



# Human Rights Guidelines

Applicable to all Aareal Bank Group employees and governing bodies

**Aareal**  
YOUR COMPETITIVE ADVANTAGE.

# Contents

<b>1. Purpose and objective</b>	<b>1</b>
<b>2. Protecting human rights</b>	<b>1</b>
2.1 Our responsibility as an employer	<b>2</b>
2.2 Our responsibility as a global enterprise	<b>3</b>
<b>3. Closing comment</b>	<b>3</b>
4. Annex	<b>4</b>

# 1. Purpose and objectives

We consider respect for human rights to be an inalienable part of our responsibility as a global enterprise. Aareal Bank Group not only complies consistently with all applicable national laws but also sees voluntary undertakings as a key component of its business activities. This is why we have committed to resolutely supporting human rights within our sphere of influence.

These overarching guidelines recapitulate the documents and principles on the subject that apply within the Group and in doing set out how Aareal Bank Group lives up to its duty to protect human rights. They serve as a benchmark for measuring what we do and are intended to help promote global human rights above and beyond the Company as well.

## 2. Protecting human rights

In 2012, Aareal Bank AG's Management Board signed up to the United Nations Global Compact, publicly pledging that Aareal Bank Group would respect and maintain human rights. The United Nations Global Compact is the world's largest and most important corporate responsibility initiative. We have supported its Ten Principles (see the Annex), which cover the areas of human rights, labour, the environment and anti-corruption, in our business for many years now and work to ensure they are applied outside our company, too. In addition, we base our activities on core charters and initiatives such as the Universal Declaration of Human Rights, the conventions issued by the International Labour Organisation (ILO) and the OECD Guidelines for Multinational Enterprises.

The current document focuses clearly on the first six principles set out the UN Global Compact's Ten Principles. These explicitly require companies to live up to their responsibility to protect human rights and to take steps to prevent both direct and indirect infringements. They also reiterate a number of internationally recognised human rights such as freedom of association, the prohibition of forced labour and child labour, and the elimination of discrimination.

While we naturally respect all internationally recognised human rights, some play more of a role in our business than others. In addition to the areas already mentioned, these include among other things the right of all individuals to freedom, privacy and equality, as well as the right to appropriate and fair working conditions and to payment for their work.

## 2.1 Our responsibility as an employer

We have a particular responsibility towards our staff. We can directly influence the well-being of, and protection afforded to, the individuals whom we employ.

Our internal working policies and health and safety guidelines build on the applicable labour protection laws to address the right of each and every person to a safe, healthy working environment. In addition, Aareal Bank Group's company health management system helps employees to keep healthy. The scheme's health promotion offerings comprise a mix of information, risk prevention measures, exercise and ergonomics, nutrition, mental health and relaxation, and are consistently tailored to employees' current needs.

What is more, we believe that cultural diversity both enriches our corporate culture and is a success factor in reaching our strategic goals. It goes without saying that we respect all people regardless of their ethnic or national origin, religion, ideology, disability, sexual identity, gender or age, and that we value individual uniqueness. We aim to ensure equal opportunities at all levels and avoid discrimination of all kinds. This commitment to diversity and equal opportunities can also be seen from the fact that Aareal Bank AG, as the Aareal Bank Group's parent company, has signed up to Germany's Diversity Charter ("Charta der Vielfalt").

Within the Group, we use our Code of Conduct – which applies to all staff and governing bodies – to address human rights issues, and aim to promote and maintain a culture of integrity and mutual trust throughout the enterprise. The Code of Conduct is one element of Aareal Bank Group's responsible corporate governance; it defines the framework for lawful and ethical conduct towards clients, business partners and colleagues by all employees, regardless of their function or role.

## 2.2 Our responsibility as a global enterprise

In the same way as we respect our employees' human rights, we also live up to our duty of care in this area to our clients, business partners and external stakeholders. This starts with responsible, transparent corporate governance, which is both a tradition and a core priority at Aareal Bank Group. Our annual Combined Separate Non-financial Report sets out our goals, actions and achievements with respect to minimising the human rights risks that are relevant to us. Human rights risk is explicitly included in the Group's risk management activities (it forms part of the Group-wide Risk Appetite Framework).

In addition to safeguarding the rights previously mentioned (e.g. using Bank- or Group-wide frameworks), we identify new human rights risks that are arising in connection with the transformation of the economy and society. For example, in an environment in which digitalisation is playing a more and more important role, we see electronic communications as being crucial for enterprise efficiency and for business success, while at the same time accepting our responsibility to be aware of and adequately combat the resulting risks to privacy and data security.

We expect our clients, suppliers and business partners to comply with the same standards of ecological and social responsibility as we do.

This is the background to why we introduced a binding, Group-wide Code of Conduct for Suppliers at Aareal Bank Group in 2016. This serves as the basis of business relationships with our suppliers and ensures that our high standards are also observed in the direct supply chain. By signing and hence agreeing to abide by our Code of Conduct, our suppliers undertake to comply with the laws and official regulations applicable in the jurisdiction concerned and to behave in an ethically correct manner. The systematic compliance checks performed by Purchasing also include irregular or unusual occurrences at our business partners. What's more, our credit business always assesses clients' sources of wealth or sources of funds and take the results into account when making individual lending decisions. We use an overall assessment to decide whether and what action needs to be taken in individual cases; this applies in particular in the case of existing exposures or of business assumed in the course of acquisitions.

## 3. Closing comment

These guidelines are continuously reviewed internally for potential updates and are revised and updated on an ongoing basis.

Any actual or suspected infringements of human rights or national laws that have occurred in the context of our business activities can be reported to Aareal Bank AG's Compliance function (including anonymously, if desired). Notifications received are thoroughly investigated, and whistleblowers are guaranteed protection against adverse consequences.

## 4. Annex

In addition to our own internal rules and regulations, we comply with a large number of external international standards and principles. Chief among these are:

### **National/international frameworks and standards:**

- Universal Declaration on Human Rights
- The conventions issued by the International Labour Organisation (ILO)
- The OECD Guidelines for Multinational Enterprises
- The United Nations Global Compact's Ten Principles
- The UK Modern Slavery Act
- Diversity Charter

### **Internal rules and regulations:**

- Code of Conduct
- Code of Conduct for Suppliers
- Occupational Health and Safety Guidelines
- Anticorruption Guidelines and Guidelines on Preventing White-collar Crime
- Internal data protection guidelines and instructions
- Risk Appetite Framework

# The UN Global Compact's Ten Principles

Human rights	Businesses should	<ol style="list-style-type: none"> <li>1. support and respect the protection of internationally proclaimed human rights; and</li> <li>2. make sure that they are not complicit in human rights abuses.</li> </ol>
Labour	Businesses should	<ol style="list-style-type: none"> <li>3. uphold the freedom of association and the effective recognition of the right to collective bargaining;</li> <li>4. the elimination of all forms of forced and compulsory labour;</li> <li>5. the effective abolition of child labour; and</li> <li>6. the elimination of discrimination in respect of employment and occupation.</li> </ol>
Environment	Businesses should	<ol style="list-style-type: none"> <li>7. support a precautionary approach to environmental challenges;</li> <li>8. undertake initiatives to promote greater environmental responsibility; and</li> <li>9. encourage the development and diffusion of environmentally friendly technologies.</li> </ol>
Anti-corruption	Businesses should	<ol style="list-style-type: none"> <li>10. work against corruption in all its forms, including extortion and bribery.</li> </ol>