



- Mercantile Bank Corporation (MBC)
- Mercantile Bank (MB)
- Eastern Michigan Bank (EMB)
- Mercantile Community Partners (MCP)
- Renewal       Update       New

## HUMAN RIGHTS POLICY

### **OBJECTIVES**

At Mercantile Bank (the “Bank”), we acknowledge our significant responsibility to uphold human rights. We are dedicated to delivering our products and services to the markets we serve, while respecting human rights and fostering valuable relationships. Every member of the Bank Team is treated with the highest respect and provided with equal opportunities and encouragement to reach their full potential.

We believe in the principles of equality and non-discrimination, are committed to treating all individuals with respect, dignity, and work to use our influence and business relationships to promote the opportunity for all people throughout our Bank to exercise and enjoy their fundamental human rights. We do this in accordance with our endorsement of the **United Nations (UN) Guiding Principles on Business and Human Rights (UNGPs)** and the **UN Sustainable Development Goals (SDGs)**. In addition, we are committed to respecting internationally recognized human rights, including those set forth in the Universal Declaration of Human Rights

### **PROTECT**

#### **Human Capital/Scope of Commitment**

Our human capital is the most valuable asset we have, and we believe embracing human diversity makes us a better bank. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of not only our culture, but our reputation and Bank’s achievement as well.

Our human rights policy applies to all employees of the Bank, including part-time and temporary workers as well as independent contractors. Our commitment to respect human rights also extends to all individuals throughout our channels of value, leveraging our relationships with our suppliers to encourage and promote the principles of this policy throughout their networks.

As a Bank, we abide by the laws in the markets where we operate and serve. Where local laws are less stringent than our policies and internationally recognized human rights and employment standards, we are guided by the more stringent policies and standards and encourage our suppliers to follow these standards and principles. Our **Code of Ethics** further reinforces and clarifies this commitment to our Directors, employees, and the public.

#### **Suppliers and Vendors**

The Bank is committed to high standards of ethical and business conduct as it relates to its procurement of goods and services. We treat our suppliers and vendors with respect and integrity and are dedicated to serving as a good partner to the many companies who help us meet our mission. We expect all our suppliers, vendors, partners, advisors, consultants, contractors, agents and other intermediaries representing us to adhere to the content contained in our Code of Ethics and in this Human Rights Policy.

#### **Community and Stakeholder Engagement**

We recognize that we are part of the communities in which we operate and engage with communities on human rights matters that are important to them such as land rights, access to water and health. We also engage with people in those communities, including vulnerable and disadvantaged groups. Our aim is to ensure through dialogue, that we are listening to, learning from and considering their views as we conduct our business. We believe that local matters are most appropriately addressed at the local level.



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Where appropriate, we engage with a wide range of civil society and stakeholders on human rights issues related to our business. This includes issues in our Bank, across our value chain and with our various sponsorships, through which we seek to promote respect for human rights.

## **RESPECT** **Initiatives**

We are committed to respecting all internationally recognized human rights and our management policies and ongoing procedures cover the breadth of these rights, principles and related issues. Our approach to human rights starts with understanding how our products, business activities and operations may impact stakeholders, both positively and negatively. We focus on the human rights issues that are most salient to our business.

We recognize that some people may be at greater risk of negative human rights impacts due to their historic vulnerability or marginalization. We specifically recognize the potential risk related to women, BIPOC individuals (Black, Indigenous, and People of Color), and other federally protected classes. Furthermore, while the Bank will support these issues through general programs and policies, we recognize that to address these issues, the Bank may implement different types of support, strategies for remediation, or access to grievance mechanisms for different groups or circumstances.

The Bank recognizes that other issues may grow in importance over time. We remain steadfast in our commitment to identify these issues and take appropriate actions to respond to potential human rights risks. We leverage our relationships and conduct regular dialogue with external stakeholders to capture these changes.

