



Volksbanken Raiffeisenbanken
cooperative financial network

Code of Conduct of DZ BANK

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 **DZ BANK**
Bank on Germany

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Introduction

The DZ BANK Group forms part of the German Volksbanken Raiffeisenbanken cooperative financial network, which comprises about 800 local cooperative banks and is one of Germany's largest privatesector financial services organizations in terms of total assets and market share.

The role of DZ BANK as central bank, commercial bank and holding company obliges us to comply not only with the statutory regulations but also with prevailing market standards and the principles we have established for ourselves, which are expressed in this Code of Conduct.

In our responsibility towards our customers, business partners, shareholders, employees and not least society, we are committed to democracy, tolerance, human rights and equal opportunities.

The Code of Conduct sets the foundations for a legally compliant, ethically orientated and sustainable corporate culture to which we are committed both within the company as well as in our relationships with external partners. Internal regulations and guidelines ensure that the regulations of the Code of Conduct are implemented in an effective and binding manner in relation to the employees and provide us with guidance and security in our day-to-day business. The integrity of our employees is a decisive component for the success of our company.

The pursuit of profit by no means justifies the violation of applicable law or the infringement of the regulations laid down in the Code of Conduct.

The Code of Conduct applies for all employees of DZ BANK – irrespective of their position – at home and abroad. If stricter regulations compared to the Code of Conduct apply in a foreign branch based on the respective national law, these have priority.

Customers and Business Partners

We maintain a trusting relationship with our customers and business partners.

Our activities are focused on the customer. We refrain from all actions that could harm customers and business partners, be interpreted as negative in public and therefore compromise DZ BANK's reputation. When pursuing our entrepreneurial goals, we refuse to use unfair practices.

Our conduct towards our customers and business partners is characterised by fairness, professionalism, transparency, respect and the company's values, which are actively put into practice.

When serving our customers we focus on their interests. When designing and selecting our products we are guided by our customers' needs and provide for transparency with regard to the disclosure of our costs, fees and commissions.

We observe the statutory guidelines regulating the handling of conflicts of interests to protect our customers. We have taken the necessary organisational measures to prevent, minimise or disclose any conflicts of interests that may arise between the company and our customers, between our employees, between our customers or between various companies of the DZ BANK Group and to promote the interests of the customers.

The fundamental quality standards for the issue and distribution of financial instruments are defined in the guiding principles for products adopted by DZ BANK.

Customer complaints are dealt with within the framework of a professional complaints management infrastructure and act as an incentive for us to further develop and improve our internal quality assurance processes.

Employees

The way we treat one another is characterised by mutual respect, trust and honesty. Our values are "Drive, Integrity, Trust", with which we set ourselves a clear course in a business world which is becoming increasingly more complex.

DZ BANK's managers exemplify these ethical and behavioural principles, at the same as making sure that they are observed by their employees. They support them in an advisory capacity for all questions relating to conduct in compliance with the laws and regulations.

We respect others' opinions and observe their spheres of privacy and personal rights. We commit ourselves to treating every person with dignity and respect, irrespective of his or her origin and personal circumstances.

We do not tolerate any form of discrimination of staff or third parties due to age, gender, ethnic origin, nationality, religion, political views, belief, disabled or sexual identity. Likewise, any form of verbal, physical and sexual harassment towards employees or third parties is not accepted.

When conducting our activities, we are guided by professional standards, law and justice and the company's internal rules, policies, and values. This also applies to activities outside the company in which we act as representatives of the Bank.

DZ BANK's remuneration systems are set out in writing and organized in such a way that they prevent employees from violating the customers' interests.

Our employees require our approval to carry out sideline activities. They do not carry out any sideline activities that are in direct competition with DZ BANK, even if only in part.

All assets or equipment owned by the Bank are handled carefully and only used for the intended use laid down. We protect the Bank's reputation, maintain bank confidentiality and our business secrets even after leaving the Bank.

The behavioural principles, regulations and guidelines mentioned in this Code of Conduct as well as any further information are available for all employees in the Intranet and in DZ BANK's ORG Portal.

Social Responsibility

Sensitive Business Areas

We are aware of our social responsibility as central bank of the Volksbanken Raiffeisenbanken cooperative financial network and as an internationally active bank. We attach great importance to the sustainability of our business activity and its added value.

