

# Code of Conduct

**KOMMUNAL  
KREDIT**



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# 1

## SCOPE AND BINDING FORCE

The *Code of Conduct* is binding for all bodies, staff and other employees of the Kommunalkredit Group vis-à-vis all stakeholders and in every business context.

As a group policy, the *Code of Conduct* sets out minimum requirements which fully consolidated affiliated companies must take into account in their own corporate guidelines. If an affiliated company has not enacted a specific policy of its own, the provisions of the Group Policy shall apply mutatis mutandis within the scope of the respective business activity of the company concerned and shall be applied directly.

The *Code of Conduct* sets out general principles of conduct and does not replace the detailed regulations formulated in individual policies and work instructions (e.g. money laundering prevention, data protection, capital market compliance).

The Executive Board and the Executive Committee of Kommunalkredit Austria AG are the highest bodies that monitor the values enshrined in this Code of Conduct and determine appropriate measures.



## 2

### OUR VISION AND MISSION

In addition to business relations with the public sector, the Kommunalkredit Group focuses on financing in the fields of energy & environment, communication & digitalisation, transport, social infrastructure and natural resources and creates long-term value through its business activities.

#### Vision – What do we want to stand for?

We will become Europe's most dynamic and innovative infrastructure bank, helping our clients to create a better world.

#### Mission – How do we turn the vision into reality?

“Always first” when it comes to delivering outstanding results with speed and precision. We take “always first” as an obligation to get better every day.

## 3

### WE WANT TO PROVIDE BENEFIT TO THE COMMUNITY

We help create a **better world** by enabling **sustainable infrastructure projects** that improve **people's quality of life**.

We see infrastructure investments as a powerful tool to meet social needs and increase the **well-being of society**.

We provide **tangible benefits to the population** at large: economic dynamism | urban development and renewal | strengthening rural areas | job creation | social cohesion | climate protection measures.

With our business model, we make a significant **contribution to climate goals and a green economy**.

We focus on providing our investors with a **secure, stable and sustainable return**.

## 4

### INTEGRITY AND CORPORATE RESPONSIBILITY

We are committed to treating customers, contractual partners and competitors as well as employees with the **respect** expected by the Kommunalkredit Group. In this way, we make a positive contribution to the public image of the financial industry.



Our actions are characterised by **transparency**. We expect the **highest level of professional and ethical conduct** from our employees and all other persons involved in the business activities. All applicable laws, regulatory requirements and internal regulations must be complied with accordingly.

We are aware of the **social, economic and environmental impacts** of our business activities. Our goal is always to do business profitably in the long term while avoiding potential harm to society and the environment. Therefore, **ESG** (Environmental, Social, Governance – hereinafter referred to as “ESG”) **aspects** are fundamental to decisions and actions we take. ESG criteria help us to fulfil our goals in a long-term and sustainable manner.

The Kommunalkredit Group's **sustainability strategy** is closely correlated to its core business:

- **Accelerate the green transition**  
We enable the decarbonisation of the economy and strive to further accelerate it. The focus of our financing activities is on renewable energies, hydrogen and new, innovative technologies that are crucial for the energy transition.
- **Help improve people's lives**  
A large part of our activities in Infrastructure & Energy and Public Finance is dedicated to financing social infrastructure and connectivity.

Key levers for the realisation of our strategy are:

- **Integrate impact**  
We consider sustainability factors in all infrastructure projects. As a company, we are committed to the UN Sustainable Development Goals (SDGs), the UN Global Compact, the UN Principles for Responsible Banking, the Paris Agreement and the EU Green Deal.
- **Deliver transparently & responsibly with speed and precision**  
We continuously improve our ESG reporting and strive to conduct our business responsibly and with high integrity.

We respect and support the **protection of human rights** as enshrined in the European Convention on Human Rights and the Universal Declaration of Human Rights and conduct our business in accordance with these principles.



## 5

### RELATIONSHIPS WITH OUR CUSTOMERS AND BUSINESS PARTNERS

We strive for **long-term partnerships** with our customers and want to become "Partner of Choice" in our business fields through our competence and proactive approach in all customer relationship issues.

We have the **relevant expertise** and the **necessary infrastructure** to offer our products on the market and provide our services in the best possible interest of our customers. For the Kommunalkredit Group, the focus is on solution orientation, performance and innovation.

We expect our customers, service providers and business partners to **comply with all legal requirements** and **to orient themselves to high ethical standards**, which include observing the following framework conditions:

- **Business integrity**, such as fair competition, exclusion of undeclared work and corruption as well as compliance with the respective applicable laws and regulations
- **Social responsibility**, such as fair working conditions, appropriate worker protection, compliance with minimum wages, prohibition of discrimination, prohibition of child labour and forced labour of any kind
- **Ecological responsibility**, such as avoidance of environmental pollution, climate protection, animal welfare and resource-saving use of raw materials and energy

The Kommunalkredit Group is committed to **responsible sales practices and marketing activities** in compliance with applicable laws, regulations and guidelines, as well as the institution's policies.

