



Volksbanken Raiffeisenbanken
cooperative financial network

Labour Standards DZ BANK Group

 **DZ BANK** Group

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Set impulses: What makes the DZ BANK Group a great employer

Open, fair and genuine cooperation is an important prerequisite for joint success in the long term. For the DZ BANK Group¹, one of the largest financial conglomerates in Europe, it is therefore a matter of course to invest in proper cooperation.

The success of the DZ BANK Group is based on motivated and qualified employees—they are the most important asset of a financial services provider. For this reason, the DZ BANK Group attaches great importance to providing its employees with optimum support in their respective tasks. This starts with performance-related compensation and flexible working hours and extends to various offers for a better work-life balance and numerous social benefits. The DZ BANK Group also attaches great importance to providing all employees with targeted support for their professional and personal development.

The following is a summary of the DZ BANK Group's most important group-wide criteria that distinguish each company as a responsible employer.

¹ The DZ BANK Group includes Bausparkasse Schwäbisch Hall, DZ BANK AG, DZ HYP, DZ PRIVATBANK, R+V Versicherung, TeamBank, Union Investment and VR Smart Finanz.

1. HR strategy

The Group HR Committee (GHRC), represented by the HR directors of the Group companies, coordinates group-wide relevant HR issues and brings decision-making needs at group level to the Group Coordination Committee. The HR managers of the Group companies also regularly exchange information in a fixed committee. At the working level, in turn, there is an exchange of information on current developments in HR work in the DZBANK Group in various working groups that are organised according to HR topics (including staff development, young professionals, and remuneration).

To strengthen the Group's attractiveness for employees, a joint employer branding strategy was developed with the aim of positioning the DZBANK Group as an attractive employer and retaining suitable employees over the long term. As part of the employer branding strategy, the DZBANK Group's job exchange was launched, providing applicants with an overview of and access to job postings by linking to the individual job markets of the Group companies. In addition, the companies in the Group have expanded joint activities to consciously strengthen the "we" within the DZBANK Group. Information events, for example, promote understanding of the special features of the other Group companies, intensify professional exchange and strengthen employee loyalty.

In order to learn as much as possible about the expectations and needs of their employees, identify areas for action, and initiate necessary changes, all companies in the DZBANK Group rely on regular employee surveys. Survey results are translated into concrete fields of action, the corresponding measures are implemented by working groups and evaluated on the basis of subsequent pulse checks.

2. Employee development

The topic of training and personal development of employees is anchored in the HR department of every group company. All companies in the DZ BANK Group have numerous internal training programs for their employees. In addition, all employees of the DZ BANK Group can access the DZ BANK AG offering. The technical and methodological training courses pursue the goal of qualifying employees for current functions as well as for future requirements at an early stage and in a sustainable manner.

At the DZ BANK Group, employees in Germany and abroad can choose between training courses from the internal training program, division-specific measures, external training offers, and in-service training. Information about training offers is provided via intranet (and/or learning management system), to which all employees have unrestricted access. In recent years, the DZ BANK Group has expanded and implemented training courses on topics such as mobile working, diversity, sustainability, mindfulness, and digitisation. As a result of the pandemic, the DZ BANK Group switched its training to online formats in 2020, which were very well received. Thus, despite pandemic-related dynamics, 95 percent of all planned continuing training events were able to take place due to the flexible design (presence/online). The video-based learning platform “Masterplan”, which helps employees to develop their digital skills, is used by almost all group companies. The e-learning offers as well as prevention measures do not have to be approved by line managers in principle; participation is voluntary and possible during working hours. All measures offered are actively promoted, accompanied and supported by managers.

In addition, the individual companies of the DZ BANK Group offer special training for women (including in management positions). For example, DZ BANK AG offers the training courses “Self-marketing for women” or “Setting boundaries confidently as a woman”. In addition, there are regular information events (for example “Mixed teams/mixed leadership—what does gender balance have to do with performance?”) aimed at women and men alike, which drive the dialogue on improving a cross-company mixed leadership culture, including best-practice examples for promoting women and men.

A comprehensive range of training courses on business networking, self-positioning and self-marketing offers employees the opportunity to learn key skills for successful leadership. In addition, high-potential employees and managers are prepared to take on challenging tasks as part of a systematic talent management programme. On the one hand, the preparation of managers is laid in the vertical segment of the potential development program, and, on the other hand, it is part of the management development. Here, team leaders are basically introduced to the leadership task or supported in this task.

