



# Code of conduct

Our values. Our principles.



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“If we manage to involve morality and ethics in our business activities, we will be even more successful.”

Daniel Goeudevert

## Introduction

BayernLB and its employees regard acting in a lawful, ethical and responsible way as a fundamental and essential part of their personal, corporate and social responsibility. Breaches of law and ethics are unacceptable to us. Such acts harm the reputation of our Bank. They affect the way our customers, owners, business partners and other important stakeholder groups perceive us and their attitude towards us.

An absence of trust in the integrity and reliability of our Bank would remove the most important basis of sustainable business success. Thus we consider BayernLB’s reputation an asset which must be protected. Our duties extend far beyond simply observing rules. All employees have to apply propriety and judgement to maintain a culture that discharges our social responsibility and allows us to move ahead in a sustainable manner.

This code of conduct serves as a standard guideline in our daily activities. By adhering carefully to it, we treat each other fairly and we contribute towards our most important objective – long-term business success that is consistent with our social responsibility.

The Board of Management of BayernLB  
The Supervisory Board of BayernLB

# Implementation of the code



The principles and guidelines contained in this code are valid without restriction from the moment it comes into effect.

They apply to all locations, all employees and all hierarchical levels of our Bank.

- This code of conduct applies to the employees in all business areas of BayernLB and to the members of the Board of Management and the Supervisory Board. For the purpose of simplicity, the term “employee” is used throughout this document. The code applies nevertheless also to the Board of Management and the Supervisory Board.
- All employees are under a duty to observe this code of conduct and apply the principles below to guide and check their actions.
- Breaches of the code will have consequences and will lead to the appropriate disciplinary action.
- This code encompasses the major legal regulations and social requirements and describes how to apply these in a suitable manner. The rules provided represent an essential minimum standard and do not replace more detailed internal instructions and procedures. They apply both internally and to our dealings with all stakeholder groups that are relevant to us.
- The Board of Management and senior managers are responsible for ensuring that the code is applied and adhered to in their areas of responsibility. These persons in particular serve as role models (“tone from the top”), as they stand for the principles and guidelines contained in the code, or by espousing them in their actions and communication and, in doing so, help to foster and improve them.

# Decision-making



This code cannot cover all situations. What counts is to understand and follow the spirit of these rules as part of our risk and compliance culture. It is the spirit of integrity, honest interaction, fairness and responsibility.

- A code of conduct cannot prescribe how to act in every situation. It sets basic rules and principles that have to be implemented by all employees in a meaningful way.
- If you have any doubts about the appropriateness of a course of action or decision, the following questions, serving as a self-check, may help to clarify the situation:
  - Does my decision comply with the law and the Bank's rules?
  - Am I able to make an unbiased decision which is in the best interest of the organisation and not influenced by my own competing interests?
  - Would my decision hold water if it were checked by a third party?
  - Could my decision also be made transparent?
  - Will compliance with the law as well as the good reputation and the social responsibility of our Bank be upheld by my decision?
- If you are uncertain as to how to answer any of these questions, please refer to the code for the correct conduct. Talk to colleagues, your manager or Compliance.

## Complying with prevailing legislation



All employees at BayernLB comply with prevailing legislation as a matter of course. A key part of this is the duty to be aware of one's legal obligations.

- BayernLB takes all necessary measures to ensure its corporate bodies and employees act legally.
- It goes without saying that all employees must comply with prevailing legislation and any additional internal regulations. All employees have a duty to ensure they are aware of the relevant legal obligations, instructions/processes, guidelines and conditions relating to their areas of activity and responsibility, and to follow these.
- We have a zero tolerance policy. Culpable, unlawful behaviour will not be tolerated and will result in appropriate disciplinary and/or legal action.

# Competition law and protection of intellectual property



We compete by the rules.

We respect and protect all intellectual property.

- We believe in fair competition. We therefore run our business in a professional and competent manner and do not seek any unfair competitive advantage over clients, suppliers, service providers or competitors.
- We comply with competition law. We do not participate in illegal actions aimed at restricting competition.
- The confidential treatment of business and operational information is central to BayernLB, its clients and business partners. We respect intellectual property rights, including commercial and non-technical property rights. We acknowledge the work of rights holders by dealing conscientiously with licensing rights, patents and copyrights.