For this reason, with respect to lending we take account not only of the economic aspects, but also of ecological and social factors. This also includes not entering into any transactions that may have a negative impact on the Bank's reputation.

Human Rights

By signing the UN Global Compact, DZ BANK has committed itself to supporting the protection of international human rights. This includes the avoidance of complicity in human rights abuses. We strictly reject any form of forced or child labour and recognise the right of all employees to form trade unions and employee representatives on a democratic basis within the framework of national regulations. Protection of fundamental labour rights as defined by the ILO core labour standards is also of primary importance for our actions. This attitude not only flows into our daily work, but is also expected by our customers and business partners.

As part of our transparency efforts, we will in future report regularly on the measures taken to fulfil our human rights due diligence obligations and will base our reporting on the requirements of the Delivery Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz).

Environment and Ecology

Sustainability is anchored in DZ BANK's mission statement and attitude dimensions. This is reflected both in the sustainability mission statement of the Volksbanken Raiffeisenbanken Cooperative Financial Network (CFN) and in DZ BANK's own attitude dimensions, which provide an important orientation framework for all employees.

In addition, voluntary commitments such as the UN Global Compact and the Principles for Responsible Banking (PRBs) provide central points of orientation for our corporate responsibility and our daily actions at DZ BANK. In this context, it is particularly important for us to take a holistic approach and to implement the content across departments.

To ensure that all DZ BANK employees remain informed on the topic of sustainability, DZ BANK is also currently developing sustainability-specific training programs with different focal points. This not only strengthens the language skills of all employees, but also sensitises them to the correct handling of ESG aspects.

We commit ourselves to the prudent use of natural resources and observe the statutory environmental protection regulations. We integrate environmental protection into our business processes and use environmentally friendly technology. Our business decisions take ecological aspects into account.

Controversial Business Practices

DZ BANK rejects controversial business practices and is committed to acting responsibly. DZ BANK defines controversial business practice as the clear disregard of legal regulations or generally accepted rules of conduct. These include corruption (acceptance of bribes as well as bribery of third parties), accounting fraud, cartelisation and price fixing, fraud, insider trading, tax evasion as well as aggressive tax avoidance practices (e.g. unlawful or banned dividend arbitrage agreements) and money laundering.

Good Governance

Competition

We are committed to complying with the principles of fair competition and we observe the prevailing rules in this regard. At every social and political level we are firmly dedicated to acting in the interests of the Volksbanken Raiffeisenbanken cooperative financial network and its clients.

Corporate Communication

Our communication is transparent, timely, appropriate and recipient and dialogue-orientated, and is in keeping with the communication guidelines applicable for the Bank.

Our financial reporting is conducted in a timely, accurate, correct, comprehensible and truthful manner and complies with the prevailing statutory requirements and accounting standards.

Transparency vis-à-vis the competent authorities and other public departments is a further element of our communication. DZ BANK is at all times cooperative and supportive towards them in this respect.

Responsible Marketing

Our understanding of marketing reflects the attitudes of DZ BANK and is always truthful in form and message, generally understandable, appreciative and strives for sustainability:

We avoid misleading, false or discriminatory statements in our advertising and communications. Our design and visual language is clear in its structure, accessible, and free of content or formal discrimination. The design principles are long term to mini-mise re-production of marketing collateral.

Environmental impact is minimised by dispensing with costly production and finishing processes and by involving regional partners and digital implementation. Communicative measures are designed after prior analysis of the needs of the target group(s) in order to concentrate resources and avoid wastage.

For events, we take care to avoid unnecessary logistics and travel by deliberately integrating digital offerings or regional formats.

This commitment to sustainability in communications and processes is set out in concrete terms in the Principles for Responsible Marketing as a recommendation for action for all DZ BANK employees and service providers.

Data Protection

Our employees observe the data protection law provisions applicable in connection with their activities and are regularly familiarized by the Bank with the current data protection provisions.

We protect our customers' data and do not pass these data on to third parties unless our customers have consented and unless we are expressly required to do so by law.

Our Data Protection Officer arranges and monitors the measures required to maintain data protection and is the contact person for our customers, business partners and employees.