**Responsible handling of clients with repayment problems:** The primary goal is the complete recovery and return to normal care, therefore, as a matter of principle, a rehabilitation of an exposure through appropriate measures, if these appear to be sustainable, is to be given preference over a default.



## 6 RELATIONS WITH OUR EMPLOYEES

The Kommunalkredit Group expects **professional conduct** of the highest standard from all its employees. As with customers and business partners, we treat each other with **respect and appreciation**, also between superiors and employees.

**Fairness and respect** for each other's **abilities, privacy and individuality** are core components of our interaction. In conflicts, we strive for **factual orientation** and **goal-oriented solutions**.

**Discrimination** based on gender, origin or nationality, skin colour, sexual identity, age, disability, religion or ideology has no place in the Kommunalkredit Group. **Harassment or bullying** will **not be tolerated**. Accordingly, we expect all employees, and especially managers, to behave in a manner characterised by responsibility, fairness, integrity and ethical conduct.



We respect the right of employees to **freedom of association, expression and collective action**, provided that this does not violate the rights of others. The right to collective agreements in accordance with legal provisions is ensured, as is the non-discrimination of employees on the basis of their affiliations in organisations such as trade unions.

**Fair employment practices** are the basis of a culture of mutual respect. We want our employees to perform at their best in their working environment and promote them according to their tasks and aptitude. We value the **international and multilingual composition** of our workforce and the **cooperative interaction** between the individual business units.

The Kommunalkredit Group provides its employees with a **safe and healthy working environment**. Measures to promote and maintain health are supported by the company financially and by providing resources.

We adhere to the **fundamental principles of the International Labour Organisation (ILO)** and pay particular attention to the basic rights of freedom from discrimination and labour protection.

## 7

### INTERNAL GOVERNANCE

Our internal governance encompasses all **standards and principles** dealing with the setting of goals and strategies, organisational structure, cooperation between the Executive Board and the Supervisory Board, risk management, compliance, internal audit, remuneration and business continuity management.

The trust of customers, partner banks, employees, investors, owners as well as regulatory and supervisory authorities is important to us. The primary objective of the Kommunalkredit Group is to maintain **confidence in our company**. To this end, we maintain an open dialogue with all our stakeholders.

An organisational **separation between front office and back office** has been implemented in compliance with the law.

**Suitability assessments** for members of the Executive Board and the Supervisory Board as well as for holders of key functions are carried out on the basis of the corresponding guidelines of the European Banking Authority (EBA) (**Fit & Proper**). A Fit & Proper Office has been set up for the operational collection, preparation and storage of the documents as well as for the general support of the Executive Board and the Supervisory Board on this topic.



Only authorised persons may speak on behalf of the Group or individual companies. We have defined clear areas of responsibility for **media enquiries and requests for statements on specialist topics** and respond to them in line with our "One-Voice" policy. When dealing with **social media**, we expect our employees to take special care with regard to the reputation and trust of the public in our group of companies.

The companies of the Kommunalkredit Group and their employees must ensure that their own interests do not conflict with mutual obligations or with obligations towards clients. All **conflicts of interest** between the Kommunalkredit Group and employees, clients or contractual partners must be addressed openly.

Conflicts of interest may arise for operational, organisational or ethical reasons or due to close personal relationships between employees and business contacts or persons representing them. If conflicts of interest cannot be avoided or mitigated in individual cases, they are disclosed and appropriately managed in accordance with the relevant internal policies, taking into account the interests of all parties involved.



## 8

### RISK MANAGEMENT

The **risk strategy** of the Kommunalkredit Group is in line with the business strategy; we have established a uniform **risk culture**. This is consistent with our business activities and risk appetite. Processes are in place to identify, measure and manage material risks. Our remuneration system promotes a responsible approach to such risks.

On the basis of an **internal control system (ICS)**, appropriate control mechanisms are in place for relevant processes (e.g. dual control principle, approval and authorisation systems, segregation of duties and functions as well as physical access restrictions), which must be followed by the responsible employees.

**Legal risks** are minimised through ongoing coordination by the units dealing with legal issues, with the respective business units, and – if necessary – through the use of external experts and legal representatives.

Risk monitoring is carried out within the framework of the **Three Lines of Defence model**:

- The **First Line of Defence** is the operational management, which is responsible for identifying, assessing, controlling and mitigating risks on a day-to-day basis. The First Line of Defence is therefore the risk owner and is responsible for defining its own processes and proposing appropriate controls. In addition, the operational management ensures that the activities are in line with the company's objectives.
- The **Second Line of Defence** serves to monitor and support the First Line of Defence. It includes risk management (risk controlling, credit risk, OpRisk incl. anti-financial crime), the Compliance Office incl. data protection, ICS management, information security management and business continuity management. This Second Line of Defence serves to expand and monitor the controls designed in the First Line of Defence. Management implements these functions to ensure that the First Line of Defence is properly established and functioning effectively.

