

**Nykredit**



Code of Conduct

November 2021



# Code of Conduct

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## INTRODUCTION

### **1. Foreword by Michael Rasmussen, Group Chief Executive**

Since 1851 Nykredit has helped Danish families buy their own home and Danish businesses grow. And as a result of Nykredit's cooperative heritage, we are predominantly owned by an association of customers. Nykredit is also the largest lender in Denmark, the largest lender to homeowners and one of the largest lenders to small and medium-sized enterprises. As such, we have special responsibility for operating our business in ways that contribute to long-term, stable and sustainable development and create shared value for our customers and for society.

It is essential that our external environment has confidence in Nykredit. This makes demands on our staff and Nykredit's general behaviour and business conduct. In addition to Nykredit's policies and business procedures, this Code of Conduct clearly defines Nykredit's expectations for responsible conduct by all staff members in their day-to-day roles so as to deliver responsible solutions to our customers and to society.

This Code of Conduct does not allow for every conceivable situation which Nykredit's staff might encounter at work. And as Nykredit's Management we are responsible for ensuring responsible business practices and creating an environment that will encourage Nykredit's staff to speak openly about business-ethical dilemmas, thereby allowing us, as Management, to take appropriate action.

As Members of the Executive Board we are always happy to discuss dilemmas in our business practices, and we will regularly update our Code of Conduct to ensure that we always conduct ourselves in ways we can explain and justify to our customers, society and ourselves.

## FRAMEWORK FOR NYKREDIT'S CODE OF CONDUCT

### **2.1 Who does this Code of Conduct apply to?**

Nykredit's Code of Conduct applies to all Nykredit Group staff, both permanent (part-time and full-time) and temporary. Managers of the individual business units must ensure that staff members know Nykredit's Code of Conduct as well as the policies and business procedures that are relevant to the conduct of individual staff members.

Being Denmark's largest lender, Nykredit has a special responsibility for conducting business in ways that contribute to long-term, stable and sustainable development and create value for our customers and for society. All staff must therefore adhere to Nykredit's Code of Conduct.

If a manager or staff member acts in breach of the Code of Conduct, sanctions such as warnings or, at worst, summary dismissal, may be imposed. Any breach by a manager or staff member of this Code of Conduct that also constitutes a violation of the law and thereby a crime will be reported to the relevant authority.

### **2.2 Principles promoting a sound corporate culture**

Nykredit's corporate culture policy describes the overall framework promoting a sound corporate culture as well as the ethical and professional standards for which Nykredit wants to be known. The following seven principles aim to promote and support a sound corporate culture at Nykredit

1. All staff must act and work with honesty and integrity
2. Nykredit seeks to prevent money laundering, terrorist financing and other financial crime
3. Nykredit works against corruption
4. Nykredit works against market abuse and insider trading
5. Nykredit protects data and personal data
6. Nykredit communicates openly and respectfully
7. Nykredit collaborates with authorities

### **2.3. Conduct management**

It is fundamental to Nykredit that our advice, products and services are responsible both in a societal context and relative to the individual customer. This requires an organisation that is well prepared in all areas to act responsibly and correctly, complying with not only the letter, but also the spirit of the law. It also requires a corporate culture where we can openly discuss and act on the business dilemmas that may arise, even when acting within existing rules and regulations, to ensure that we, as a business, can explain and defend our conduct. This is part of our conduct management efforts.

All managers and staff are expected to actively contribute to discussing our business practices in a broad sense and to making any necessary business and behavioural adjustments where required.

All Nykredit managers have special responsibility for promoting conduct that encourages staff to openly share assessments of, or concerns about business practices, and responsible business practices are an overall focus point in Nykredit's management training programmes.

Also, all staff are required to maintain a strong awareness in performing their own duties, seeing as individual staff members are able to detect inappropriate business practices in their own field of work before anyone else.

### **2.4. Corporate responsibility**

Nykredit aims to actively support Denmark's long-term, stable and sustainable development, and corporate responsibility is therefore ingrained in our core values, strategy and core business. Nykredit's Corporate Responsibility Policy sets the framework for how we integrate corporate responsibility into our business. This policy demonstrates our commitment to minimising any negative impacts of our business and to contributing positively to society by creating maximum shared value for our owners, our customers and Denmark as a whole. We expect all staff members to remain aware of this commitment every single day.

Where relevant, we seek to incorporate economic, social and environmental considerations as well as respect for human rights in our business activities in close dialogue with our customers and stakeholders.

