

# Pax-Bank

## Code of Ethics

Based on  
Christian values

Sensibly  
innovative

Committed  
to sustainability

Reliably  
loyal



# Why a Code of Ethics?

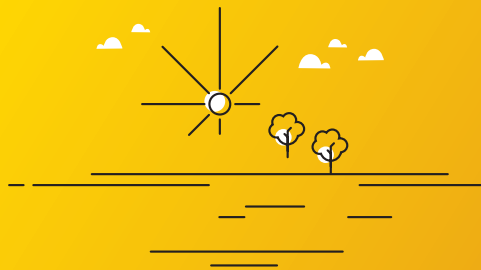
**How have we as a bank earned the trust of our customers\*?  
The answer to this question is not self-evident.**

The decisive factors are the goals that we – together with all our employees and cooperative members – pursue, the values to which we are committed, and the standards and rules we use to guide our everyday conduct.

We are a sustainable Christian cooperative bank with an ethically sustainable business model. As such, we wish to make a contribution to a world worth living in. In this Code of Ethics, we describe those values that are important to us in this regard.

A first version was drawn up in 2005 by our Ethics Advisory Board together with the Board of Directors and employees. The Ethics Advisory Board advises us on our strategic direction as a sustainable Christian bank. The committee comprises independent experts from the church, science, business and society sectors.

In light of our own further development as well as social changes, this version represents the second new edition. The Code emphasises ethical obligations that we, Pax-Bank and its employees, commit to voluntarily based on our own conviction and independent of any legal obligations.



## **Who are our customers?**

## **Who are our cooperative members?**

Our customers include ecclesiastical, non-profit and social entities, as well as private individuals. We are open to all people and organisations that identify with our values. Pax-Bank cooperative members include institutional investors, social sector and ecclesiastical entities as well as private individuals.

\*Note: The term "customers" includes all our private client customers as well as all entities and/or their legal representatives



## Principles and values of Christian ethics

The Christian goals of peace, justice and the integrity of creation form the basis for our conduct. In our relationship with our customers, cooperative members, employees and business partners, we are therefore guided by principles of Christian ethics: personal dignity, subsidiarity, solidarity and the common good.

## The four principles in the Pax-Bank context

For us, there is even more behind the four Christian social principles: because they meaningfully determine the work of our bank. We assume our responsibility by observing the principles of **personality, subsidiarity, solidarity** and the **common good**. In this approach, we recognise parallels to the evaluation of companies using ESG criteria. This is understood as the consideration of requirements in the areas of environment (Environmental), society (Social) and responsible corporate management (Governance).

In order to describe our contribution to responsibility towards people and the environment (ESG) transparently for our activities, we have related the four social principles to the four spheres of influence of the bank – **financing, investment, social and ecological**. By doing so, the four social principles have an effect in all areas of the bank.

### Personal dignity

**Personal dignity is at the heart of what we do – within the bank and in our interactions with customers and partners.**

The personality principle is rooted in human dignity. The human being is the reason, bearer and goal of all social institutions. The task of a society – of a company – is therefore to create spaces in which people can express their personality in freedom and dignity.

### Subsidiarity

**We respect the autonomy of our customers and employees and support them in acting independently.**

Subsidiarity means that each person has a level of individual responsibility depending on his or her own competence. In other words, each person can respond to challenges with his or her own solutions. Conversely, subsidiarity means not only the freedom to act independently, but also the responsibility to make one's own contribution to overcoming challenges. This interdependency between freedom and responsibility requires ongoing fine-tuning in society and business.

### Solidarity

**We assume responsibility for people, their social environment and creation.**

People are mutually dependent on each other on various levels. A mutual responsibility not only for each other, but also for our environment, flows from this connection. Only in this way are peace and prosperity possible for all. Otherwise, neither society nor a company, can function. Solidarity does not only mean assisting those who need help, but also the common concern for the success of social and business processes. This also means putting the collective interest before self-interest.

### Common good

**We make a contribution to fair and sustainable societal conditions.**

While the personality principle is concerned with the well-being of the individual, the principle of the common good reminds us that this is only possible in a society that strives for the well-being of all individuals. Put in a more precise way: the common good is a prerequisite for the good of the individual. Therefore the objective is to foster social and entrepreneurial conditions in which personal expression is not at the expense of others.

## Ethics and sustainability in investment business

### Personal dignity

**Personal dignity is at the heart of what we do – within the bank and in our interactions with customers and partners.**

- We act consistently and transparently, provide independent advice and are not commission-driven.
- We advise our customers fairly, honestly and according to their requirements and interests. There is no product marketing and our products deliver what they say they do.

### Solidarity

**We assume responsibility for people, their social environment and creation.**

- We pursue active engagement dialogue with companies.
- Through targeted investments and dialogue with companies, we encourage them to act in solidarity and sustainably for the benefit of people and the environment.

### Subsidiarity

**We respect the autonomy of our customers and employees and support them in acting independently.**

- We support our customers in developing their sustainability profile and enable them to use their freedom.
- We advise our customers on developing their own sustainability filter, determining their risk/return profile and understanding the impact of sustainable investments.

