



Die Erde. Sie ist Ursprungsort und
Heimat aller bekannten Lebewesen.
Vom All aus betrachtet erkennt man
ihre ganze Schönheit.

If you think big
you need to look at the whole picture.
Code of Conduct

Code of Conduct

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Foreword

"The Code of Conduct serves as a guide to our employees by establishing standards of proper behavior."



Rainer Neske
Chairman of the Board of Managing Directors of
Landesbank Baden-Württemberg

Dear Colleagues:

The banking industry and society are undergoing a period of rapid change and extreme uncertainty. We need to be adaptable and innovative in order to hold our ground in this competitive environment and fulfill our aspiration of being the best universal bank for small and medium-sized enterprises.

That is why agility is one of our bank's strategic thrusts. At the same time, however, we have to comply with a multitude of laws, rules, and regulatory requirements. Moreover, society expects us to adhere to basic values and standards.

With the tension created by these goals, the Code of Conduct serves an important purpose. It serves as a guide to our employees by establishing standards of proper behavior and helps them deal with conflicts of interest. Thus, the Code of Conduct enables us to remain agile by laying boundaries within which each employee can act responsibly on his or her own. That is because we desire to work unbureaucratically—but obey the law. We desire to fulfill our customers' requirements—but do so properly. We desire to do business—but not at any cost.

The Code of Conduct provides us with highly practical assistance for doing that by outlining our bank's most important principles in a form that is well organized and easy to understand. In this way, it condenses the barely comprehensible and extremely complex rules and regulations into proportions that we can work with on a daily basis.

Therefore, please familiarize yourself with our updated and expanded Code of Conduct on the following pages, and follow it in your daily work. In doing so, you will be safeguarding our bank, our customers, and—not least of all—yourself.

Yours sincerely,



Rainer Neske

Chairman of the Board of Managing Directors of
Landesbank Baden-Württemberg

About This Report

The Code of Conduct establishes standards of behavior and ethics for LBBW and its subsidiaries.

The Code of Conduct provides us with an overview of important regulations that help us with legal and ethical issues. It guides us in dealing with our customers, business partners, employees and society (the public) by laying out policies, principles, and values that govern the behavior of all employees throughout the Group.

The Code of Conduct applies to all divisions of LBBW, to the members of the Board of Managing Directors, as well as to employees at every level of LBBW and its subsidiaries worldwide. It is important that all of us put the Code of Conduct into practice every day in order to live up to our high standards of responsible and lawful conduct. Honest and ethical conduct that sets an example for others must be perfectly natural for every one of us.

The Code of Conduct cannot encompass every imaginable business-related occurrence and issue. Therefore, it is essential for us all to feel a commitment to both the words and the spirit of the Code of Conduct, allowing ourselves to be guided by behavior that is not only legally permitted but also morally dictated. It is not a stand-alone legal rule but an inexhaustive collection of rules to be followed on the basis of existing legal sources from within and without LBBW (e.g. laws, directives, work instructions, labour contracts, etc.).

The Code of Conduct is not only important because it contains legal references, but it also has serious economic impact. Over the long term, LBBW will be competitive only if it fulfills its responsibility to its customers, shareholders, competitors, business associates, supervisory authorities and, not least of all, to its own employees.

Both our long-term business success and our competitive focus are based on trust, reliability, and integrity. Therefore, the values set forth in this Code of Conduct and the unconditional compliance with all statutory provisions create the foundations of sustainable corporate governance. It is the duty of each and every one of us to hold up these values. LBBW adheres very closely to the German Corporate Governance Code. The GCGC is a set of essential legal regulations governing the management and monitoring of German listed companies and contains recommendations on good corporate governance. Furthermore, we follow the standards established in the Public Corporate Governance Code of the State of Baden-Württemberg.

Integrity and Responsibility

"To be a man is, precisely, to be responsible."

Antoine de Saint-Exupéry

Integrity

"We believe in the rule of law."

This is the most basic requirement for working together in a spirit of trust and partnership.

Ethical conduct is a fundamental prerequisite for partnering with others in a spirit of trust and collaboration. We obey applicable laws and internal company regulations, thus protecting the company and ourselves from damage or loss. LBBW trains and encourages its employees to act responsibly and in accordance with existing statutory regulations, instructions, directives, legal frameworks, and local requirements. Employees who have any questions or concerns about ethical conduct may contact the compliance and/or human resources divisions .

Violations of applicable law can cause serious damage: fines, claims for compensation, sanctions, and a tarnished reputation. That goes for LBBW worldwide as well as for all our employees.

Employees who commit a violation or breach of their contractual obligations should expect consequences, including disciplinary action.