We also adhere to Danish and international agreements and standards, including the Ten Principles of the UN Global Compact on responsible business practices, which include a commitment to promoting human rights, labour standards, the environment and anti-corruption, as well as the UN Principles for Responsible Banking (PRB) and the UN Principles for Responsible Investment (PRI). We aim to support the fulfilment of the UN's 17 Sustainable Development Goals (SDGs), concentrating on the areas in which Nykredit can truly make a difference.

Society is facing extensive environmental and climate challenges, prone to grow with coming generations. Nykredit is therefore dedicated to contributing to society's goal of reducing greenhouse gas emissions. And we can make the greatest difference by using our business to make it easier and more attractive for our customers to make green choices. Together with our customers we are finding ways to jointly finance and invest in sustainable development. Nykredit has also undertaken to set ambitious goals aimed at reducing the direct and indirect climate and environmental footprint of our physical locations and our transport, energy and resource consumption.

## **NYKREDIT AS A WORKPLACE**

### **3.1. Open, respectful and clear communication**

Being Denmark's largest lender, Nykredit plays an important role in Danish society, and we have an obligation to communicate actively with the world that surrounds us. We therefore strive to always maintain open, credible and respectful communication, internally as well as externally, and to reply in a clear and timely manner while of course observing current legislation and

guidelines, including stock exchange codes of ethics and internal rules.

### **3.2. Working environment, health and job satisfaction**

Job satisfaction and well-being are instrumental in the Group's delivery of sustainable results. With that in mind, Nykredit strives to create a safe and secure working environment, and we use the results of systematic staff satisfaction surveys covering the physical and psychological working environment to maintain and raise staff satisfaction.

It is Nykredit's people who create value for our customers and the business, And Nykredit is always seeking to attract, develop and retain qualified people. We also prioritise development and opportunities for all staff members who will and can make a difference. That is our pledge to our staff.

### **3.3. Human rights and equality**

Nykredit sees it as a moral and social responsibility to ensure equal rights and opportunities for all. Nykredit has adopted the Ten Principles of the UN Global Compact, including the principles of human rights, and does not tolerate any kind of discrimination, including bullying, sexual harassment, differential treatment due to gender, age, ethnicity, cultural background, religion, sexual orientation, political affiliation, disabilities etc. All managers and staff are responsible for ensuring safe, equal and respectful behaviour in the workplace, and have a duty to intervene, if they observe an incident that may be characterised as offensive behaviour, including bullying and sexual harassment, whether by a colleague, a customer or a business partner.

### **3.4. Abuse**

Nykredit does not tolerate staff being under the influence of alcohol or drugs during working hours. Use of drugs is not tolerated at events hosted by Nykredit or Nykredit's customers and business partners. We offer recovery programmes to staff members who have an abuse problem relating to alcohol, drugs or gaming.

### **3.5. Conflicts of interest, other occupation and personal transactions**

Being a major financial institution, Nykredit is under a special obligation to identify and handle conflicts of interest between customers and between customers and Nykredit that may be detrimental to our customers' interests. All Nykredit staff must endeavour to avoid conflicts of interest and seek to limit them as much as possible, should they arise.

All Nykredit staff are responsible for treating all customers honestly, fairly and professionally. Our conduct in relation to customers must be based on customers' own interests independently of the interests of Nykredit and other customers. When becoming aware of circumstances that may constitute a conflict of interest, all staff members must disclose such information to their line manager and to the Compliance unit, which will then decide on how to proceed. This applies to current as well as potential conflicts of interest.

In some situations staff members' personal interests, such as consideration for friends and family, private investments or other personal considerations, may conflict with Nykredit's interests. Therefore, Nykredit staff members may not be involved in cases with potential conflicts of interest. Cases in which a conflict of interest is likely to arise must be reassigned to a colleague. This also applies where a staff member is to some extent lacking in objectivity or plays a dual role. Staff members at all levels are, at all times, expected to openly discuss and address any such dilemmas and ensure transparency.

Nykredit supports a healthy work-life balance, and we encourage staff to be engaged in their professional as well as their personal life. To prevent secondary occupation, such as private ownership of investment property, hobby farming etc, from causing conflicts of interest, line managers and HR will assess whether a staff member's secondary occupation is compatible with working for Nykredit.

All staff are expected to manage their personal finances with caution and avoid short-term speculative transactions of such nature or scope that the staff member risks financial difficulties. All staff are also advised against trading in crypto currencies, and some staff members are directly

prohibited from doing so.

In order to counter special conflicts of interest in connection with staff members' trading in securities, the Executive Board has issued guidelines for staff members' personal transactions. The guidelines set the general framework for staff members' trading in securities and contain special rules for staff members working in units particularly exposed to the risk of conflicts of interest.

