



CODE OF CONDUCT
2020

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PREFACE BY THE CEO

Dear Colleagues,

Our corporate culture is characterized by **mutual respect**, **exceptional commitment**, and **a strong customer focus**.

This Code of Conduct summarizes how these three principles are put into daily practice within BAWAG Group.

It forms the foundation and the fundamental binding guidelines for the conduct and actions of our employees, our leaders and the management.

Together with laws and international regulations the Code of Conduct forms the framework for a number of binding guidelines of BAWAG Group.

We will continue to follow these principles, maintain open communication and foster a critical dialogue within our bank. This way we will be able to provide the best possible service to our customers, achieve our financial objectives, and continue to live up to our positive public perception.

Kind regards,
Anas Abuzaakouk

CODE OF CONDUCT

INTRODUCTION

Our corporate culture is based on these guidelines:

▶ **Respect and teamwork** – Together we achieve our common goals.

▶ **Customer focus and image** – Our customers are the focus of our activities.

▶ **Integrity and compliance** – Doing the right thing is an integral part of our corporate culture.

RESPECT AND TEAMWORK

Our common values and objectives shape our actions and our decisions and unite us as a team. Teamwork and mutual respect are of paramount importance to us.

Respect:
We are committed to fairness and trust

Respect is a basic prerequisite for mutual trust, a good working atmosphere, and the willingness to make decisions.

We will not tolerate discrimination based on age, gender, gender identity, nationality, race, color, sexual orientation, religion, disability or any other reason. All employees are treated equally and fairly. We take a strong stance against all forms of mobbing, sexual harassment, intimidation, and violence. The Human Resources division investigates reasonable grounds for suspicion and takes appropriate measures.

We consider the respectful interaction between employees as well as between leaders and employees a basic requirement and consequently an integral part of our modern management training. We expect open and fair interaction among all employees.

We conduct ourselves respectfully, appreciatively, and fairly towards our customers, business partners, and competitors, as well as towards the media and the financial community.

Teamwork:
We work together to achieve our objectives

We join our expertise and work together to develop new ideas and new ways to make BAWAG Group more successful and to satisfy our customers over the long term.

Solidarity and an open and honest working atmosphere are essential for well-being. Only then can we be fully committed to our customers.

All leaders are familiar with the objectives of the bank, communicate them to their employees in an appropriate manner, and clearly formulate the corresponding performance expectations. Through constructive feedback, individual support, and team development, leaders support the employees in their professional development and on the path to achieving their goals.

Each leader also continuously develops his or her own skills – as a leader and as a source of expertise in the technical areas for which he or she is responsible.

Leaders serve as ethical role models. They have to comply with the legal requirements and this Code of Conduct and ensure through appropriate training that their employees comply as well. It is up to leaders to monitor compliance and to point out possible consequences of non-compliance to their employees.

BAWAG GROUP CUSTOMER FOCUS AND IMAGE

All leaders and employees of BAWAG Group influence how we are perceived by our customers and the public. We must therefore ensure that everything we do has a positive impact on our image.

Financial well-being: We focus on our customers' needs

Our competent employees ascertain the financial circumstances and future financial plans of our customers not only to fulfill legal obligations. Based on these personal details, we want to be able to offer our customers appropriate products and services in a simple, clear and comprehensible way.

We want to achieve this by striking the right balance between digital and personal services: combining the personal character of traditional advisory with the advantages of modern technology.

Compliance with banking secrecy and data protection: We are committed to the comprehensive protection of customer data entrusted to us

Our customers' information and data are subject to banking secrecy as well as European data protection regulations, and must be kept confidential.

The disclosure of information is only permitted in exceptional cases, strictly defined by law (for example, data disclosure to supervisory bodies and law enforcement agencies). Person-specific data of natural persons are particularly protected. We only process or disclose customer data if there is a legal basis for doing so.

All employees undertake to observe banking secrecy and data protection.

Confidentiality and communication: We safeguard our own information

BAWAG Group possesses confidential information that is highly relevant to our competitiveness and our market

position. This information is a valuable asset that must be protected accordingly in order to prevent loss of revenue, legal sanctions, reputation and brand damage, and to maintain the trust of our customers, our shareholders, and the public.