We remain aware of possible consequences for LBBW when conducting ourselves outside our duties for LBBW. This is because certain rules, such as confidentiality obligations, do not end when we leave the office, but also because of activities on social media and other statements made on the Internet.



Respect and Tolerance

"We protect human rights and behave in a manner that shows tolerance, fairness, and respect."

Our desire for the work environment at LBBW is for it to be characterized by respect, tolerance, and equal opportunity. LBBW recognizes the United Nations' Universal Declaration of Human Rights as applicable to all people around the world and expects its contract partners to do the same.

As a signatory to the United Nations' Global Compact¹, LBBW supports the protection of international human rights and ensures that we are not complicit in human rights violations.

Special significance is given to protecting universal human rights as well as safeguarding the fundamental rights of labor (ILO Core Labor Standards²). We will regularly report on measures being taken by us to prevent forced labor, slavery, and human trafficking within our company and our supply chain.³

By doing so, we will ensure responsible and just corporate governance around the world.

We also expect our customers and business partners to adhere to the above values named. Any form of discrimination or bias within LBBW or in relations with employees, customers, business partners, suppliers, or other individuals will not be accepted. In particular, this applies to discrimination or bias based on race, gender, origin, age, religion, disability, marital status, sexual orientation, or citizenship.

We do not tolerate any subversive statements or efforts of organizations that do not respect the above named values. We refuse to work with such organizations or groups of individuals.



1 https://www.globalcompact.de/de/ueber-uns/dgcn-ungc.php?navid=539859539859#anchor_13c756dc_Accordion-1-Menschenrechte
 2 <http://www.ilo.org/berlin/arbeits-und-standards/kernarbeitsnormen/lang--de/index.html>
 3 Cf. "UK Modern Slavery Act 2015," <http://services.parliament.uk/bills/2014-15/modernslavery.html>

Treatment of Fellow Employees

"We treat one another with respect and appreciation."

We show regard for the rights and interests of employees.

The way we work together should be characterized by mutual respect and appreciation. This can be achieved only if we show consideration for one another.

We appreciate and acknowledge the right of all employees to be actively represented by their peers, such as the Staff Council. Trustworthy and fair conduct is the basis of constructive teamwork.

LBBW also offers its employees various options, flexible work hours and child care, for example, for achieving a work-life balance.

Our executives give us guidance and security by setting the example through their conduct.

They encourage us to think, act, and make decisions on our own.

Together, we set clear, ambitious, and realistic goals. We communicate openly and honestly.

We treat one another with fairness and as partners—even during conflicts.

We must all work together to create a friendly work environment.

Dealing with Conflicts of Interest

"We place value on dealing with conflicting interests openly."

Conflicts of interest can occur in numerous situations related to the banking business. Within LBBW, the appropriate means of handling them is by taking organizational precautions.

By dealing with conflicting interests properly, we protect our customers and our reputation, but we also safeguard LBBW's assets, both tangible and intangible.

Should it not be possible to avoid conflicts of interest, we disclose them and ensure they are dealt with responsibility and appropriateness in the interest of our customers and employees.

Dealing with Customers and Business Partners

"We bear responsibility for our customers—worldwide."

We work with our customers and business partners honestly, appreciatively, and respectfully, and we naturally expect the same in return.

We do not enter into business relationships with partners who obviously violate laws or international conventions, conceal their true identity or ownership structure, engage in money laundering, or fund terrorism.

Anti-Corruption

"We do not tolerate corrupt or unprofessional behavior and consistently reject any and all forms of bribery."

Our desire is to impress and achieve success through first-rate quality and value in our services—never by using unfair means.

In our company, we tolerate neither the giving nor the taking of bribes. Even the appearance of corruption must be avoided under any circumstances.

In its business activities, LBBW does not accept any actions that conflict with the principles of tax compliance and fair taxation.

We want to make appropriate business decisions at all times.

None of us is permitted to take advantage of the company's connections for his or her own benefit or the benefit of others. In questionable or uncertain situations, we immediately contact our supervisors or the compliance division.

Fraud Prevention, Money Laundering, Financial Sanctions, and Embargoes

"We want to fulfill our ambition of acting properly and dutifully at all times."

We do not tolerate any form of fraudulent or other criminal behavior.

We consistently avoid violations of financial sanctions and embargo regulations, and we at all times adhere to all requirements that both protect us as employees and LBBW from negative consequences. Acting with honesty must be natural for us all.

We report suspicions to the Central Unit of the compliance division, which investigates them diligently and systematically.