### **3.6. Duty of confidentiality**

All staff members of the Nykredit Group must observe a general duty of confidentiality. This duty of confidentiality will remain in force after termination of employment. Any breach of the duty of confidentiality or unauthorised use of information will constitute material breach of the employment terms and may lead to immediate dismissal and potential liability for damages.

### **3.7. Whistleblower scheme**

Nykredit promotes a culture of open communication, which allows people to openly discuss any knowledge or suspicion of irregularities or breaches or potential breaches of financial or other regulation or Nykredit's policies or guidelines.

We encourage all staff to share any suspicion of irregularities, criminal activities, or breaches or potential breaches of financial regulation, other legislation or Nykredit's policies and guidelines. For this purpose Nykredit has established a whistleblower scheme.

The whistleblower scheme should at no time, and in no way, stop staff members from openly discussing business dilemmas with their line manager or Nykredit's senior management. Staff members are expected to immediately address any conduct or practices they may find questionable.

Reporting under the whistleblower scheme is anonymous and will be subject to initial investigation by an external attorney, who will screen the matter at hand and brief the Head of Compliance, the internal Chief Audit Executive and the Chairman of Nykredit's Board Risk Committee.

## **CONDUCT VIS-À-VIS CUSTOMERS AND BUSINESS PARTNERS**

### **4.1. Customer advisory services**

We have pledged to provide our customers with financial security through sound advice and products tailored to their needs, and we will share our success with our customers. We are therefore committed to treating all customers – satisfied and dissatisfied alike – fairly and professionally. We want this commitment to result in positive customer experiences for the purpose of raising customer satisfaction – thereby retaining existing and attracting new customers.

### **4.2. Tax, prevention of money laundering, terrorist financing and other financial crime**

Nykredit has an obligation and a responsibility to its customers, business partners, staff, owners, investors and society to prevent the misuse of Nykredit for the laundering of funds deriving from criminal activity, terrorist financing or breach of financial sanctions.

We have clear guidelines on how to handle any suspicion of money laundering, terrorist financing or other financial crime. Also, all staff receive training in the prevention of money laundering. Roughly all Nykredit's staff complete annual e-learning courses followed by tests in the prevention of money laundering, corruption and terrorist financing. Against this backdrop, Nykredit's staff are expected to be familiar with Nykredit's internal rules on the prevention of money laundering and terrorist financing.

Nykredit's stance on tax evasion and aggressive tax planning is unequivocal: Nykredit neither supports nor participates in any activities which, to Nykredit's knowledge, involve actual or attempted tax evasion or aggressive tax planning. We do not set up or administer companies in

tax havens. All staff members must act transparently and responsibly in tax matters and comply with current tax legislation and its intent.

#### **4.3. Confidentiality and data protection**

To earn the trust of our customers it is essential that we make every effort to protect their data. All Nykredit Group staff must therefore seek to prevent unauthorised disclosure of confidential customer data. To ensure their required insight into and understanding of data protection and confidentiality, Nykredit's staff complete annual e-learning courses and certification tests in data protection and IT security.

### **STAFF CONDUCT**

#### **5.1. Anti-corruption**

Nykredit has a zero tolerance policy with respect to corruption. Nykredit's anti-corruption policy is aimed at ensuring that all staff support conduct and work ethics characterised by the highest standards of personal and organisational integrity, internally as well as externally in our dealings with all types of customers and business partners.

Nykredit has established a number of guidelines and procedures for our staff's conduct in situations potentially involving corruption.

Staff may neither directly nor indirectly request or accept gifts or other benefits that may be deemed as an attempt to impact the performance of functions or duties or exercise of judgment. Nykredit has also adopted a gift policy that provides a clear framework applying to gifts given and received by staff.

#### **5.2. Insider information and market abuse**

Some staff may get access to information that is not publicly available and may impact the financial markets. The Executive Board has issued guidelines for staff's treatment of insider knowledge to prevent market abuse. Thus, it is important that Nykredit's staff are aware of and comply with relevant internal guidelines and legislation to prevent abuse of insider knowledge and market manipulation. Regular training programmes on the prevention of market abuse have been established for units that operate in capital markets and possess confidential knowledge.

#### **5.3. Personal use of Nykredit's funds/property**

Staff members must use Nykredit's property, such as IT equipment, furniture, software or company card, with care and always ensure secure storage. Also, all staff members must have knowledge of the rules on the use of different types of Nykredit property.

#### **5.4. Representatives of Nykredit**

Staff members always represent Nykredit. This is the case whether they send an email from a Nykredit email address or use social media in their day-to-day roles, as all such activities can be traced back to Nykredit and the individual member of staff. Therefore activities on the Internet, social media etc always require careful consideration and must be carried out in ways suited for a loyal representative acting on behalf of Nykredit.