## Financial services



Our Bank, our products and our services are characterised by transparency, professionalism and seriousness. Sustainable financial solutions are important to us.

- We regard appropriate advice, comprehensible products and services, suitable risk warnings and transparent documentation as essential in our work if our clients are to make informed decisions for themselves. Misleading or deceitful advertising is unacceptable to us.
- In order to meet clients' expectations fairly, we only offer products and services we can provide professionally. This entails, among other things, holding any necessary licences and possessing the requisite infrastructure and technical expertise.
- Special legal and regulatory requirements have been put in place to protect our clients, the markets and the smooth running of the banking system. We check the identity, integrity and credit standing of our clients and business partners. We conduct regular due diligence to ensure we are not being used for unlawful business practices such as the financing of terrorism, money laundering or other criminal acts. We obey financial sanctions and embargoes imposed by national and international agencies and organisations, as well as the provisions of foreign trade law and tax law. We also seek to avoid unlawful transactions, tax/levy evasions and breaches of our duty to cooperate.



# Data protection, confidentiality and information security



Without confidentiality there can be no trust. That is why we treat data and information with the greatest possible care.

- It is particularly important when working with clients, business partners and suppliers to protect confidential information and expertise and to comply with the Bank's duty of confidentiality.
- It is the duty of all employees to use information gained in the course of their work only as permitted. When passing on information within the Bank or beyond, it is essential to check that the recipient is entitled to receive it. Care must always be taken that the information is passed on in a secure manner. Additional security measures, such as confidentiality agreements or audits, must be arranged depending on the importance of the information.
- We respect and protect other people's confidential information. Knowledge from third parties, in particular personal data, may be collected, processed or used solely for the specified purpose, and only where necessary and legal. In the case of information, particularly personal data – from generally accessible sources – the Bank's interests must always be weighed against the rights of the party affected, which must be protected. Personal data of employees must be handled with the utmost care in the context of employee data protection.

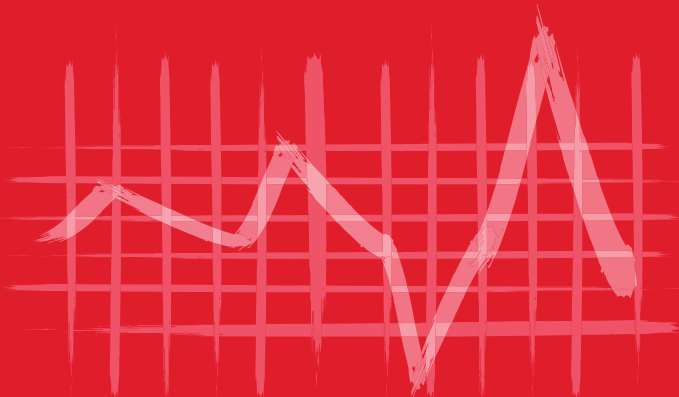
# Transparent communication



We communicate openly, clearly and transparently.  
We apply diligence and technical knowledge to ensure that data and facts are accurate and complete.

- BayernLB is committed to an open, fair and transparent information and communication policy. This applies both to internal communication with employees and managers and to external communication with all relevant stakeholder groups. The Board of Management actively supports and encourages this by carrying out its role model function.
- We provide honest and unambiguous corporate data and facts and information on our products and services. The Board of Management ensures that the financial reporting is accurate. All employees involved in reporting therefore take steps to ensure that their contributions are accurate and complete.
- To fulfil its ad hoc disclosure obligation, BayernLB has set up an ad hoc board which reviews the relevance of the issue at hand and advises the Board of Management on issues of ad hoc publicity. All employees are required to inform this board of any issue which could have a material influence on prices.
- Queries posed to BayernLB by the media are answered by the Bank's press office. Such queries are therefore immediately directed to the press office or to the Board of Management.
- Where we may be seen as publicly expressing an opinion as a representative of BayernLB, we put forward the BayernLB position. Where we are putting forward our own personal opinion, we explicitly indicate this. We always express ourselves in such a way as not to harm the reputation of BayernLB, our clients, business partners, owners or colleagues.