In DZ BANK Group, all employees and managers are entitled to an annual performance review and development meeting with their direct line manager. In the annual meeting between employees and managers, individual goals and tasks, new areas of assignment, and opportunities for advancement are discussed. Training experts (for example from the HR department), in turn, advise managers on the choice of individual training that is right for them.

All participants are asked—on a voluntary basis—to provide training feedback on standardised questions after a training measure. Where appropriate, a discussion can take place after a training session between the participants and the respective manager with regard to the achievement of the training objectives as well as the transfer of what has been learned into everyday life. The internal training offering is regularly updated in line with the results of participant feedback on the training courses and the reported needs of the specialist departments to ensure that the offering is in line with strategy and target groups.

3. Work-life balance

In its role as an employer, the DZ BANK Group is keen to support the work-life balance. Offering framework conditions for employees that meet the changing requirements of age and family structures is a high priority for the DZ BANK Group. Work and private life should be able to be combined in the best possible way in every situation in life. Flexible working time and part-time models as well as measures to improve the work-life balance are therefore an integral part of the respective HR policies. To help employees maintain a work-life balance, DZ BANK AG in Frankfurt, for example, maintains a company daycare center for children between the ages of zero and three, offers support in finding a suitable crèche or kindergarten place, and pays a childcare allowance. Bausparkasse Schwäbisch Hall has its own daycare centre for children from one year old to elementary school and operates a retirement home for former employees and their relatives.

Taking parental leave is regulated by law at the German locations² and applies to all employees of the DZ BANK Group. Each parent has a statutory right to parental leave in the amount of three years per child until the child reaches the age of eight. Employees of the DZ BANK Group who have been with the bank for five years or more are entitled to extend their statutory parental leave by six months until the child reaches the age of eight, irrespective of the degree of employment.

In addition to fair compensation, the companies of the DZ BANK Group also offer many voluntary benefits that contribute to the attractiveness of the workplace and promote the work-life balance. Measures such as unpaid leave or lifetime working accounts support more flexible working hours and life planning in almost all group companies. At VR Smart Finanz, for example, employees and managers can convert salary components into up to 22 additional vacation days; at DZ PRIVATBANK and TeamBank, the figure is 15 days.

All DZ BANK Group companies offer their employees group accident insurance and an occupational pension provision. Other benefits offered by most group companies include company sports programmes, anniversary payments, childcare, emergency assistance, special leave, and subsidies for gyms and canteen meals. In principle, weekend work and work on Sundays and public holidays is prohibited. If, in exceptional cases, work is nevertheless performed on Saturdays, Sundays and public holidays, increased pay is guaranteed. Job tickets or travel allowances are common throughout the Group. At Union Investment, R+V Versicherung, DZ HYP, Bausparkasse Schwäbisch Hall and VR Smart Finanz, leasing of bicycles is promoted. DZ BANK AG, Bausparkasse Schwäbisch Hall and VR Smart Finanz offer support for private continuing education.

² For DZ PRIVATBANK at the Luxembourg location, taking parental leave is also regulated by law and applies to each parent.

4. Diversity and equal opportunity

Not discriminating against people on the basis of gender, nationality, ethnic origin, religion or belief, disability, age, sexual orientation and identity is a core principle of the DZ BANK Group and is part of its human rights due diligence. The DZ BANK Group ensures this, among other things, through its group-wide code of conduct, in which the DZ BANK Group commits itself to democracy, tolerance, equal opportunities, and respect for human rights. At the same time, the code of conduct provides employees with principles and rules for correct and responsible behaviour. Completion of an e-learning course on the implementation of the German General Equal Treatment Act (Allgemeine Gleichbehandlungsgesetz—AGG) is mandatory for all employees and specifically for managers. In addition, there are other e-learnings, for example on reducing prejudice and building diversity, to give all employees the opportunity to learn about diversity and inclusion.