- The **Third Line of Defence** is Internal Audit, which acts as an objective and independent auditing body. In this function, Internal Audit supports the Executive Board, managers and supervisory bodies and examines the appropriateness and effectiveness of the monitoring, risk management and control structures.



## 9

### CONFORMITY WITH APPLICABLE REGULATIONS

All employees must be familiar with the **laws, rules and regulations** applicable to their tasks and observe and comply with the development of the regulatory framework. Within the framework of § 39 para. 6 of the Austrian Banking Act, specific procedures have also been established which aim to ensure compliance with regulations listed in § 69 para.1 of the Austrian Banking Act (so called **BWG compliance**).

**Bribery and acts of corruption** are **unacceptable**. Any attempt at bribery or any unlawful gratuity on the part of our employees must be refrained from or rejected immediately. This also applies to third parties acting on behalf of Kommunalkredit. **Gifts and invitations** from and to employees must be reported and are evaluated on an ongoing basis; gifts in the form of cash may not be offered or accepted under any circumstances.

The Kommunalkredit Group complies with all applicable laws on the **prevention of money laundering and terrorist financing**, conducts risk-based “know-your-customer” (KYC) due diligence procedures and monitors customer activities accordingly in accordance with its business model. Business relationships are monitored for applicable **sanctions and embargoes**.

**Insider trading and market abuse** are prohibited by law. In the event of possession of crucial, non-public information about the companies concerned (**insider information**), both trading in corresponding financial instruments and the dissemination of the information itself are prohibited. No attempts to manipulate or influence the market or the prices of listed financial instruments will be tolerated.

The legally regulated **banking secrecy** must be observed without exception. We protect all personal and confidential data appropriately. The disclosure of information is only permitted in our internal organisation on a strict **need-to-know basis**. The principle applies that data is only transparent to the extent that it is essential for processing the business and assessing the risk.

Customer information is only disclosed to the outside world if this is mandatory or expressly permitted by applicable laws and legal provisions. In this respect, the protection of business secrets and the confidentiality of data is ensured above all by the provisions contained in the **Austrian Banking Act (BWG)** and in **data protection laws (DSG and DSGVO)**.

In the spirit of this protection of data and information, we promote a **culture of cyber security and risk awareness** and also safeguard against the unlawful outflow of data via appropriate technical measures.

We are also aware of our social responsibility towards the economy, the environment and society in **tax matters** and consider ourselves obliged to live up to this. We understand tax honesty as legally compliant behaviour within the framework of legal obligations and duties. A legally permissible tax optimisation with the aim of minimising risks under fiscal and financial criminal law is not a violation of the requirement of tax honesty.

Detailed **internal policies** exist for all major topics (such as money laundering prevention, capital market compliance, data protection, avoidance of conflicts of interest, combating fraud and corruption, and information security) and must be observed by all employees. In addition, they are regularly trained in the above-mentioned topics within the framework of the **KA Academy**.



## 10 DEALING WITH RESOURCES

The **principle of sustainability** in the business strategy is also reflected in the internal organisation. Procurement of materials as well as supply and disposal must meet the high standards of environmental protection and sustainability. Corresponding regulations are laid down in our sustainability management system.

We treat the **assets and resources** of the Kommunalkredit Group with care. This includes, above all, the care of working materials and equipment. We protect them from theft or damage and adhere to all internal policies in this regard.

From capital and customer data to facilities and e-mail accounts, all assets of the Kommunalkredit Group may only be used for legitimate business purposes. This requirement applies to tangible assets, confidential information and intellectual property.



## 11

### ENSURING AND COMPLYING

#### **Managers lead by example and bear particular responsibility.**

The respective managers bear responsibility for violations in their area of responsibility that could have been prevented by the performance of their duties. However, the personal responsibility of all individual employees is not limited by the responsibility of managers or by delegation of tasks to others.

Within the framework of our **ombudsman service**, we take every type of customer complaint seriously and try to resolve them in the best possible way, taking into account the legitimate interests of customers and the company. Pursuant to § 39e of the Austrian Banking Act, we have established a transparent and appropriate procedure for handling complaints. The aim is to be able to identify, analyse and remedy recurring as well as potential legal and operational risks.

Should employees or external third parties become aware of suspicions of violations as defined in this *Code of Conduct*, a safe environment to raise or report concerns has been created within the framework of **whistleblowing**. The confidentiality of any information provided by whistleblowers is guaranteed and will be treated with the utmost care – **Whistleblowing form – Kommunalkredit**.

In the event of a **breach** of the rules and regulations contained in the *Code of Conduct*, every employee must expect **disciplinary and/or employment law consequences** – irrespective of possible legal sanctions and further legal consequences.

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