# Inside information



We do not hold positions in securities we administer.  
Inside information is treated as strictly confidential.  
Insider trading is prohibited and will result in legal sanctions  
and disciplinary action.

- Anyone in possession of confidential information that could have a material influence on the price of a financial instrument is classed as an insider. Inside information may not be passed on to colleagues or unauthorised third parties.
- Under no circumstances may insiders use their knowledge to their personal advantage in their own transactions, whether directly or via third parties.
- The rules and principles governing employee transactions also apply.

# Handling conflicts of interest



We avoid all types of conflicts of interest.  
Our work is guided solely by professional criteria.

- A conflict of interest arises when there is a risk that the capacity for professional judgement or action could be inappropriately compromised by one or more interests. Conflicts of interest may arise in a strictly business setting when the parties have differing interests that have to be taken into account at the same time. They may also occur when private interests conflict with professional duties.
- We take utmost care in avoiding conflicts of interest which could affect, or even appear to affect, our independence or the independence of a third party. Where signs of a potential conflict emerge, we take all necessary steps to deal with the situation, make the conflict transparent and take up any such issues with our managers or Compliance.
- We do business with suppliers, service providers and business partners solely on the basis of objective criteria. Recommendations and business or human resources decisions are neither affected by any private interests or relationships nor motivated by any tangible or intangible benefits.
- The prohibition on accepting or granting inducements applies not only to direct cash inducements but also to other benefits which may result in an actual or perceived advantage and which could cast doubt on the Bank's professional independence.
- Moreover, whenever we grant or accept inducements or benefits, especially gifts or invitations, we always respect the limits of what is common practice and appropriate, as well as the tax regulations and any requirements to seek approval. The special position and status of public officials are taken into account accordingly.

## Working with authorities



We are always open and cooperative in our dealings with authorities.

- BayernLB seeks a cooperative and transparent relationship with all responsible authorities and other sovereign bodies.
- We attach importance to observing legal procedures in investigations and other official activities. The Legal Division is involved in order to protect our rights of due process, and assists in the dialogue with supervisory and investigative authorities.

## Protection of corporate property



We treat the Bank's property with respect and use it solely for professional purposes – not for our own ends.

- All employees are responsible for ensuring that BayernLB property and other tangible and intangible assets of the Bank are protected against loss, theft, damage or misuse and are handled carefully and appropriately.
- Offices, furnishings and work equipment must be used in an economically and environmentally friendly way. This applies to energy and materials consumption as well as the maximising of economic life.
- Office supplies and other property of the Bank may only be used for operational purposes. Any use for other purposes, particularly inappropriately personal, illegal or otherwise unauthorised purposes, is prohibited. No employee may remove corporate property from the BayernLB premises without permission.

# Social responsibility



We are socially responsible.

- Good business decisions go hand in hand with social responsibility. We take this responsibility very seriously. Our commitment is centred on helping the community and promoting education and science, art and culture and sustainable development.
- We keep organisation memberships, sponsorship commitments and charitable donations separate. We do not make donations to individuals, for missionary purposes, or to political parties, electoral groups or bodies which are cult-like or hostile to the constitution.
- We also support the voluntary social commitment of our employees through, among other measures, our Corporate Volunteering programme.

# Sustainability and ethics



We are committed to sustainable corporate development.

- We are actively and thoroughly committed to the challenges of sustainable development and heed our responsibility by taking ecological, economical and social aspects into account along the entire value chain. We do this in our own day-to-day (banking) operations by being careful in our use of resources, avoiding harmful environmental impacts and treating our employees responsibly.
- We also consider sustainability issues when looking at (business) transactions. Our actions, as well as our business relationships and transactions, are always guided by ethical principles and sustainability aspects. We ensure that these are compatible with the relevant international environmental, ethical and social standards we have signed up to.
- Because we integrate social and environmental aspects into our financing and capital market products, both we and our customers consider the risks and opportunities that come with such global challenges as climate change and dwindling resources, thus making an active contribution to sustainable development.



