



COMMERZBANK

Public document

Commerzbank's Position on Human Rights

January 1, 2023



The bank at your side

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1 Understanding of Human Rights

International conventions stipulate a multitude of human rights. These have universal validity, are indivisible and inalienable. The conventions are addressed to states, which thus bear primary responsibility for the protection and enforcement of human rights. The preamble to the United Nations (UN) Universal Declaration of Human Rights calls on all actors in society, in addition to states, to contribute to guaranteeing these rights. Financial Institutions are also expected to take responsibility for the protection of human rights.

Commerzbank's Position on Human Rights

Respect for human rights has been of great importance to us for many years. Since 2006, we have been committed to the UN Global Compact and commit ourselves

- to support and respect the protection of international human rights,
- to ensure that we are not complicit in human rights violations,
- to respect freedom of association and effective recognition of the right to collective bargaining,
- to advocate the elimination of all forms of forced labour,
- to work for the abolition of child labour, and
- to commit ourselves to the elimination of discrimination in employment and occupation.

We are therefore also committed to complying with the following further international standards:

- United Nations Universal Declaration of Human Rights
- United Nations International Covenant on Civil and Political Rights

- United Nations International Covenant on Economic, Social and Cultural Rights
- Women's Empowerment Principles of the United Nations
- Declaration by the International Labour Organization (ILO) on Fundamental Principles and Rights at Work
- United Nations Guiding Principles on Business and Human Rights (UNGPs)
- Ten principles of the UN Global Compact
- Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- OECD Due Diligence Guidance for Responsible Business Conduct
- Diversity Charter

Since its adoption in autumn 2015, we have also committed ourselves to the UN Sustainable Development Goals (SDGs). We are a member of the Peer Learning Group Human Rights of the German Global Compact Network. Furthermore, we have defined positions and guidelines on environmental and social risks and adopted a standard for sustainable procurement covering human rights issues.

In 2019, we published this Position on Human Rights as a binding basis for our group-wide commitment to human rights. We continuously review our position and develop it further. The coordinating responsibility lies in Compliance and is the responsibility of the Chief Risk Officer.

The Board of Managing Directors of Commerzbank approved this document in its current form at the Board of Managing Directors meeting on December 20th, 2022.

2 Implementation of Human Rights Responsibility

We make an impactful contribution promoting and respecting human rights within our sphere of influence. Primarily, we can exert a differentiated influence in regard to the following relevant stakeholders:

- Employees
- Business partners
- Customers

2.1 Employees

We respect and promote the human rights of our employees. Most of our employees (around 96 percent as of October 2022) work in member states of the European Union (EU). In these countries, the human rights standards of the UN and ILO are encompassed by law.

We have implemented the national legal requirements in our company and we will incorporate new developments and changes accordingly in our instruction system. In addition, we set out Commerzbank's understanding of human rights and our commitment to uphold them in our Code of Conduct for our employees worldwide. These principles of conduct are part of our corporate culture and document our commitment to integrity in action. They clarify existing rules of conduct regarding human rights as well. The Code of Conduct applies without exception to all our employees – from corporate management to trainees.

The basis of our human resources policy is the preservation of a corporate culture based on trust. A fair approach based on partnership is a prerequisite for long-term success. Continuity and future orientation play an important role here – as does a wide range of qualification and development opportunities.

We want to offer to our employees a working environment in which they enjoy working successfully. This is how we secure our company's long-term success. We therefore regularly survey our employees to identify their needs and incorporate them into the bank's development.

In addition to professional development, the most important goals include facilitating a healthy work-life balance and promoting the diversity of employees in our company. In doing so, we are committed on creating an

inclusive culture for all employees. Another major concern is health protection. We offer a wide range of measures to provide our employees with targeted support in this regard.

2.2 Business Partners

When choosing our business partners, we also contribute to the respect and promotion of human rights within the scope of our possibilities. In our Code of Conduct we establish Commerzbank's understanding of human rights for our business partners worldwide, and our commitment with upholding them. Compliance with human rights standards by our suppliers and service providers is also an integral part of our purchasing and procurement guidelines.