As early as 2012, the companies of the DZ BANK Group committed themselves in a “Letter of Intent” to actively support women in their career development, to give them the same pay and conditions as men in comparable positions, and to treat them equally when selecting managers. All group companies, except for DZ PRIVATBANK, have also signed the Diversity Charter. Diversity policies exist at DZ BANK AG, DZ HYP³, DZ PRIVATBANK, and TeamBank. At Union Investment, a diversity management plan ensures that the issue is firmly anchored in the corporate culture, and a Diversity Council was implemented in 2022. The permanent integration of people with disabilities in all business areas and locations of the DZ BANK Group is a goal of corporate policy.

³ Diversity Guideline for the Management Board and Supervisory Board of DZ HYP dated 25 June 2021.

5. Remuneration, working hours and codetermination

The companies of the DZ BANK Group attach great importance to a good employee-employer relationship. This is expressed in fair and performance-related remuneration and active co-determination. The DZ BANK Group adheres to the principles of tripartism of the International Labour Organization (ILO) and its core labour standards at all domestic and foreign locations: 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. In addition, as a signatory to the UN Global Compact, the DZ BANK Group is committed to ten globally applicable principles in the areas of human rights, labour standards, the environment, and anti-corruption. To this day, these represent central framework conditions for the business activities of the DZ BANK Group and form the basis of the group-wide code of conduct, which obliges all managers and employees in the DZ BANK Group to behave in a legally compliant and ethical manner.

Remuneration and working hours

The guiding principle of “Verbund focused central bank/Allfinanzgruppe” determines the actions and core business of the DZ BANK Group and is therefore also a key idea of the remuneration strategy. The DZ BANK Group is committed to the principles of sustainable, motivating and risk-oriented remuneration. Legal and regulatory requirements are taken into account in the compensation systems. Thus, all employees of the DZ BANK Group receive adequate and appropriate wages to ensure a reasonable standard of living.

All 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. For more than 90 percent of DZ BANK Group employees working in Germany, the Working Hours Act (Arbeitszeitgesetz—ArbZG), as amended, governs the maximum permitted working hours. This is 8 hours per day, in exceptional cases 10 hours are allowed, which must be compensated within a maximum of six months. As a rule, you may not work more than 48 hours per week, thus, 192 hours per month. The statutory break regulations in Germany provide for a rest break of 30 minutes for 8 hours of work. In addition, the law provides for special regulations for employees under 18 (Jugendarbeitsschutzgesetz—JArbSchG), pregnant women or persons with disabilities.

Codetermination

All DZ BANK Group companies at their German locations⁴ are subject to the German Works Council Constitution Act (Betriebsverfassungsgesetz — BetrVG), which sets out the basic labour-law relations between employers and employees in a company. Within the entities of the DZ BANK Group, the spectrum of codetermination ranges from employees' councils and central employees' councils at local level and the group employees' council, to codetermination in the Supervisory Board. In this context, the DZ BANK Group maintains a cooperative partnership with employee representatives.

Freedom of association is also enshrined as a fundamental right in the Basic Law of the Federal Republic of Germany (Articles 8 and 9). In this respect, all employees of the DZ BANK Group can claim this right for themselves and join together in trade unions or associations to achieve common objectives. DZ BANK AG and all companies of the DZ BANK Group covered by collective agreements engage in regular collective negotiations with employee representatives. The DZ BANK Group informs its employees promptly about current collective negotiations or wage agreements concluded by the Employers' Association of German Cooperative Banks (Arbeitgeberverbands der Deutschen Volksbanken und Raiffeisenbanken — AVR) and the German Bank Employees' Association (Deutschen Bankangestellten-Verbands — DBV) via the intranet, which is freely accessible to every employee, and implements the agreements reached.

Where legal standards formulate lower requirements or where these are absent altogether, the companies at the foreign sites follow at least the ILO core labour standards. There are no operations in the DZ BANK Group where freedom of association and the right to collective negotiations could be threatened.

Employee representatives have a special role to play in staff reduction measures. In the DZ BANK Group, it is largely possible to avoid with redundancies for operational reasons. However, there have been isolated cases of targeted socially responsible downsizing at group companies in the last ten years, for example as a result of site closures. Where targeted socially responsible downsizing is carried out, this is always done on the basis of a reconciliation of interests and social plans drawn up in consultation with the employees councils. While a reconciliation of interests describes the concrete measures intended to create the greatest possible transparency, a social plan lays down mitigating regulations.

