

# Ethics document for Sparebanken Sør 2022



Version	Date	Document owner	Status	Approval	Decision
01	12.06.2014	Director Group Support	Adopted	19.06.2014	Board
02	21.08.2015	Director Group Support	Adopted	24.09.2015	Board
03	25.08.2016	Director Group Support	Adopted	04.10.2016	Board
04	28.08.2017	Director Group Support	Adopted	20.09.2017	Board
05	02.08.2018	Director Group Support	Adopted	10.08.2018	Board
06	02.08.2019	Director Group Support	Adopted	08.08.2019	Board
07	10.12.2019	Director Group Support	Adopted	19.12.2019	Board
08	21.01.2021	Director Group Support	Adopted	10.02.2021	Board
09	02.02.2022	Director Group Support	Adopted	05.05.2022	Board

1.	Introduction.....	3
1.1	Who is covered?.....	3
2.	Customer relationships	
2.1	General guidelines .....	4
2.2	Investment advice.....	4
3.	Employee relationships.....	4
3.1	Financial circumstances.....	5
3.2	Family relations.....	5
3.3	Obtaining information.....	6
3.4	Duty of confidentiality.....	6
3.5	Duty to inform and notify.....	6
3.6	Conflicts of interests .....	6
3.7	Employee own-account securities trading.....	6
3.8	Employees' social engagement.....	7
4	Supplier relationships.....	7
4.1	Events .....	7
4.2	Gifts from suppliers or business associates.....	7
4.3	Financial crime and corruption.....	7
4.4	Purchase of assets on realisation.....	7
5	Relations with society.....	7
5.1	Corporate social responsibility.....	8
5.2	Local communities.....	8
5.3	Gift donations.....	8
5.4	Accuracy of information, accounting and reporting	
6	Communication.....	8
7	Violations, personal responsibility and management responsibility.....	8
8	Disclaimer.....	9

## 1. Introduction

Sparebanken Sør's business is dependent on the confidence of customers, public authorities, equity certificate holders, lenders and society as a whole. It is therefore important that all our operations are characterised by high ethical standards. This means that decisions and actions must be guided by standards, values and ethical guidelines that are consistent with general interpretation of the law and Sparebanken Sør's position as an important corporate citizen.

Value creation, profitability and financial solvency are prerequisites for Sparebanken Sør to remain an independent bank. In some situations, ethical conflicts may arise between the Bank's short- and long-term profitability goals. All our decisions must be based on the Bank's long-term profitability and value creation goals. Consequently, each individual employee must make the right choices to ensure that the Bank does not harm its long-term reputation in the pursuit of short-term gains. In some situations there are clear rules on what determines good ethics, but often it will be necessary to exercise judgement. We display high ethical standards by not putting ourselves in a position where our honesty could come under even the slightest doubt and by always erring on the side of caution.

Morality is a perception of whether something is right or wrong. Ethics, on the other hand, are a systematic consideration of what can be viewed as right or wrong – and why. If employees are in any doubt whether a decision is ethical, they must contact their line manager. It can be helpful to ask yourself the following questions when considering potential ethical dilemmas:

- Is it legal?
- Is it consistent with our values?
- Is it morally right or wrong?
- Does it maintain our credibility/reputation?
- Is it ethical/justifiable?
  - Would it bear public scrutiny?
  - Is it fair? (Would the outcome be the same in all cases?)

Sparebanken Sør must be aware of its ethical responsibility in multiple situations and relationships. This document is therefore divided into customer relationships, employee relationships, supplier relationships and relations with society. In addition to the guidelines in this document, additional ethical rules will apply in some areas.

### 1.1 Who is covered?

The ethical guidelines in this document outline the expectations and requirements Sparebanken Sør makes of its employees and their behaviour and conduct. Management, employees, employee representatives, temporary personnel and hired consultants are all covered by these ethical guidelines when acting on behalf of Sparebanken Sør. Everyone who is covered by these guidelines must act in a way that does not undermine confidence in Sparebanken Sør.

In some cases, employees' relationships with their close relatives are also covered, below referred to as "close associates". This means spouses, cohabitants, children, parents and siblings, as well as companies, associations, affiliations etc. if any of these exert a significant influence. It should also be noted that other personal relationships, for example with neighbours, close friends or other family members, could in some cases also be treated in the same way as relationships with close associates.