We prevent the exploitation of the financial system for purposes of money laundering and terrorism financing by always acting lawfully, dutifully, and properly.

Individuals violating these obligations may be subject to criminal prosecution as well as civil and disciplinary action.

Inducements, Gifts, and Invitations

"We make business decisions objectively and independently."

Gifts and other inducements that influence or even appear to influence proper business decisions must not be accepted by us or third parties we have hired. Conversely, we do not promise or grant such gifts or inducements to third parties.

In situations involving a conflict, we must always ask ourselves whether a benefit, gift, or invitation comes with obligations and what consequences accepting the benefit will have.

We observe the internal rules on accepting and giving inducements and gifts and contact the compliance division if we have any concerns.

LBBW never makes any contributions to political parties or politicians and makes no payments to governments.

Antitrust Law and Competition Law

"We pursue our business objectives with fair and legally unobjectionable means."

When dealing with competitors, business partners, or third parties, we are obligated to avoid violating the law and to comply with regulations under antitrust and competition law.

These regulations are intended to ensure fair competition in the market economy and prevent the gaining of unlawful advantages through arrangements between market participants against other competitors and customers. We are not permitted to enter into unlawful, anti-competitive agreements with market participants.

Accounting and Financial Reporting

"We comply with the statutory regulations on proper bookkeeping and accounting."

As an international commercial bank, we place extreme importance on the trust of our customers and business partners. Transparency, openness, and reliability are the basis of their confidence in our global activities.

We comply with legal standards of accounting and bookkeeping. By meeting the most current legal and regulatory requirements, we give the principles our full consideration.

Our accounting, financial reporting, and regulatory reporting are precise and compliant.

Code of Conduct

Trust

"Nothing can strengthen a person more than the trust placed in him."

Paul Claudel

Data Protection

"We protect
personal information."

We give the highest priority to protecting the personal data of customers, employees, and business partners. We collect, process, and use personal information only to the extent allowed by laws, regulations, and our internal rules and policies. We undertake to comply with all regulations concerning data protection and to safeguard confidential information and documents.

Whenever we have concerns, we involve our company's data protection officer.

Information Security

»We undertake to ensure the confidentiality of sensitive information at all times."

We are obligated to maintain the secrecy of business and trade secrets as well as any other sensitive, non-public information entrusted to us as part of our business activities or to which we otherwise become privy.

We safeguard and respect the business and trade secrets of other companies and the intellectual property of our competitors and business partners. We utilize it only with their express permission or to the extent permitted by law.

In addition, we undertake to protect our intellectual property rights, such as patents and brands, as well as our know-how.

Handling Inside Information

"We reject all forms of insider trading."

If we obtain specific, confidential, and non-public information about customers or LBBW, it will be subject to special secrecy and treated as strictly confidential.

The misuse of insider information is subject to prosecution. The buying or selling of or recommendations to buy or sell financial instruments using inside information is legally prohibited.

Inside information may be exploited neither for personal interests nor for the advantage of LBBW or the benefit of third parties.

We commit to act in compliance with regulations and adhere to the principles of personal account dealings by employees by having all employees of LBBW sign a declaration of compliance at the start of their employment and observe its provisions.

Treatment of Company Property

"We handle company property carefully."

We exercise care and caution when handling assets and property belonging to LBBW.

Above all, this also includes taking care of work-related materials and equipment. We use them gently, always protecting them from theft or damage and following all internal rules.

Code of Conduct

Social Responsibility

"We are not only responsible for what we do, but
also for what we do not do."

Jean Baptiste Molière

Sustainability

"We think and act with the future in mind."

Our goal is to consistently promote development that is sustainable as well as economically, environmentally, and socially responsible as part of our banking business. Sustainability is therefore an integral part of our corporate strategy and business policies.

The sustainability policy and goals, as well as the associated principles and guidelines for their implementation, provide us with a binding framework for responsible action, thus creating the basis for sustainable corporate governance. Sustainability rules and ethical responsibility at LBBW are also guiding principles for evaluating business relationships and assessing and carrying out business transactions.

We offer our customers quality products and services. We add value to society with our sustainable products and services and promote nature/environmental, education, and social projects and initiatives. Being economically successful also requires taking ecological action. We therefore aim to make our business as eco-friendly as possible while conserving resources. We work consistently to improve our environmental footprint, addressing both the ecological and the economic cost of our resource consumption.



Health and Workplace Safety

"We promote the health of our employees and create a safe working environment."

Our company dedicates itself to the goal of maintaining and, as much as possible, improving the health of its employees. The pursuit of this goal is part of our management's responsibility.