It is our responsibility to ensure the protection of this information and data.

Therefore potential or actual security incidents must be reported immediately to the department responsible for Information Security. We use our IT equipment in compliance with the information security guidelines to ensure secure, efficient, and professional execution. This includes careful handling of login credentials, e-mails and the legally compliant use of internet access.

All employees ensure that we treat our information, especially corporate secrets, in a prudent manner. In our daily conduct we want to avoid unintentional disclosure or use of information to prevent the associated reputational risk. Non-public information of BAWAG Group has to be kept strictly confidential.

We communicate and interact honestly and sincerely with our stakeholders. Our central media coordination office is the BAWAG Group Press Office. Employees are required to immediately forward all media inquiries to the Group Press Office and not to provide any information themselves.

Sustainability: We take our environmental, social, and corporate responsibility seriously

For BAWAG Group, acting sustainably means managing the right balance between economic, ecological, and social objectives.

Fundamental cornerstones of our sustainability-strategy are human rights, the ten Principles of the UN Global Compact, the seven UN Global Compact Women's Empowerment Principles, and the 17 UN Sustainable Development Goals.

Environment

Our employees and business partners are encouraged to use natural resources carefully. We actively support measures aimed at protecting our natural surroundings and the environment. Our goal is to keep negative impacts of our business activities as low as possible. The preservation of an intact environment as the basis of life for future generations is one of the fundamental principles of BAWAG Group. We take potential negative effects of specific business areas into account when we make business decisions.

Social

BAWAG Group assumes its social responsibility as a “good corporate citizen”:

BAWAG Group is a partner for non-profit organizations and numerous charitable organizations have been conducting their primary banking business with us for a long time. We support these organizations in accordance with our policies, whereby this support is not aimed at influencing decisions or public officials. We do not support any political parties.

We value personal social and charitable involvement on the part of our employees, and support it through our “Volunteer Days” as an example.

INTEGRITY AND COMPLIANCE

We strive for integrity by internalizing legal and internal provisions. Part of our corporate culture is not only to comprehend provisions, but to comply with them in any situation – even when no one is watching.

Corruption, bribery, and gifts: We are committed to proper business relations

BAWAG Group does not tolerate financial crime. This includes any abuse of power, position, or resources in order to gain a personal advantage or an advantage for third parties and to influence the behavior of the recipient in a particular direction. We therefore explicitly prohibit any form of bribery or corruption.

We strongly oppose all attempts at corruption in all areas of business and in all countries in which we operate. Our employees may neither directly or indirectly offer, promise, or grant prohibited gratuities. Furthermore, we do not participate in business transactions in which we have reason to believe that bribery is involved.

Accepting and presenting gifts or invitations is only permitted within specified limits.

All attempts at bribery or other unlawful gratuities must be refused, immediately reported to the manager and

additionally to the department responsible for Anti-Corruption.

Know Your customer: We prevent money laundering and other illegal activities

We make every effort to ensure that we are not misused for illegal or dubious business practices (such as money laundering, terrorist financing, or financial crime). That is why we employ all means available to us to support international efforts to combat such crimes as well as well as the efforts of the authorities to prevent money laundering and terrorist financing.

We therefore clearly establish the identity of our customers and obtain sufficient information about their creditworthiness and business activities.

We report suspicious transactions to the appropriate authorities. To do this, our employees must report suspicious transactions to the department responsible for Anti-Money Laundering, which decides on further steps to be taken. Under no circumstances are the persons/customers involved to be informed of these reports.

Conflicts of interest:**We ensure that the interests of our customers are protected**

A conflict of interest may arise if personal interests prevail over the interests of BAWAG Group or its customers. We must therefore ensure that personal self-interests do not conflict with our obligations to BAWAG Group and to our customers.

BAWAG Group maintains comprehensive conflict of interest guidelines that contain examples and behavioral rules. Any potential conflict of interest must be reported to the Compliance Office immediately. The Compliance Office decides whether a conflict of interest actually exists and initiates further measures, if necessary. If an identified conflict of interest cannot be eliminated by appropriate measures, it must be disclosed.