### Common good

**We make a contribution to fair and sustainable societal conditions so that a good life and a life worth living are possible for everyone.**

- We are actively engaged in a social and environmental transformation of society.
- Through our investment products, we are working towards contributing to the Paris Agreement on climate change.
- We invest specifically in companies that show a positive progress in their sustainability performance. We support micro-finance investments and investments in renewable energies. Through individual reports, we provide transparency to our customers about the effect of their sustainable investments.

## Ethics and sustainability in financing business

### Personal dignity

**Personal dignity is at the heart of what we do – within the bank and in our interactions with customers and partners.**

- We act cooperatively and support customers holistically in their investment plans.
- We advise our customers individually and offer bespoke financing and funding opportunities. The solution for our customers is at the heart of our advice.

### Solidarity

**We assume responsibility for people, their social environment and creation.**

- Our products and projects are oriented towards customer benefits. They contribute to fulfilling our mission.
- We nurture an open and fair business partnership and take responsibility for the social environment of our customers.

### Subsidiarity

**We respect the autonomy of our customers and employees and support them in acting independently.**

- We support our customers in determining, evaluating and implementing their individual financial needs and opportunities.
- We strive for a reliable and fair partnership. Our objective is to foster good and lasting relationships with all our customers and business partners.

### Common good

**We make a contribution to fair and sustainable societal conditions so that a good life and a life worth living are possible for everyone.**

- We are actively engaged in a social and environmental transformation of society.
- Through our financings, we are working towards contributing to the Paris Agreement on climate change.
- We accompany and support our customers in the areas of social economy, affordable housing and renewable energies, as well as in the transition to the environmentally friendly management of their facilities.

## Ethics and sustainability in social interactions

### Personal dignity

**Personal dignity is at the heart of what we do – within the bank and in our interactions with customers and partners.**

- We are diverse, live equality and treat each other with respect and appreciation.
- We show appreciation for every employee, every customer and all cooperation partners. This is particularly evident in our communication and conduct.

### Solidarity

**We assume responsibility for people, their social environment and creation.**

- We are family-friendly, offer flexible working patterns and take an agile approach to work.
- We live willingness to change and self-initiative. We offer flexible working patterns and take responsibility for the social environment of our employees.

### Subsidiarity

**We respect the autonomy of our customers and employees and support them in acting independently.**

- We support our employees. Our in-house training management facilitates targeted further training and the development of skills.
- There is a company suggestion scheme to which everyone can actively contribute.
- Employees are actively integrated into the further development of the bank through agile projects.
- The works council represents the interests of all employees.

### Common good

**We make a contribution to fair and sustainable societal conditions so that a good life and a life worth living are possible for everyone.**

- We are socially committed.
- We promote the social focus of our customers.
- We encourage and request social commitment from our employees. As a bank, we undertake our own social commitment (corporate social responsibility) both in our customers' institutions and beyond.

## Ethics and sustainability in business ecology

### Personal dignity

**Personal dignity is at the heart of what we do – within the bank and in our interactions with customers and partners.**

- We act in a way that is intrinsically motivated and regard ourselves as part of creation.
- In our bank, many employees work with dedication in the field of ecology. In addition, we offer further training on the subject of "ecology" and "sustainable conduct" at the Pax-Bank Academy.

### Solidarity

**We assume responsibility for people, their social environment and creation.**

- Our corporate ecology is anchored as a participation project. The contribution of each and every individual counts.
- Our "corporate ecology" project team is open to all suggestions. It evaluates them and – following a successful review – implements them.

### Subsidiarity

**We respect the autonomy of our customers and employees and support them in acting independently.**

- We enable and motivate our employees.
- We raise their awareness of acting in an environmentally friendly way and provide the necessary resources for this. Our business is environmentally oriented in procurement, facilities management and fleet management.

### Common good

**We make a contribution to fair and sustainable societal conditions so that a good life and a life worth living are possible for everyone.**

- We are committed to the environment and the reduction of our carbon footprint.
- By improving our business ecology, we assume responsibility for people and the environment. We make our contribution to achieving the 1.5 degree target. We put prevention ahead of compensation.

## Shared values and attitudes

# We are...

### **based on** Christian values.

Our foundation lies in Christian values: peace, justice and the integrity of creation. Because we all support this out of our own conviction, our work combines idealistic values with material values.

### **sensibly** innovative.

To fulfil our mission, we act fairly, justly and are open to changes that make sense. But this also means we do not accept change at any price or at the expense of others.



### **committed** to the long term.

We have a genuine interest in enabling people to have a good life now and in the future. We are committed to this in a social, environmental and economic sense.

### **reliably** loyal.

We focus on people! In order to satisfy the wishes and interests of our customers, we always align ourselves with their benefits, provide honest advice and keep our word.



## With this Code of Ethics, we are setting new standards in the world of finance!

**With sensible advisory services, investments and financing,  
we are using the full creative power of finance to embrace the future  
with social, environmental and economic strength.**

**We wish to act in an ethically responsible, transparent and consistent  
manner across all areas of banking and banking operations.  
Everything we do must strengthen people and the environment.**



**Everything we do  
must strengthen people  
and the environment  
in order to make our contribution  
to a world worth living in.**



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