LBBW's company medical service and the company sports club supported by LBBW are the subject matter experts for achieving this goal. For this purpose, the bank offers a wide range of options for individuals to improve their health and maintain it over the long term (lifestyle modification).

The company's efforts in the area of workplace safety also help us to achieve our goal. They are expressed in the form of strategic workplace safety objectives such as safe, ergonomic, and performance-enhancing design of workstations at LBBW (environmental improvements), consistent compliance with all workplace safety regulations within the company, and development or establishment of a corporate culture of prevention.

Our employees contribute personally to their own behavioral modification and environmental improvements.

Optimizing the conditions in the workplace is a key focus on the path toward reaching this ambitious goal. LBBW places extreme importance on ensuring workplace safety in accordance with the latest scientific knowledge by continuously improving its working environment.

Ensuring Compliance

"It is not enough to possess knowledge; one must also apply it. It is not enough to want something; one must also take action."

Johann Wolfgang von Goethe

Legal Notice

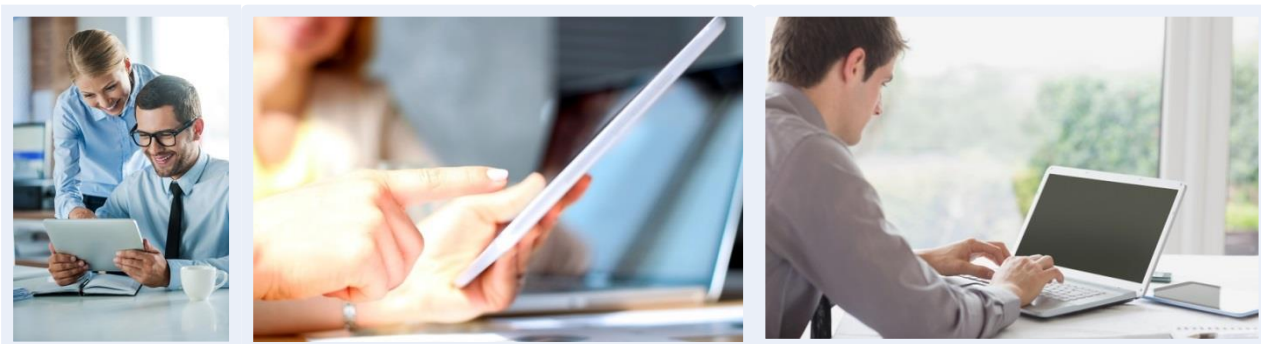
Compliance Training

"We take part in regular training on the subjects of compliance and the Code of Conduct."

To familiarize all its employees with the guidelines and principles laid out in the Code of Conduct and regularly remind them of those precepts, LBBW conducts compliance training on a recurring basis. The training provides information about the contents of the Code of Conduct and the legal regulations to which they must adhere.

We commit ourselves to undergoing any compliance training deemed mandatory for us. Specially developed compliance training seminars using a variety of media formats support adherence to the Code of Conduct.

The Code of Conduct is available to all employees in German and English.



Contacts

"We have the option to use our whistleblower system in order to fight wrongdoing and criminal conduct."

We can attain the objectives in the Code of Conduct if we all work together.

Every one of us is obliged to protect the interests of the bank and to take reasonable action to ward off imminent danger. Together, by responding proactively to suspicions of serious misconduct, we can prevent harm from coming to LBBW and its employees.

Our options include using the LBBW whistleblower system to report tips of unlawful conduct and criminal actions (e.g. fraud, theft, bribery, embezzlement, money laundering, insider trading, and market abuse) to LBBW. In doing so, we actively fight wrongdoing and criminal conduct. We submit tips with as much detail as possible in order to enable the situation to be investigated and resolved quickly.

One of the many contact persons in our company is the LBBW Ombudsman. As an external lawyer and neutral party, the Ombudsman serves as a link between the whistleblower and responsible Central Unit of the compliance division.

Legal Notice

We can report tips through the ombudsman and receive free advice concerning the incident and how to proceed. Information pertaining to the identity of the whistleblower will be shared with LBBW only with his or her express consent. The Ombudsman passes tips on to the responsible Central Unit for further investigation and clarification. However, as whistleblowers, we determine the amount of information to be shared, including whether or not we wish to disclose our identity.

We place extreme importance on transparency. We want to learn from our mistakes. Improvements are discussed and implemented openly. An important requirement for doing so is to identify mistakes early and acknowledge them.

Various contact persons are available to enable us to do that.

IMMEDIATE SUPERVISORS

CONDUCT AND COMPLIANCE HOTLINE

Tel.: 0711-127-76667

LBBW OMBUDSMAN

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