



Making the future sustainable

Human rights policy statement

Contents

1. Introduction	3
2. Standards	5
3. Human rights impacts and related expectations	7
4. Key processes for meeting human rights due diligence obligations	10
5. Objectives and indicators of impact measurement	12
6. Reporting	13

1 Introduction

A holistic approach

The Union Investment Group is one of the largest fund managers in Germany. It is an active asset manager, offering tailored investment solutions for both retail and institutional investors.

Union Investment considers sustainability to be a core element of the cooperative principles by which it operates. Our mission is to focus on the long term and to take a holistic view of the markets, of developments, and of the requirements of our investors. We have adopted a sustainability strategy that provides a framework for responsible action. Respect for internationally recognised human rights is also an integral part of our corporate values and strategy. These rights are inherent in all human beings, and we recognise that they are interrelated, interdependent and indivisible. While states have a duty to protect human rights, we believe that companies have a responsibility to respect human rights.

As a member of the DZ BANK Group, we at Union Investment are committed to taking steps to identify and eliminate any human rights violations in connection with our business activities and in our supply chains. In doing so, we take into account the interests of relevant stakeholder groups and always try to make decisions in such a way that conflicting objectives are disclosed, carefully weighed up and, where possible, resolved.

This policy statement on respect for human rights applies to all companies in the Union Investment Group. It complements the [Modern Slavery and Human Trafficking Statement](#), which is published annually by our subsidiary Union Investment Institutional GmbH.



2 Standards

Guided by leading national and international standards

Not only do we apply all of the relevant laws and regulatory requirements, but we are guided in our decision-making and actions by leading national and international standards. In particular, we look to the International Bill of Human Rights, the fundamental conventions of the International Labour Organization (ILO), the UN Global Compact (UNGC), the German Corporate Governance Code and the OECD Guidelines for Multinational Enterprises. In our role as an asset manager, we also follow the United Nations Principles of Responsible Investment (PRI) and the Code of Conduct of the German Investment Funds Association (BVI). In the area of human rights, we are guided by the United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles), a milestone document in this field.



3 Human rights impacts and related expectations

Acting responsibly as an employer, client and asset manager

Human rights impacts may arise in particular from the decisions and actions taken in our roles as employer, client and asset manager. Priority human rights risks were identified for each of these roles, with a focus on labour rights, occupational health and safety, discrimination, corruption, money laundering, and life and health. Processes were then analysed in respect of these priority human rights risks and the need for continuous improvement was identified. Appropriate measures are progressively being implemented.

Employer

Diversity is embedded in our culture because we firmly believe that diverse teams are more successful. We want to attract, retain and develop the most suitable candidates for Union Investment, irrespective of nationality, ethnicity or cultural background, gender, sexual orientation, disability, religion or age. Our commitment to diversity and freedom from prejudice is documented in our [Diversity Policy](#).

Relations with employees are based on partnership and respect. Principles pertaining to the recruitment, remuneration and development of our employees, to work-life balance and to preventative healthcare, as well as anti-corruption rules, are set out in the [Union Investment sustainability code](#) and the [General Conflict of Interest Policy](#).

Client

Union Investment is committed to the highest ethical standards in its global business activities, and we expect our business partners and suppliers to uphold the same values. We take environmental and social aspects into consideration when making procurement decisions and selecting service providers for our group of companies. We also expect our contractors to ensure that their suppliers and subcontractors comply with these requirements, and to actively engage with them and question them on these matters. The [Union Investment sustainability code](#) summarises the relevant principles, while specific requirements are set out in the [sustainability requirements for suppliers of the DZ BANK Group](#).

Asset manager

As an asset manager with responsibility for funds held in trust, it is important that all our investments comply with human rights standards – not only to ensure that we meet the requirements of the law but also to minimise litigation and reputational risks. Within Portfolio Management, we have therefore put in place appropriate processes for monitoring and managing human rights risks in our investment universe. Human rights issues play a key role in our engagement dialogue with companies and in how we exercise our voting rights at annual general meetings. The overarching goal is to effect positive change.

As well as complying with the relevant legal and regulatory requirements, we take an approach to responsible investment in which our actions are guided by leading national and international standards. Details are provided in our [guidelines for responsible investment](#).

As part of our engagement activities, we take into account and support other selected standards, certifications and initiatives – such as the UN Guiding Principles – and require companies to comply with them wherever possible. We also expect companies to comply with sector-specific standards and initiatives, to make their social interactions with all stakeholders sustainable, transparent and fair, and to implement a well-functioning system of corporate governance that balances the interests of all stakeholders. The [Union Investment engagement policy](#) sets out the specific expectations and requirements.