Data Security

We have specific regulations and technical and organizational measures to guarantee the security of our data and IT systems. We ensure that the availability, confidentiality, integrity and binding nature of the data and resources are adequately protected. We fulfil the statutory and regulatory obligations regarding information and data processing. We oblige the service providers we use to fulfil the same requirements and obligations by which we measure ourselves.

Donations and Social Sponsoring

The Bank's donations are made only by the units and employees authorised to do so. They essentially serve to support scientific, societal, cultural, social and ecological purposes. Donations are approved only in accordance with strict internal requirements.

They are made only within the framework permitted by statute and are regulated by the DZ BANK Guidelines for dealing with Gifts & Invitations. We never use donations for unlawfully influencing third parties or evading anti-bribery and corruption regulations.

Taxes

DZ BANK is expressly committed to the proper fulfilment of its tax obligations. It complies with national and foreign tax laws. Inappropriate legal structuring options and tax evasion are rejected. DZ BANK is committed to taxing profits where the economic value is created, in accordance with internationally applicable transfer pricing principles.

DZ BANK engages in responsible tax planning that complies with the law. DZ BANK refrains from aggressive tax avoidance schemes. Business activities in countries suspected of promoting tax avoidance practices are not conducted for tax motives.

Furthermore, DZ BANK ensures that its activities and transactions are structured in such a way that a proper tax assessment can be made. DZ BANK does not issue or distribute products whose main objective is to enable aggressive tax structuring. DZ BANK does not actively contribute to structuring activities that have the objective of aggressive tax structuring or avoidance.

DZ BANK has established a certified Tax Compliance Management System. This is constantly monitored and further developed. This is intended to prevent any internal or external actions that could jeopardise the reputation and assets of the bank, as well as those of our customers and business partners.

DZ BANK discloses extensive details of its global activities and taxes paid to the German Federal Central Tax Office (Bundeszentralamt für Steuern) as part of its country-by-country tax reporting.

Economic Crime

Fraud Prevention

We take organizational measures to prevent internal and external indictable offences that could jeopardize the integrity of the market, the assets of the Bank, its customers as well as its business partners. To this end, we have installed binding regulations and policies for the prevention and clarification of such indictable offences.

Whistleblower Hotline

To prevent economic crime and protect our reputation and assets, we have installed processes which enable our employees to confidentially forward information relating to potentially illegal or damaging deeds to an internal or external Ombudsmann.

Corruption

We tolerate no form of corruption or bribery, i.e. the granting or acceptance of undue advantage either within the meaning of German law or comparable provisions of foreign law – at the Bank, our affiliated companies, business partners or other third parties.

We do not participate in transactions in which we suspect that corruption is involved. We select our agents, consultants, intermediaries and other third parties who act in our name or on our behalf according to clearly defined criteria.

To give our staff a reliable working framework and to ensure compliance with the statutory and customary market standards, we have implemented a set of policies for regulating the acceptance and granting of gifts, meal invitations and invitations to events (Gifts Directive).

Money Laundering Prevention, Financial Sanctions and Embargoes

We do not allow our company to be misused for money laundering and terrorist financing. Our measures for preventing the infiltration of criminally-acquired funds implement the national and international guidelines for preventing money laundering and terrorist financing and undergo constant monitoring and improvement processes.

With the assistance of technical support and ongoing monitoring processes, we ensure compliance with existing financial sanctions and embargoes in accordance with the prevailing statutory requirements.

Market Abuse and Insider Trading

On the stock exchanges, we trade as a securities services provider in accordance with statutory regulations and trading customs. We avoid all illicit agreements with other trading partners and comply with the rules of fair competition. The aim of these measures is to guarantee the integrity of the market.

We have installed organizational and technical measures for preventing market manipulation and insider trading, the efficacy of which is assured by corresponding controls.

We regularly train our employees to ensure compliance with the statutory standards and our internal regulations.

Dealing with Violations

With the compliance division our company has a central office for receiving information regarding committed, imminent or planned violations of internal regulations, the Code of Conduct or of applicable laws or legal standards.

Our employees are law-abiding and conform with the regulations. They are aware that our company takes or initiates labor law, civil and penal measures in the event of violations.

The behavioural principles, regulations and guidelines mentioned in this Code of Conduct as well as any further information are available for all employees in the Intranet and in DZ BANK's ORG Portal.

The employees of the compliance division are available to answer any questions you may have regarding this Code of Conduct and its application on +49 69 7447-4086.

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