



2023

AFL'S CODE

OF CONDUCT

# A WORD FROM THE CHAIR-PEOPLE



“AFL is unique. Fully owned by regional authorities and solely dedicated the funding local public investment, we were created upon the request of local authorities to pursue a single purpose, governed by no other interests than satisfying the needs of our shareholders as best we can.

This is also a constraint.

All of us - directors, managers, staff and suppliers - are expected to behave irreproachably.

Each and every one of us is bound to embody the values chosen by the local authorities and embraced by AFL: transparency, solidarity, expertise.

Each of our decisions must be guided by a sense of collective interest and by our duty to maintain the reputation for excellence enjoyed by the company and its staff.

Each one of us is duty-bound to behave in an exemplary manner. The duty to embody AFL's commitments in the way we behave, the choices we make, and the contents of our work.

What does this entail in practical terms? It means asking ourselves these simple questions, whenever we must take a decision: is what I wish to do legal?

Does it comply with our in-house policies? Is it aligned with AFL's values? Have I assessed all the potential impacts or risks associated with my decision? Would I be comfortable if my decision were to be made public (in-house or externally)?

This present Code of Conduct lays down the main ethical and rules of conduct inherent to AFL's model, strategy, and activity.

The Code is a handbook of guidelines and rules of good conduct applicable to us all.

These commitments are the very reason regional authorities chose to create their own bank, and is therefore a fundamental bedrock upon which we can build trust with all our stakeholders.

We thank you all for taking the time to read this document carefully”.

**Pia Imbs,**

**Chairman of the Eurometropolis of Strasbourg,  
Chairman of the Board of Directors of AFL-ST.**

**Sacha Briand,**

**Vice-Chairman of the Toulouse Metropolitan Area,  
Chairman of the Supervisory Board of Gagéo (AFL).**

**Olivier Landel,**

**Chief Executive Officer, AFL-ST.**

**Yves Millardet,**

**Chairman of AFL's Management Board.**







WHO

WE ARE.

## WHAT DOES AFL DO?

AFL is a public development bank fully owned by French regional authorities and dedicated to local public funding.

The AFL Group (referred to here as AFL) includes two entities: Société Territoriale, fully-owned by shareholder local authorities, and the specialist credit company, owned by Société Territoriale.

### OUR PURPOSE

**Embodying**  
*sustainable finance*  
**to**  
*empower local government*  
**in order to meet**  
*the present and future needs of local residents*

## OUR VALUES



### Expertise

AFL shares its expertise with regional authorities in areas such as local public finances and funding the energy transition. By drawing on its teams' knowledge of capital markets, AFL optimises financing costs for our local authorities.



### Solidarity

Pooled together and cooperating within the AFL, member local authorities are looking for funding for their investments. All local government bodies are concerned, whether small or large, rural or urban, mainland or overseas.



### Transparency

As sole shareholders, regional authorities are responsible for steering AFL's strategic priorities. They have full and transparent access to all information: financial data, credit rating, business operations...

## PURPOSE OF THE CODE OF CONDUCT

**AFL's directors and managers share two convictions:**

- › Committing to responsible finance is an ambition to be pursued every day by all of us.
- › AFL's success is driven by the men and women whose professional skills, daily work, and integrity support the development of a public bank owned by local authorities, their groupings, and public local institutions in France ("local authorities").

AFL's Code of Conduct is fully aligned with the Group's 'raison d'être'.

## WHO IS THIS CODE OF CONDUCT INTENDED FOR?

The commitments and ethical rules formulated in this Code apply to **all employees and directors** carrying out their duties within the AFL Group, and to any **service provider** operating for the AFL Group.

# RULES OF GOOD CONDUCT WITH LOCAL AUTHORITIES

## Providing transparent information

The information supplied to local authorities, whether they are shareholders, future shareholders or borrowers, must be precise, appropriate and clear.

## Focusing on the interests of local authorities

AFL offers local authorities a readable financing offer that is adapted to their needs and compliant with regulation.

Employees and directors perform their duties with professionalism and independence when dealing with local authorities, and ensure they offer solutions adapted to their situation and needs.

## Safeguarding integrity

AFL's points of contact in local authorities can be local elected representatives or public officials, whose own conduct is already governed by regulations specific to their function.

Employees and directors perform their duties with public officials with dignity and probity.

## Equity

AFL deals with member local authorities fairly, both as shareholders and borrowers, whatever the type, size, localisation or political persuasion of its leaders.