The composition of a company's supervisory board and management board should be suitably diverse. Union Investment takes a critical view of breaches of international standards and norms on environmental protection, human rights and labour law, such as the UN Global Compact, and takes this into account in its voting decisions. The relevant expectations and requirements are described in our [Proxy Voting Policy](#).

4 Key processes for meeting human rights due diligence obligations

Sustainability is firmly anchored within Union Investment and is managed and implemented uniformly throughout the Group.

Employer

The formal framework for our human resources work is based on national and European legislation as well as on the agreements reached between management and our employee representatives on various topics. Since before the introduction of the German General Equal Treatment Act (AGG), all HR management processes and instruments, for example those related to recruitment, development and remuneration decisions, have been regularly reviewed to identify any potential for unequal treatment or discrimination in the workplace. A central complaints body is available for reporting suspected cases of unequal treatment or discrimination; incoming cases are examined thoroughly and individually.

Client

As part of our approach to sustainable supplier development, we regularly identify service providers and suppliers with high sustainability relevance and support them in their development.

Before entering into a business relationship, we obtain a declaration from contractors that they have acknowledged the sustainability requirements for suppliers of the DZ BANK Group, are implementing them and are prepared to document compliance with these requirements by submitting a self-declaration form (DZ BANK Group supplier questionnaire). If a DZ BANK Group company has specific concerns about whether the

contractor is complying with the sustainability requirements, the contractor is obliged to permit the company, after prior consultation with the contractor, to verify compliance with the sustainability agreement on the contractor's premises.

If we have concerns or have identified a breach of the sustainability requirements, we work with the business partner to draw up a detailed plan of action. This plan will include an escalation mechanism, which in extreme cases can lead to the business relationship being terminated. Details are set out in the [DZ BANK Group's sustainability requirements for suppliers](#).

Asset manager

Exclusion criteria, i.e. minimum ethical standards, are applied to the entire portfolio. Following the introduction of the proprietary digital research platform SiRiS in 2013, external data is now systematically linked with the research carried out by the Company's own analysts, partly in order to evaluate human rights aspects.

As an active asset manager, we use the findings from our ESG analysis when determining the composition of our investment portfolios. In extreme cases, we may even exclude issuers from the investment universe. For example, if an issuer is in serious breach of the principles of the UN Global Compact or the fundamental conventions of the International Labor Organization and we are unable to reach a positive outcome with them through engagement dialogue. The corresponding standards and processes are explained in our [guidelines for responsible investment](#) and the [Union Investment engagement policy](#).

5 Objectives and indicators of impact measurement

We document targets and action plans related to sustainability in our [sustainability programme](#). This is reviewed every six months, updated as necessary and communicated externally as part of CSR reporting.

A key element of our analysis work, both as an asset manager and client, is to establish where a company stands in terms of compliance with ESG criteria and how its risk management is set up. This includes human rights risks. We then focus on specific topic areas, analyse them and discuss them with the company. As described in the [Union Investment engagement policy](#), the goal is to challenge existing criteria and to bring about long-term improvements. Specifically, this relates to the following aspects:

- **Guidelines (governance):** The company should develop clear policies on sustainability-related topics such as human rights, environmental impact and the prevention of corruption. It must demonstrate a clear commitment to implementing a sustainable business strategy.
- **Due diligence:** The company has an obligation to exercise due diligence by reviewing and monitoring the effectiveness of the implemented mechanisms, systems and processes both internally and along its supply chain.

6 Reporting

Union Investment regularly reports on sustainability issues, including human rights, as part of its [annual report and CSR report](#).



Contact:

Union Investment Institutional GmbH
Weissfrauenstrasse 7
60311 Frankfurt/Main
Germany

Telefon +49 69 2567-7652
Fax +49 69 2567-1066

Email: institutional@union-investment.de
www.union-investment.com

Stand: **23 July 2021**

Disclaimer:

The purpose of this document is to provide information about our internal policies and guidelines. Although Union Investment Management Holding AG has compiled and produced this document with due care and attention, Union Investment assumes no liability for the information therein being up to date, accurate or complete. The content of this document does not constitute a recommendation and is not a substitute for the Bank's personal investment advice or for personal tax advice from a suitably qualified professional. Union Investment accepts no liability for any adverse effects or losses arising either directly or indirectly from the distribution or use of this document or its content.

Contact: Union Asset Management Holding AG, Weissfrauenstrasse 7,
60311 Frankfurt am Main, Germany, tel: +49 (0)69 58998 6060

All information, illustrations and explanations are presented as at **23 July 2021** unless stated otherwise.