## **Talent**

We are committed to equal opportunity and are intolerant of discrimination and harassment. We work to maintain workplaces that are free from discrimination or harassment on the basis of race, sex, color, national or social origin, ethnicity, religion, age, disability, sexual orientation, gender identification or expression, political opinion or any other status protected by applicable law. The basis for recruitment, hiring, placement, development, training, compensation and advancement at the Bank is qualifications, performance, skills and experience.

We do not tolerate disrespectful or inappropriate behavior, unfair treatment or retaliation of any kind. Harassment is not tolerated in the workplace and in any work-related circumstance outside the workplace.

## **Safe and Healthy Workplace**

The safety and health of our employees is of paramount importance. Our policy is to provide a safe and healthy workplace and comply with applicable safety and health laws and regulations, as well as internal requirements. We work to provide and maintain a safe, healthy and productive workplace, in consultation with our employees, by addressing and remediating identified risks of accidents, injury and health impacts. We have a number of security protocols in place including security access badges and the prohibition of weapons in the workplace. All staff are entitled to reasonable rest breaks, access to restroom facilities and potable water at their place of work. Employees are also provided with appropriate job skills training.

## **Child Labor**

Mercantile complies with local minimum age laws and requirements and ~~will not employ~~ prohibits child labor or ~~permit~~ forced labor. We prohibit the hiring of individuals that are under 18 years of age for positions in which hazardous work is required. We expect our suppliers and vendors to embrace similar values and to further our commitment to protecting children.



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### **Work Hours, Wages and Benefits**

Mercantile is committed to providing a fair living wage for all employees and compensates competitively relative to the industry and local labor market. The compensation of our employees meets or exceeds the legally required minimum. We limit the working hours per day and grant recovery time, according to labor laws. We work to ensure full compliance with applicable wage, work hours, overtime and benefits laws.

### **REMEDY**

We conduct due diligence throughout our business to proactively assess, identify, prevent and mitigate actual and potential adverse human rights impacts to stakeholders across our value chain. We also use due diligence as a way to identify where we can better support and promote individuals' ability to live and exercise their fundamental human rights. Due diligence tools we rely on include, but are not limited to, legal and regulatory compliance reviews.

Effective training and communication are critical to the success of our human rights program. The Bank provides periodic training to all employees on various elements of our human rights program, and we provide more targeted training to leaders and to employees based on their roles and responsibilities.

When adverse human rights impacts are uncovered due to our business activities or from linkages to our operations, Mercantile is committed to taking timely and transparent action to remediate in a fair and equitable manner in line with the UNGPs. In addition, grievance mechanisms, including our Business Conduct Contact Form are in place on the Bank's website ([www.mercbank.com](http://www.mercbank.com)) which is managed by our Internal Audit Department, with oversight provided by the Bank and Company's Audit Committees, and are comprised of independent Directors.

Mercantile does not retaliate or permit retaliation against anyone who raises questions or concerns in good faith about corporate activities, and we are committed to investigating these issues thoroughly and providing appropriate responses and remedies.

Finally, our commitment to human rights also includes building and investing in programs designed to change some of the fundamental circumstances that contribute to adverse human rights impacts. Our partnerships with nonprofit organizations, local community-based organizations and pre-competitive industry collaborations are critical in informing and implementing these efforts.

### **Public Reporting**

We report to the public on our human rights-related commitments, efforts and statements, consistent with this Human Rights Policy, as part of our annual Enterprise Excellence Report (EER Report) as well as our website. This reporting cross references the UN Guiding Principles Reporting Framework. Respect for human rights is an integral part of our overall strategy and the ultimate responsibility for oversight of human rights resides with our Board of Directors and our Executive Officers (inclusive of the CEO and the CEO's direct reports, including the Chief Human Resources Officer). The management of our sustainability efforts is overseen by the Enterprise Excellence Committee, which includes senior leaders from across the Bank and is led by the Director of Enterprise Excellence.

The Human Rights Policy is aligned with the Bank's **Code of Ethics**. This policy and related governance information, can be found via the Bank's internet site: <https://ir.mercbank.com/overview/documents>