## Dealing with any complaints diligently

To ensure the service provided is appropriate, any claims made by local authorities are processed diligently and fairly, according to strict procedures. A description of these procedures is available on AFL's website.



# PERSONAL RULES OF CONDUCT FOR EMPLOYEES AND DIRECTORS

## CONFLICT OF INTERESTS MANAGEMENT



### Ethical rules applying to employees and directors

Employees and directors perform their daily duties with professionalism, transparency, respect and consideration for all. In their daily behaviour, all AFL employees and directors shall respect others regardless of their gender, origin or opinions.

### Managing conflicts of interest

Conflicts of interest may arise in the event of multiple or competing individual interests. Within AFL, duties are performed, and decisions are made clear of any suspicion over vested interests.

To achieve this, rules have been set up requiring the declaration of vested interests, and notably removal from the decision-making process if a potential conflict of interest becomes apparent.

No gift, advantage or hospitality given to a representative of a local authority, including of limited value, must be promised, or agreed upon as an incentive, condition or reward for signing or completing a deal. Invitation to a meal during a business occasion is possible, provided the expense is within the limits set by AFL. Gifts, advantages and hospitality are subject to rules and restricted to reasonable levels of expense.



## Confidentiality and disclosure of information



All staff shall protect information, with particular attention paid to personal data and data covered by professional secrecy. This obligation covers data or information belonging to local authorities or other stakeholders, such as those of AFL. As far as personal data is concerned, AFL has committed to ensuring that the processing of personal data is compliant with the general data regulation on data protection (GDPR). AFL's personal data policy is available on AFL's website.

## External communications



When communicating about AFL to external parties, employees and staff must:

- ✓ Comply with in-house policies governing communications practices, notably with the media.
- ✓ Ensure that the information, notably financial, disclosed to external parties is reliable and appropriate.
- ✓ Meet the regulatory requirements on periodic and on-going financial disclosure, with particular attention paid to insider information, applicable to AFL as an issuer of bonds traded on a regulated market.

## Duty to stay informed, trained and up-to-date with market developments



The duties performed by AFL as a specialist credit institution, issuer, and investor in capital markets, are highly skilled and regulated. All employees and directors at AFL strive to stay informed on changes within the market environment and regulatory framework that could impact their activities, and to receive training in keeping with AFL's policies.





# RULES OF GOOD CONDUCT GOVERNING OUR RELATIONS WITH CAPITAL MARKETS AND STAKEHOLDERS

## Transparency and market integrity

Employees performing duties in capital markets operate in strict compliance with the standards, principles, and procedures that govern these operations, by abstaining from any behaviour or action that may distort competition, alter the reality or transparency with market players and regulatory authorities. Employees are vigilant when performing their duties and operate in compliance with market integrity principles and rules. It is strictly forbidden to breach rules on insider-trading, to disclose illicit insider information, to disseminate information that makes false or misleading representations, and to perform market manipulation.



## A responsible procurement policy

AFL's procurement policy is aligned with a responsible approach aimed at establishing durable relations with its suppliers, based on mutual trust. This approach involves competitive tendering and the integration of extra-financial criteria into the selection process.





## Corporate stewardship

In keeping with its "raison d'être", AFL wishes to act as a responsible player in the public and economic space, both from a social and societal perspective, while fostering close dialogue with its stakeholders.

AFL has pledged to address transition-related challenges caused by energy issues and climate change in partnership with local authorities.

The impacts of activities are considered by all, with particular attention paid to the carbon footprint of daily operations.



## Employee well-being

AFL is determined to fight any form of discrimination and harassment towards its stakeholders, and notably its employees.

Any reprehensible behaviour will be treated with the utmost seriousness.

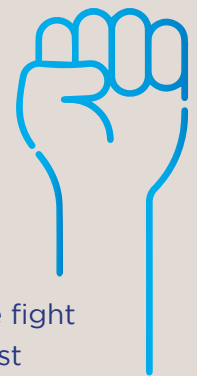
AFL pays particular attention to the well-being of its employees and to the quality of their life at work. The Group strives to offer a positive working environment that is conducive to professional fulfilment and to the prevention of psychosocial risks.



FINANCIAL SECURITY:

FIGHTING MONEY LAUNDERING,  
THE FUNDING OF TERRORISM  
AND BRIBERY

& MANAGING EMBARGOES



All employees and directors are responsible for supporting AFL in the fight against financial crime, notably against money laundering, the funding of terrorism, and bribery and for ensuring compliance with embargoes.

**AFL has raised awareness on these issues among employees, managers and directors, adopted suitable procedures, and implements strict controls.**