## 2. Customer relationships

When communicating with customers, Sparebanken Sør employees must always be mindful that there can be a knowledge gap between customers and advisors. This obliges us to adapt the way we communicate with and provide information to each individual customer. Conflicts of interest could

also arise between the Bank/advisors and customers when it comes to choosing products. The Customer's needs must be guiding for the choice of solution.

## **2.1 General guidelines**

- The Bank must communicate in an accountable and predictable manner.
- The Bank must adhere to sound and clearly defined case handling rules.
- The Bank must uphold rules relating to fair competition.
- All customers must be treated respectfully and employees must act honestly and in accordance with rules.
- The Bank's employees must communicate, provide information and sell in a manner that creates mutual and lasting trust between customers and the Bank.
- Employees must strive to ensure that customers are aware of the consequences of the choices they make.
- Provided they are relevant, the ten commandments of the finance industry (see below) on good advisory practice apply to all advisory services offered by Sparebanken Sør.

## **2.2 Investment advice**

Sparebanken Sør bases all its advisory services for savings, investments and securities on the industry's ten commandments:

1. The advisor must obtain information about and familiarise themselves with the customer's existing and expected future financial situation and investment goals. The advisor must clarify the customer's risk profile and their knowledge and experience of relevant investment areas.
2. The advisor must present the necessary information to the customer in a way that the customer can easily understand. Detailed information must be given on return opportunities, risk, liquidity/tie-in periods and costs.
3. The advisor's proposals for investing the customer's assets must be aligned with the customer's needs, knowledge and experience.
4. The advisor must advise the customer against making financial investments that are not in the customer's interests and/or that the customer is unable to service.
5. The advisor must give the customer sufficient time to reflect. This applies in particular to situations where the customer does not initiate the advisory talks.
6. The advisor must ensure that the customer's interests take precedence over the Bank's and the advisor's own interests, including by being open about matters that could be construed as influencing the advisor and/or the Bank when proposing or recommending solutions to the customer.
7. The advisor must ensure there is sufficient written documentation of the content of the advisory talks and the agreements signed.
8. The advisor must ensure that they do not give the impression that advice being given is independent or neutral if this is not the case.
9. All information must be accurate, clear and in no way misleading. If the advisor does not have sufficient competence, the customer must be referred to a suitably qualified advisor.
10. The advisor must agree desired follow-up with the customer.

## **3. Employee relationships**

All employees have a duty to contribute to a good team spirit and a good working environment. Each employee is expected to treat colleagues, competitors, customers and others with respect, consideration and courtesy. By being inclusive and engaged, we will help each other succeed. The Bank has zero tolerance for any form of discrimination, harassment or bullying

anywhere in the Group.

Sparebanken Sør sets stringent requirements for honesty and business ethics in all its operations.

For managers and employees this means that:

- All employees must display high levels of integrity, and employee relationships at the Bank must not be abused for personal gain or for the gain of close associates.
- Advisors must not grant loans/credit to close associates. This also applies to companies, associations etc. when the case handler, relatives or close friends hold a position of trust or ownership interests. The case handler must also not handle cases if their impartiality could be called into question.
- Employees may not engage in private commercial activities in competition with Sparebanken Sør.
- Employees must not perform any other paid work or hold another paid office that could affect the employee's work capacity at the Bank without the Bank's consent. This includes directorships in general commercial enterprises. Such matters must be approved by the CEO, or the party they authorise.
- Executive managers (with or without responsibility for personnel) may not hold directorships in companies that have customer or other business relationships with the Bank. Directorships in companies that do not have customer/commercial relationships with the Bank require special permission from the CEO or the party they authorise.
- Employees must have written authority to use other parties' accounts. This also applies to accounts belonging to close associates.
- Employees must not place themselves in a position where their impartiality could be questioned. Employees must therefore not give or accept gifts, benefits or services to/from customers of a nature or size that could create dependency between the donor and the Bank.
- Managers and employees must disclose information that colleagues require to do their work.
- Managers have a particular responsibility to influence employees to act in accordance with the Bank's Code of Ethics.

### **3.1 Financial circumstances**

All Sparebanken Sør employees must ensure that all aspects of their financial circumstances are in order at all times. If an employee experiences financial difficulties and cannot meet their own obligations, they must inform their line manager. Requests for potential financial assistance in this context must be addressed to the HR department. Employees must not register or change the terms and conditions of their own or close associates' accounts. This does not apply to use of electronic services for their own account that are available to the Bank's retail customers.