Examples of potential conflicts of interest are:

- ▶ The involvement of personal interests in (securities) transactions that are carried out for our customers
- ▶ Contracts concluded with third parties from which employees themselves, their relatives, or other related parties (or companies) derive potential benefits
- ▶ Recommending products to achieve higher sales commissions

Additional employment

Additional employment by employees must not conflict with the interests of BAWAG Group. These include but are not limited to employment relationships, consulting positions, management positions, acquisition of company shares, and joint venture participation.

Both paid and unpaid additional employment must be reported to the Human Resources division in advance and may be prohibited in agreement with the Workers Council. If no agreement can be reached, the responsible Managing Board member will decide. Existing permission may be revoked, if there is a conflict of interest.

Voluntary functions in associations, non-profit organizations, or organizations governed by the Political Parties Act (Parteiengesetz) are permitted provided that they do not conflict with material interests of BAWAG Group.

Employee transactions

Employee transactions are securities transactions conducted by employees for their own account or for the account of third parties.

These transactions are continuously monitored by the Compliance Office. As a rule, employees are required to maintain their securities accounts with an institution of BAWAG Group. Exceptions are decided by Compliance Office. In order to be able to ensure monitoring of securities accounts at third-party banks, employees are to submit annual securities account statements. Employees in areas of confidentiality are also required to promptly report each individual transaction to the Compliance Office.

Signature authority / orders & transactions

As a rule, our employees are not permitted to set up signatory powers for themselves for customer accounts and customer securities accounts, nor are they permitted to set up access authorization in safe deposit box rental agreements.

Signatory powers for customer accounts of close family members (including spouses and life partners, parents, grandparents, children, and siblings) or collective signature authority for accounts of non-profit associations are allowed, but must be reported in advance to the Compliance Office.

Employees may not enter orders (such as new product openings, standing orders, securities transactions) or transactions (such as money transfers) for themselves or close relatives in the banks' systems. We attach great importance to internal control measures like the four-eyes principle.

**Preventing market abuse:
We play fair**

Market abuse includes insider trading and market manipulation. Insider trading occurs when a person acquires or sells financial instruments for him or herself or for a third party using insider information. Even an attempt or a recommendation to a third party to engage in insider trading is prohibited. BAWAG Group will not tolerate any conduct of this kind under any circumstances.

**Whistle-blowing:
We are committed to open dialogue**

An open dialogue between leaders and employees is very important to us. Employees can report well-founded information about suspicious circumstances to their leaders at any time.

If they prefer, employees can also submit such reports anonymously and confidentially using the whistle-blowing system, because substantiated whistle-blowing reports help us to improve as a company and as a team.

Risk Culture

The risk culture is the general guidance for employees to handle risks within their responsibility. A healthy group-

wide risk culture is the key to an effective risk management and enables employees not only to identify but to make well-informed decisions regarding these risks.

The core of our risk culture are internal provisions and above all an open communication among each other to ensure a broad understanding by all employees for the entirety of risks that BAWAG Group faces.

**Compliance:
We obey the rules**

Compliant conduct regarding internal and external provisions is of primary concern to us. It is our aim to identify possible risks at an early stage and to communicate appropriate measures in a transparent way.

The principles of this Code of Conduct must be observed by employees and, where applicable, by members of the Managing Board and the Supervisory Board of BAWAG Group. In countries outside Austria in which we operate, this Code of Conduct as well as any additional national requirements must be observed. In individual cases, non-compliance may lead to disciplinary consequences.

Additionally, guidelines for assessing the suitability of officers and holders of key functions (Fit and Proper guidelines) apply to the Managing Board and the Supervisory Board.

AFTERWORD BY THE COMPLIANCE OFFICER

Most of the content of this Code has long been common practice in our banking group and serves to guide each of us every day. The provisions are applicable throughout our organization and allow Group-wide supervision, which in turn is an important means of ensuring the quality of our work.

My colleagues from the Compliance Office and I will be happy to answer any questions you may have regarding the application and interpretation of guidelines.

This Code of Conduct is updated regularly. It is not only a set of rules that we all abide by, but also represents the values that we at BAWAG Group want to uphold in the long term: respect, trust, responsibility, and our good reputation.

Rainer Henke

Compliance Officer

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