



Anti-Corruption Policy and Business Ethics

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Introduction

BAWAG Group is committed to proper business relations and a strict policy to avoid corruption. All employees and executives of BAWAG Group are expected to act with integrity and transparency when conducting business activities. The acceptance of incriminating benefits or even seemingly questionable behaviour of BAWAG Group employees is prohibited. This prohibition is also extended to third parties with whom BAWAG Group has established a business relationship.

Business Ethics: organization, controls and processes

BAWAG Group has implemented a code of conduct (the "**Code of Conduct**") which sets forth the values of BAWAG Group in respect of its business conduct. Within the BAWAG Group, the ultimate responsibility for the Code of Conduct lies with the Management Board, who also exemplifies proper conduct as part of a tone from the top. The Compliance Officer is responsible for coordinating activities in connection with the Code of Conduct.

Anti-bribery and corruption: organization, controls and processes

BAWAG Group has always been fully committed to the implementation and adherence towards high anti-bribery and corruption standards and will continue to ameliorate processes and guidelines to improve its standards on a regular basis. The framework of BAWAG Group's approach towards anti-bribery and corruption is based on mandatory provisions in respect of the business areas and geographies the BAWAG Group operates in (e.g. criminal laws, banking supervision laws) and is accompanied by a set of self-imposed rules to increase the standards beyond applicable mandatory provisions.

BAWAG Group's standards are ensured by several layers of controls, defined processes and regular risk evaluations/audits.

<p>Governance <i>Compliance Office</i></p>	<p>The Compliance Office is responsible for the group-wide anti-corruption policy (the "Anti-Corruption Policy"), which contains effective and easy to understand measures to prevent corruption.</p>
<p><i>Management Board and Supervisory board</i></p>	<p>The Compliance Office regularly reports directly to the entire Management Board and the responsible committee of the Supervisory Board (i.e. the Audit and Compliance Committee).</p>
<p><i>Non-Financial Risk and ESG Committee</i></p>	<p>The Non Financial Risk and ESG Committee (the "NFR & ESGC") is in charge of non-financial risk and ESG related topics, including anti-corruption and business conduct matters. All members of the Management Board are voting members of the NFR & ESGC which is chaired by the CRO.</p>

<p>Anti-Corruption Policy</p>	<p>BAWAG Group's Anti-Corruption Policy applies to all employees and executives of BAWAG Group and sets high standards to prevent corruption in all entities, all relevant business lines, subsidiaries and with respect to contractors.</p> <p>The Anti-Corruption Policy defines the notions of benefits, corruption, public officials and addresses how to deal with gifts.</p>
<p>Definitions</p> <p><i>Benefits</i></p> <p><i>Corruption</i></p> <p><i>Public Officials</i></p>	<p>The Anti-Corruption Policy provides for a broad definition of benefits to capture any kinds of benefits. This includes a non-exhaustive list of examples:</p> <ul style="list-style-type: none"> • Money, monetary or other contributions (e.g. flowers, wine, vouchers, trips); • invitations (e.g. meals, cultural, leisure and sporting events); • granting of discounts (e.g. on services and products); • other advantages (e.g. items left for usage free of charge); and • sponsoring. <p>Corruption is defined as the abuse of entrusted power for private or business purposes or gains. There is a differentiation made between corruption in the public sector and the private sector.</p> <p>The term <i>public official</i> can be divided into several categories:</p> <ul style="list-style-type: none"> • Persons performing public tasks such as officials, members of the government on federal and state levels, state secretaries, mayors, deputies and employees of supervisory authorities. • Employees of sovereign-related companies, in which regional authorities have a significant stake or that are legally or economically controlled by such authorities. • Employees of companies whose operations monitored by the Court of Auditors ("Rechnungshof") (e.g. universities, chambers). • The definition of public officials is also extended to their related persons (parents, spouses, registered partners and children). <p>It is generally prohibited to issue, grant, promise, approve or offer benefits to and/or receive or demand benefits from public officials.</p>

<p><i>Acceptable behavior / prohibited benefits</i></p>	<p>The Anti-Corruption Policy provides clear guidelines for acceptable behavior. It provides categories of specific benefits which may be accepted up to certain thresholds and subject to documentation/approval requirements, while also defining benefits which are prohibited under any circumstances (e.g. benefits which violate applicable laws, ethical principles and/or which are of a discriminatory nature).</p>
<p>Regular Risk Assessment</p>	<p>All business units across BAWAG Group are being monitored within a risk assessment on a very narrow scale. The monitoring processes occurs regularly, individually and classified based on the size of a business unit, its tasks, its relation to externals, its operational risk self-assessment and former incidents, if any. Depending on the individual classification, certain preventive measures are implemented. These measures include a higher frequency of trainings as well as compliance audits for high risk units.</p>
<p>Training <i>All employees</i></p> <p><i>Content of the trainings</i></p> <p><i>Special trainings</i></p>	<p>Training is provided to all employees (incl. part-time) of BAWAG Group. For training purposes an obligatory e-learning program has been established. New employees must complete the e-learning program at the beginning of their employment relationship. The e-learning program is constantly updated according to developing legal provisions and current incidents and are rolled out on a regular basis to all employees, at least every two years. Each training ends with a test, in which a minimum score must be achieved for the training to be accomplished.</p> <p>Following topics are, amongst others, addressed in the e-learning program:</p> <ul style="list-style-type: none"> • Understanding of Business ethics in BAWAG Group • Code of Conduct • definition of corruption and benefits • guidelines regarding accepting and granting benefits • prohibited benefits • dealing with public officials. <p>In addition to these regular trainings, ad hoc trainings are also carried out following certain incidents and the outcome of the regular anti-bribery risk assessment. These ad hoc trainings can be in the form of specific trainings to individual employees, trainings for certain departments or information provided to the entire organization via an article on the company's intranet. Especially high-risk departments are informed regularly regarding obligations during compliance audits.</p>

<i>SPOC Systems</i>	Moreover, Compliance SPOCs (Single Point of Contacts) across the organizations help to raise the awareness for a compliant treatment in connection with benefits.
<i>Layers of Control</i> <i>Self-Assessment by employees</i>	Based on the training which every employee receives, BAWAG Group expects its employees to act responsible in respect of anti-corruption and bribery matters. To that end, the first layer of control involves a self-assessment by the respective employee.
<i>Approval System and gift register</i>	In addition to the self-assessment, a monitoring and, if applicable, approval process is put in place regarding the receipt and granting of benefits, which mainly depends on the kind and the value of the benefit.
<i>Gift register</i>	All benefits are recorded in a gift register to facilitate an <i>ex-post</i> review. The Compliance Office annually reviews the gift register and evaluates individual cases within the approval process of benefits.
<i>Compliance Audits</i>	Regular audits are conducted in individual divisions at least once a year. These audits address anti-corruption, anti-bribery and ethics topics.