Our procurement standards clearly regulate the ecological, social, and ethical requirements for our suppliers and service providers. All suppliers and service providers who do business with us ensure that they comply with the specific human rights and environmental requirements set out in this standard (section 4.2 of the Standard for Sustainable Procurement). Furthermore, our business partners also require suppliers and service providers to comply with the relevant requirements. Compliance with social standards is the subject of annual supplier meetings. During supplier selection, event-related analyses are carried out by the Reputational Risk Management. Violations of these standards by business partners can lead to the termination of the business relationship.

2.3 Customers

We also take human rights aspects into account in our business activities with our customers.

Fairness and competence are our guiding values when dealing with our customers. To this end, we have evaluated and aligned our products, consulting, and services to meet our standards of fairness and competence as well as responsibility and sustainability. Transparency and traceability of products and services are just as important as respect, recognition, and responsibility in daily activities.

Universal human rights are protected by national and international legislation. Human rights are also an important factor for us with respect to our customer's business activities. In addition to our employees, the Compliance department in particular assesses whether all national and international laws and guidelines are

observed by us and in our customer relationships. In this way, our Compliance employees help us to fulfil our corporate responsibility. Among other things, they ensure compliance with embargos and sanctions against regimes that violate human rights, the prevention of money laundering, and terrorist financing.

In addition, Reputational Risk Management intensively researches and analyses business transactions and business relationships in which human rights play a significant role towards providing a differentiated assessment. These can, for example, occur in sectors concerning mining, raw materials extraction, or cotton production. The assessment may lead to the rejection of corresponding transactions or to the termination of respective business relationships.

2.4. Governance

The Board of Managing Directors of Commerzbank sees the responsibility for the protection and enforcement of human rights with itself. In 2022, an Officer for Human Rights was appointed to assume the responsibilities under the Supply Chain Due Diligence Act (LkSG). The Chief Compliance Officer assumes this important and responsible task. In this function, he reports directly to the Chief Risk Officer. The Officer for Human Rights is supported in his work by the bank's Compliance organisation. The Board of Managing Directors is also supported by other units to record human rights standards at Commerzbank as holistically as possible.

3 Whistleblowing

As part of our corporate values, we are committed to act with integrity when dealing with each other and with our customers. We are therefore dedicated to preventing misconduct on the one hand and handling it appropriately on the other. This also means that we review any information leads that result in the need of clarification. This information can include but is not limited to white-collar crime and violations of legal, regulatory, or internal requirements in connection with Commerzbank (this also explicitly includes human rights and environmental risks). In addition to the established contact channels, an online whistleblowing system (*BKMS - Business-Keeper-Monitoring-System*) has been set up, through which customers, employees, and third parties can provide information to the Commerzbank Group.

You can submit concerns either by name or anonymously using the BKMS. However, since we seek open communication with customers, employees and third parties, it is encouraged but not required to state your name when providing information. In any case, we will treat your information as strictly confidential and consider the legitimate interests of all parties involved within the scope of the legal possibilities.

4 Transparency and Review

In our progress report to the UN Global Compact, we report annually on developments and improvements in the field of human rights. This Position on Human Rights is reviewed annually and, where relevant, revised. Our current position as well as information about other positions and guidelines can be found on Commerzbank's internet sites.

Further information, on legal responsibility within the framework of the LkSG, can be found in the Policy Statement and in the Annual Report on LkSG.

5 Further Information

- [Commerzbank AG Sustainability Standards](#)
- [Commerzbank AG Code of Conduct](#)
- [Commerzbank AG Employees](#)
- [Commerzbank AG Purchasing and Procurement Guidelines](#)
- [Commerzbank AG Reputational Risk Management](#)
- [Commerzbank AG Compliance](#)
- [Commerzbank AG Whistleblowing System](#)
- [Commerzbank AG Positions & Policies](#)
- [UN Global Compact](#)

In the case of different language versions, the German version of Commerzbank's Position on Human Rights is considered to be the leading document.

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Group Risk Management Compliance