# Individual rights and protection from discrimination



We respect the rights of our employees.  
We protect them from discrimination of all types.

- BayernLB promotes a working environment based on respect and tolerance. We respect the opinions of others. We acknowledge employee rights as a matter of course.
- Any form of discrimination or harassment on the grounds of age, gender, religion, ideology, race, ethnic or social origin, handicap or sexual identity or orientation is unlawful and will not be tolerated.
- BayernLB also expects suppliers and service providers to provide fair employment conditions and allow employees the freedom to hold meetings and the right to negotiate collectively. We say no to exploitative (child)labour and forced labour.
- We do not work with business partners or organisations with objectives that are cult-like or hostile to the constitution.

# Responsibility for employees



Responsibility is not just a matter for managers. It is every employee's business. It means responsibility for ourselves. Responsibility for others. Responsibility for the success of our Bank.

- We are all responsible for fostering a culture of mutual respect, trust and appreciation of the value of others. The special responsibility incumbent upon managers has been stated separately in our Management Principles.
- We foster skills, creativity and open and uncensored dialogue. We also expect individual responsibility and commitment from our employees. Our aim is to develop and use the individual gifts and talents of our employees as best we can.
- In a world that never stands still, the commitment of our employees to life-long learning is a key success factor. We provide appropriate opportunities for further training and professional development.
- It is essential that occupational health and safety regulations are observed by all employees. It is one of the management duties of BayernLB to provide a healthy and hazard-free working environment.
- We support our employees in striking a balance between their work and personal lives and in increasing job satisfaction. We attach particular importance to ensuring that one's family life is compatible with their professional life. In turn, we expect our employees to show a responsible approach to their health and fitness.

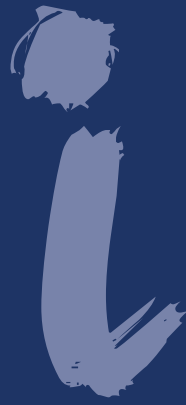
# Risk and compliance culture



A risk and compliance culture benefits us all.

- The Supervisory Board, Board of Management, managers and employees all expressly embrace the risk and compliance culture of BayernLB and afford it special significance. BayernLB's reputation and our ethos and values are just as important to us as mastering risk and other corporate objectives.
- Our risk culture promotes the identification and targeted handling of risk, with decision-making processes that achieve balanced outcomes not least from a risk point of view.
- For us, a healthy risk culture thus entails
  - an open and cooperative management concept and
  - a strong risk awareness in our day-to-day thinking and action that
  - encourages critical dialogue, and
  - financial incentives that are in line with the risk appetite.
- An effective control system is a major element of our (risk)management system. The Board of Management is responsible for installing, and the managers for organising, a functioning internal control system for their areas of responsibility that is based on the “three lines of defence” principle. As a learning organisation, BayernLB views mistakes and weaknesses as opportunities for improvement.
- Compliance is an integral component of corporate management and is defined as risk management with a focus on prevention. A role is played here by appropriate risk analysis, measures based on this process, the promotion of a uniform understanding of values and integrity, as well as penalties in the event of breaches. The independent Compliance function is a trustworthy and fair point of contact, both inside and outside the Bank.

## Leads, questions and further information



Compliance breaches are not a trivial matter.  
They damage the reputation and security of our Bank.  
Please contact us if you have any leads or questions.

- Employees can and should take their concerns and queries to their manager, the specialist unit affected or Compliance in order to avoid compliance breaches.
- Employees can report suspicions of illegal acts or compliance breaches, or even risks of illegal acts, with the assurance of anonymity using the whistleblowing system. The maximum degree of discretion is guaranteed.
- If you have any leads or queries, you can contact Compliance in or outside the Bank:

Phone +49 89 2171-28844 or  
[group-compliance@bayernlb.de](mailto:group-compliance@bayernlb.de)

BayernLB  
Group Compliance  
Phone +49 89 2171-28844  
group-compliance@bayernlb.de

Bayerische Landesbank  
Brienner Strasse 18  
80333 Munich  
Germany  
[www.bayernlb.com](http://www.bayernlb.com)

