZ BANK concluded that a large number of country risks do not apply to the financial services sector (e.g. child labour or land rights), which is why the result of an increased risk disposition of the locations at an abstract level could not be confirmed in the specific risk analysis of DZ BANK locations.

Occupational health and safety, equal treatment and pay aspects for employees are relevant issues for DZ BANK in its own business division. Due to the low number of risks, all topics are a priority for DZ BANK and are being addressed accordingly. Preventive measures have already been

established at all locations, which are largely classified as effective and are being continuously expanded, as further explained in 4.4.1. Viewed as a whole, all locations have a low rating for human rights and environmental risks.

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 other European and non-European countries. The suppliers are largely distributed across the IT, consulting and other service sectors. For some individual suppliers, there was an increased risk disposition in the abstract risk assessment due to country and sector risks. This applies in particular to the automotive industry, with potential risks of environmental pollution, health and safety violations and forced labour in the supply chain. However, no high risks for direct suppliers of DZ BANK were identified based on a specific analysis as part of the regular risk analysis. Based on substantiated knowledge (media report) of human rights and environmental violations at an indirect supplier to the automotive industry, an event-driven risk analysis was carried out. The violations identified were addressed by DZ BANK as part of a corrective action plan, which was agreed upon with the direct supplier.

Measures were initiated for some other direct suppliers on the basis of the risk analysis, such as the implementation of ratings and supplier discussions.

4.4 Preventive measures

Preventive measures must be defined and implemented for the company's own business area and for direct and, in certain cases, indirect suppliers and are to reduce possible violations of human rights and environmental damage in good time. Depending on the results of the risk analysis, the preventive measures are validated and adjusted if necessary.

4.4.1 Preventive measures in own business area

DZ BANK has established preventive measures to avoid human rights and environmental risks in its own business field for the protection of those (potentially) affected. This includes, for example, the preparation and implementation of training courses on the LkSG, as well as optional training courses on stress reduction and information on vacation entitlements and the Working Hours Act. In addition, mandatory training on the General Equal Treatment Act (AGG) is provided for managers and the introduction of AGG training for employees is to follow in 2025. Diversity within the company continues to be strengthened through voluntary training as well as a diversity policy, and the development of a diversity strategy for DZ BANK is currently being pursued.

As part of sustainable procurement strategies and purchasing practices, sustainability aspects – i.e. minimum social and environmental standards – are also integrated into the purchasing process alongside cost factors and qualitative factors in order to prevent or minimise identified risks.

Additionally, risk-based controls regarding the implementation of due diligence obligations are planned in our own business area. Established prevention measures for the relevant specialist areas at all DZ BANK locations are recorded and evaluated.

4.4.2 Preventive measures vis-à-vis suppliers

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

Alongside sustainable procurement strategies and purchasing practices, preventive measures for direct suppliers include, for instance, agreeing to the sustainability requirements for suppliers to the DZ BANK Group at the time of supplier registration.

Further, 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 corresponding regulation.

This also includes the possibility of carrying out ratings and audits if certain suppliers have an increased risk potential.

Central Purchasing also agrees measures with selected sustainability-relevant suppliers in annual development meetings to initiate targeted further development and training where necessary. The LkSG training mentioned above is also mandatory for DZ BANK's purchasing department and sensitises purchasers to human rights and environmental risks in the supply chain. This awareness-raising was supplemented, for instance, by presentations from the human rights officer.

4.5 Remedial measures

If an imminent or actual breach is identified in its own business division, DZ BANK takes immediate and case-specific measures to prevent, terminate or minimise the extent of the breach promptly.

In the event of a violation of a human rights-related or environmental obligation by a direct supplier that cannot be ended by the supplier in the foreseeable future, a concept for ending or minimising the violation is immediately drawn up and implemented. The concept contains a concrete description of the violation, the parties involved and a concrete schedule with deadlines and responsibilities. The purchasing department coordinates the concept with the supplier concerned and documents all developments and progress.

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

4.6 Complaints mechanisms

DZ BANK's complaints procedure enables individuals to submit information and complaints about human rights and environmental risks and violations of human rights or environmental obligations via an electronic complaints procedure. Access is via a protected BKMS® system tool (Business Keeper Monitoring System) and can be reached using the following link: <https://www.bkms-system.com/dz-bank-lksg>.

This complaints system is freely accessible to both employees and third parties (e.g. customers, suppliers, external employees) and guarantees the confidentiality of the complainant's identity. The complainant does not have to fear any negative consequences as a result of using the complaint system, except in the case of demonstrably intentional misuse of the complaint system.

4.7 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 by the Human Rights Officer about developments and findings in the context of human rights.

DZ Bank reports annually to the Federal Office for Economic Affairs and Export Control (BAFA) on the fulfilment of its due diligence obligations under the LkSG. From 2025 on, this will be done via the CSRD report, which will be published on DZ BANK's corporate website and submitted to BAFA.

5 Update of the policy statement

The policy statement was prepared and published by DZ BANK for the first time in 2023. An update is regularly carried out based on the results of the risk analyses. Additionally, DZ BANK regularly reviews its processes and other communications around human rights and adapts them to changing circumstances as necessary. As part of the revision of the policy statement, the risk situation for the company's own business division and suppliers was revised based on the results of the 2024 risk analyses. In addition, the prevention measures have been supplemented as new training courses have been added and the development of a diversity strategy is being pursued since 2024.