



Retail and corporate customer advice at BW-Bank. Our guidelines.

1. Our promise

We embrace a business philosophy characterized by sustainability. Fair, responsible, and customer-centric action is the bedrock of our business policy. We follow many of our customers throughout their entire lives – from birth to school and from the start of their careers to retirement. These enduring relationships are shaped by mutual trust.

General

- We attach the utmost importance to long-term customer relationships.
- We are experienced, collaborative and reliable advisors.
- We undertake to uphold these guidelines throughout BW-Bank. This applies to all customer-facing employees and relates to existing, former and potential future customer relationships.
- Our advice is guided exclusively by the needs of the customer and the benefit for the customer.
- What counts is not short-term profit, but the customer's long-term success and satisfaction.

Responsibility, partnership, respect and diversity:

- We offer our customers quality products and services.
- We treat everyone with tolerance and respect. Discrimination due to gender, nationality, ethnic background, sexual orientation, age, disability, religion or ideology is not accepted under any circumstances.
- We fulfill our responsibility to society and provide everyone in the Stuttgart area with access to financial services. Even people in financial straits or with negative credit scores can open a current account on a credit basis. People and organizations who do not respect human rights, basic liberal-democratic rights, or socially accepted values as well as those who propagate anti-constitutional content are excluded.
- We keep our customers thoroughly informed. We present investment recommendations and financing solutions in a transparent and understandable way. Our customers receive all legally required documentation in advance, such as cost transparency in investment advice and pre-contractual information in credit advice. If a loan is approved, our customers are also given a repayment plan. The cost statements issued and individual financing plans are detailed, truthful, transparent and understandable.

- When lending, we act responsibly and take no inappropriate risks in our own interest or in the interest of the customer. We carefully review the economic viability of giro-based loans, private loans, construction financing and investment financing and base the maximum lending amounts on the customer's individual income and cash flow situation. We do not provide finance for undertakings that are incompatible with ecological, social and ethical standards. In the case of business loans, for example, we generally exclude certain sectors such as gambling.

2. Implementation

We are a skilled, effective, and reliable partner for our customers in all situations and financial questions. Our consultations take a holistic approach, focusing on the individual needs of each and every customer. Our actions are guided by the trust that our customers place in us.

General

- We advise and support our customers on all financial matters in every phase of their lives.
- We practice holistic advice that always centers on the individual needs and personal wishes and goals of the customer.
- We take precautions to prevent incorrect advice. Among other things, this includes precisely ascertaining and documenting customer needs and clearly creating cost transparency. A suitability report ensures that products are sold that are suitable for the customer.
- We think and act in the long term, entirely in the customer's interest. Sustainable success, customer satisfaction and the cultivation of an enduring customer relationship are the priorities.
- We offer a high-quality range of products and services at fair prices. Our extensive offering encompasses checking accounts and card business, traditional financing solutions, security investments and personal pensions.

Investing business

- Qualified and competent customer advice is the basis for a sustainable and trusting customer relationship. When providing investment advice, we initially clarify the amount that is available for medium- to long-term investment, which means that any emergency liquidity (for unforeseen expenditure/emergencies) and earmarked funds (e.g. for planned purchases) are separated. For the remaining investment amount, we create a customized investor profile. This is determined

with technical support on the basis of the customer's statements on their personal risk appetite, risk-bearing capacity and the investment horizon.

- Our portfolio investment proposal is widely diversified and structured and covers various asset classes with the aim of achieving the best possible risk/return ratio.
- Our advisors are highly qualified and regularly take part in further training. For example, we train our employees from Private Asset Management into "Financial Consultants" and "Financial Planners". We test our investment advisors' expert knowledge every year.