### **3.2 Family relations**

As a general rule, family members (siblings, parents, children, grandchildren or spouses/cohabitants) must not work for the same manager or in the same division or department/branch. In addition, closely related family members may not hold positions that involve assessing, approving, auditing, checking or in any other way influencing the work of a family member. As a general rule, family members of managers at level 2 and above may also not be permanently employed at the Bank. Caution should also be shown when employing family members of managers at level 3.

The HR department may in special circumstances and in consultation with individual divisional directors grant dispensation from the above provisions. This applies for example to appointment of temporary staff to cover for holidays or other temporary employment arrangements. Temporary appointments including those covering for holidays are restricted to six months per year.

### **3.3 Obtaining information**

No employee may use the Bank's computer systems or in any other way actively search for information about employees, customers or others unless this is necessary to perform their work at the Bank.

The Bank's computer equipment and systems must only be used for their intended purpose.

### **3.4 Duty of confidentiality**

Sparebanken Sør employees undertake to maintain secrecy about all confidential information they learn about concerning the Bank or its business associates in the performance of their work. In addition to third parties, this duty of confidentiality applies to close associates and colleagues. Exceptions may be made if colleagues require such information to perform their work. The duty of confidentiality does not apply if employees have a statutory or regulatory duty to disclose information. In cases of doubt, the person requesting information from the Bank must personally document that the information may be disclosed without violating the duty of confidentiality. The duty of confidentiality remains in effect after the expiry of the employment relationship.

### **3.5 Duty to inform and notify**

The duty of confidentiality does not prevent an employee from informing their line manager about conditions at Sparebanken Sør that could be deemed to contravene applicable laws, rules and regulations, or materially breach internal provisions.

If employees suspect that a matter violates the Code of Ethics or is illegal, they are obliged to notify in accordance with the Bank's whistleblowing procedures. Notifications must be treated confidentially if the whistleblower wishes. The Bank will not take sanctions against employees who loyally and in good faith report potential violations of Sparebanken Sør's Code of Ethics, applicable laws or regulations, or other censurable conditions in the Bank's operations.

### **3.6 Conflicts of interest**

Sparebanken Sør must endeavour to avoid conflicts of interest. In situations where actual or potential conflicts of interest could arise, the Bank must be open and manage the situation in a reasonable manner. For employees, this means:

- Employees must be familiar with and comply with established rules for offices and managing conflicts of interest.
- Employees must avoid situations, professionally and privately, where their independence, integrity or loyalty could be questioned.
- Employees must be open about and report to HR, about extracurricular activity, ownership, investments or other obligations they hold outside the Bank that could result in a conflict of interest.
- Employees must be open about and report to HR about personal and close relationships with other employees at the Bank.
- If they are unsure, employees should discuss issues with a manager or the relevant technical department.

### **3.7 Employee own-account securities trading**

Employees may invest in financial instruments. Such transactions must not adversely impact employees' work at the Bank. Own-account trading by employees must not be disproportionate to the employee's finances.

When trading in financial instruments, the employee must not on their own account or on behalf of close associates misuse specific and confidential information about the company that has issued the instruments when it must be assumed that such information could be of significant importance for the price of the securities.

Defined primary insiders are covered by separate regulations issued and approved by the Oslo Stock Exchange.

### **3.8 Employees' social engagement**

Sparebanken Sør employees may accept offices outside the Bank. If employees are in any doubt whether the engagement could affect their work at the Bank, they should discuss it with their line manager. Any reference made to Sparebanken Sør by employees is expected to be accurate and loyal.

## **4 Supplier relationships**

The Bank and all employees must always bear in mind that relationships must not result in decisions being made on anything other than a purely commercial basis. Employees should therefore avoid putting themselves in a situation where they feel pressure, an obligation or expectation to take account of external considerations in their assessments.

The Bank's business associates are also expected to have ethical guidelines.

### **4.1 Events and travel**

If employees receive an invitation to events or to travel from suppliers, the decision on participation is taken by the line manager. In cases where employees participate, the Bank must cover the direct costs.

In assessing whether to participate, particular consideration should be given as to whether:

- the invitation could be incompatible with the Bank's Code of Ethics or be undesirable based on the participant's recent commercial relationships with suppliers or business associates.
- the utility value (technical content and similar) is proportionate to the resource and time consumption.