⁴ Over 90 percent of the DZ BANK Group's employees are based in Germany.

6. Occupational health and safety

The DZ BANK Group complies with the requirements for occupational health and safety in accordance with the ILO Declaration of Principles and implements the requirements of the Occupational Health and Safety Act and (Arbeitsschutzgesetz — ArbSchG) the relevant ordinances and accident prevention regulations. The objectives of occupational health and safety management include preventing accidents at work and avoiding work-related health hazards.

Occupational health

With a wide range of health management offerings, the companies of the DZ BANK Group want to help maintain the motivation and performance of their employees. The spectrum ranges from company sports groups to flu shots and Corona vaccinations to special preventive courses. The HR department is generally responsible for this topic; there is no group-wide guideline on this. However, in Germany, the legal framework provides for a minimum level of uniformity.

Employees and managers of the DZ BANK Group with a serious illness or in a critical stress situation have the opportunity to take advantage of free social counselling. Direct referrals to specialists on a wide range of topics are possible where necessary. There is a regular evaluation of the reasons for the conversation on an anonymous basis. Against the backdrop of the pandemic, the digital offering of social counselling was significantly expanded.

Employees returning to work after a lengthy illness are supported at all German sites in accordance with company integration management (a legal requirement in Germany since 2004). There are fixed integration teams that contact affected employees during their working hours and develop measures for reintegration or continued employment at the workplace. Here, for example, a familiarization plan is established that slowly builds up in terms of the number of hours worked and the content of the employee's tasks.

Managers of the DZ BANK Group are trained in special courses and sensitized to recognize psychological stress in themselves and their employees ("healthy leadership"). There is also a counselling service for teams with high sickness rates. Here, affected managers find support in analysing the causes and learn how to derive and implement countermeasures and monitor their effectiveness.

Another important task is the risk assessment of mental stress in the workplace. Risk assessments (online survey and small group interviews) are carried out regularly or in the event of significant changes in working conditions with the involvement of managers, employees and employees councils. The goal is to determine appropriate measures to prevent or reduce mental illness. All measures resulting from the risk assessments are checked for their effectiveness and implementation status.

The companies of the DZ BANK Group have various offerings in their continuing education programs that relate to health in the workplace. DZ BANK AG, for example, offers training on mindfulness in everyday life, stress reduction, and prioritization, decision-making, and delegation. In addition, there is a wide range of seminars and activities to help people maintain their own health, for example on the behavioural prevention topics of strengthening mental health, exercise, relaxation, and healthy eating. In the age of location-independent working, the focus here is on events in various formats: Presence, online or hybrid as well as self-learning programs, workshops, courses, or impulse lectures. The offerings are geared to the needs of specific target groups and serve work specifics in the office and in the field. A cooperation with BKK R+V Versicherung expands the range of services and provides starting points and empirical values for further development. At R+V Versicherung, employees also have access to other (digital) support services such as fitness apps or cooperations with fitness studios. Employees as well as leasing staff of TeamBank have the opportunity to use the Mindance app with all functionalities (meditation, mindfulness and relaxation exercises; scientific questionnaire to measure psychological well-being; live chat with subject matter experts, telephone consultation, etc.) free of charge. In addition, DZ PRIVATBANK's canteen at its Luxembourg location mainly serves regional and seasonal products. The focus is not only on short transport routes, organic or fair-trade products, but also on a diverse and healthy range ("GoodForYou" dishes).

Occupational safety

In accordance with the German Occupational Safety Act (Arbeitssicherheitsgesetz — ASiG), all group companies have appointed company physicians and occupational safety specialists who provide support on all occupational safety and accident prevention issues through expert advice, individual workplace inspections and targeted information for employees. Additionally, managers share responsibility for safety in their areas. Employees are informed about and instructed in occupational health and safety.

Regular preventive and incident-related workplace inspections take place as part of occupational health and safety. Anomalies and measures from the inspection reports are recorded in a database. This also serves to track the implementation of measures by those responsible. Particular attention is paid to the ergonomic design of workstations. At Bausparkasse Schwäbisch Hall and TeamBank, for example, all office workstations are equipped with height-adjustable desks. R+V Versicherung is currently converting all workstations to activity-based work, including electromotive height-adjustable desks. The job can be performed in a location-flexible manner, including in a home office.

Imprint

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