Credit/finance business

- Before granting a loan, we conduct a careful credit check. In the interest of the customer, we issue loans only if we can be sure that servicing the loan will not lead the customer into financial difficulties. We place customers' wishes and objectives at the fore.
- We regularly review whether existing giro-based loans are still appropriate for the customer's income situation. If there is a discrepancy, we contact the customer. If lines of credit are in permanent use, we inform our customers of more advantageous forms of finance.
- The financing project is examined not only in terms of economic aspects, but also with regard to ecological, social and ethical considerations.
- Our investment recommendations and lending decisions are transparent and comprehensible for the customer at all times.
- We always treat our customers with respect, tolerance and integrity – even if a customer is experiencing financial difficulty. With our advice, we stand by our customers' side and support them with measures such as debt settlement plans, discharge of residual debt, partial payment agreements and deferrals.

Requirements for responsible marketing

- We take care to ensure that all marketing measures fall within the scope of generally accepted societal values and the prevailing opinions about decency and morals in society. The intention behind our marketing measures is to provide our customers with guidance as to which financial products and services they can obtain. Our aim is not to mislead customers with advertising or to make non-serious offers. When, for example, BW-Bank advertises a loan (online or via print media) with fees and commission rates, then all legal requirements regarding price quotation and comparability are complied with. The representative example makes the costs and services transparent and comparable for our customers. We strictly adhere to data protection regulations and keep information confidential.

3. Review

Satisfied customers are the basis for long-term business success. Our Quality Management team therefore regularly inspects the advisory process and the quality of advice. We take our customers' suggestions on board and use them to continuously improve.

Quality and complaint management

- Our quality managers continuously analyze the advisory service from the customers' perspective. This enables us to systematically detect and rectify weaknesses.
- Every supplier (service provider) is additionally required to acknowledge the Sustainability Agreement for LBBW Suppliers on registration and to sign it when entering into a contract. This agreement compels our suppliers to comply with what we consider to be essential environmental and social criteria.
- Every year, we carry out customer satisfaction surveys with the support of an external and independent institute. In doing so, we typically write to more than 70,000 customers. The large number of responses allows us to ascertain the results for individual customer groups as well as for various regions. In a follow-up process, the results are analyzed and examined for potential improvement. We also measure and improve our advice and services using mystery shopping. These studies are complemented by special studies with which we examine various topics more closely if required.
- In *Capital* magazine's 2023 ranking of sustainable asset managers, BW-Bank ranks among the top three. Together with the Institut für Vermögensaufbau, finance experts from *Capital* tested sustainable asset managers in Germany. BW-Bank was awarded five out of five stars, taking a very good third place among the tested banks and independent asset managers. This recognition is an endorsement of our excellent concept: Our target portfolio is created via a double filter. Firstly, we consider sustainability ratings from the independent data provider MSCI. Secondly, we build on the analyses of LBBW Research or other selected research service providers. In doing so, we apply an elaborate set of ESG (environmental, social and governance) criteria. Moreover, we make our investment decisions transparent with all their opportunities and risks. The ranking also evaluated how we practice this concept in our day-to-day advice and the weighting that we give to ESG criteria in our own work.
- We take our customers seriously. We see their suggestions as an opportunity to keep improving our processes, services, and conduct.
- We want to ensure that customer complaints are dealt with appropriately and promptly. Accordingly, LBBW/BW-Bank has met the legal requirements for a



central complaint management system. Complaints received are evaluated in order to resolve recurring errors or problems, thereby ensuring a high level of customer satisfaction at all times and customer retention in the long term. The auditor's report on the German Securities Trading Act and securities account audit for the 2022 calendar year confirmed that the Bank has, as a whole, adopted and implemented appropriate organizational precautions and hence fulfilled the regulatory requirements for complaint management.

- LBBW/BW-Bank's complaint processes state that all customers, employees and stakeholders can approach LBBW/BW-Bank by telephone, by letter, using the online contact form, or in person at an LBBW or BW-Bank branch. LBBW/BW-Bank responds to these complaints orally or in writing within an appropriate period and with a view to finding a solution. More information is provided in our [Sustainability Report](#).

Confidentiality and data protection

- We respect the confidentiality of information we obtain about our customers.
- We follow the "need to know" principle and comply with all applicable laws with regard to the handling of this information. Access to confidential information is restricted to those who have a legitimate interest that is compatible with the legitimate interest of a customer or of BW-Bank/LBBW.