### **4.2 Gifts from suppliers or business associates**

Sparebanken Sør has a "gift book" in which all gifts or other benefits with a value (or estimated value) of more than NOK 500 that an employee may receive from suppliers or business associates must be registered. Employees must always clear receipts of gifts with a value of more than NOK 500 with their line manager. It is not permitted to accept gifts above this threshold without them being entered in the gift book.

In addition, employees may not receive discounts on the purchase of goods and services for personal benefit from the Bank's associates with whom the employee has contact through their job for the Bank, unless they do so through schemes that are open to all.

### **4.3 Financial crime and corruption**

Fraud, misappropriation of funds, corruption, trading in influence and involvement in such are punishable in accordance with the General Civil Penal Code. If an employee or employee representative identifies or justifiably suspects that someone in Sparebanken Sør's service is involved in financial crime, they must notify this in accordance with the Bank's whistleblowing procedures.

### **4.4 Purchase of assets on realisation**

Employees and their close associates may not purchase objects that have come into Sparebanken Sør's possession through administration of an estate or which the Bank in any other way has realised through its position as mortgagee. However, this does not apply in cases where the line manager has granted approval or the object was sold in a public sale.

## **5 Relations with society**

### **5.1 Corporate social responsibility**

For Sparebanken Sør, corporate social responsibility is a question of taking shared responsibility for the sustainable economic, social and environmental development of the areas where the Group operates. Sparebanken Sør is committed to taking account of the climate, the environment, social conditions and good corporate governance in all its activities, including in the development of products and services, its advisory and sales activities, its investment and credit decisions, its production and operations. Sparebanken Sør must not be complicit in violations of human and workers' rights, corruption, serious environmental damage or other acts which may be regarded as unethical.

### **5.2 Regions and local communities**

Sparebanken Sør makes a significant contribution to the region and local community through the Bank's commercial operations. The Bank leverages its local presence, proximity to and knowledge of customers and personal follow-up, service and the ability to make quick decisions to contribute to healthy competition in the market and provide a good service to customers. The Bank must play an active role in the local communities where Sparebanken Sør is represented, and the Bank's relationship with the local community and region must be characterised above all by knowledge and engagement. The Bank also wishes to give something back to the region by donating gifts.

### **5.3 Gift donations**

The Bank's guidelines are based on a deliberate policy.

There must be full transparency around the Bank's gift donations, and external parties should be able to have full insight into the Bank's gift donations. One practical consequence of this is that information about the Bank's gift donations is published on the Bank's website at regular intervals. A gift must never have any impact on a customer relationship, for example giving a gift in exchange for moving a customer relationship to Sparebanken Sør.

Gift donations must be reviewed by a dedicated Gifts Committee. It is vital for the business that there is never any doubt that each a case is reviewed and settled in an impartial manner, unaffected by the Gifts Committee's and/or directors' personal interests. Cases where there is any doubt over whether a matter could undermine confidence in the party in question's impartiality must be referred to the Gifts Committee or the Board of Directors.

If there could be any doubt about the decision-maker's impartiality, the party in question must refrain from handling the case.

### **5.4 Accurate information, accounting and reporting**

Sparebanken Sør must provide complete, correct and accurate information in its reports to the supervisory authorities and others. Each employee must ensure that information, accounting and reporting are accurate and complete.

All accounting information must be accurate, recorded and presented in accordance with laws and regulations, rules and relevant accounting standards.

## **6 Communication**

All communication through all channels to all target groups must be open, honest and clear.

All statements to the media about Sparebanken Sør must be given by employees specifically authorised to express themselves on behalf of the Group. Employees must refer the media to the Group's information/communications officer.

## **7 Violations, personal responsibility and management responsibility**



Sparebanken Sør requires all employees to familiarise themselves and perform their work in accordance with the requirements of this document, and of relevant laws, regulations and procedures. Violations may have consequences for employment relationships.

Managers must ensure that activities in their own area of responsibility take place in accordance with the requirements of this document. Managers are additionally responsible for communicating the guidelines and providing advice about their understanding and application. Managers with responsibility for personnel are responsible for ensuring that this “Ethics document” and other relevant ethical issues are reviewed at least once a year.

## **8 Disclaimer**

This document does not create any rights for our customers, suppliers, competitors, equity certificate holders or other persons or entities.