

Nykredit



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 other 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 a responsible and successful customer experience.

This Code of Conduct does not allow for every conceivable situation which Nykredit's staff might encounter at work. Operating a financial business will always involve dilemmas. And as Nykredit's Management we are responsible for building a corporate culture and conduct that will encourage Nykredit's staff to speak openly about business-ethical dilemmas, thereby allowing us, as Management, to take appropriate action. Conduct management is a top priority and an ongoing process without beginning or end which we must support all across the Group.

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 it serves as a strong guide in our daily work, helping us to always conduct ourselves in ways we can explain and justify to our customers, society and ourselves.

COMPLIANCE

2.1 Who is bound by this Code of Conduct?

Nykredit's Code of Conduct applies to all Nykredit Group staff, both permanent (part-time and full-time) and temporary. All division managers 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 to ensure responsible business practices and to earn society's trust.

If a 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 staff member of this Code of Conduct that constitutes a violation of the law and thereby a crime will be reported to the relevant authorities.

2.2. Compliance policy

The Board of Directors of the Nykredit Realkredit Group has laid down the following objectives and compliance principles to be met at all times by all members of management and staff in relation to Nykredit's activities:

- We must safeguard the interests of Nykredit and the pledges that Nykredit has made to society
- In our efforts to fulfil our pledges to customers and society, we must support Nykredit's ambition of being customers' preferred bank by ensuring the security and stability of our operations and identifying the opportunities that are inherent in established methods and procedures and in the compliance rules that Nykredit must abide by

- We must support our pledges to our shareholders and to our bond investors by safeguarding and protecting the Group's values and assets
- We must be aware of Nykredit's status as a SIFI and the corporate responsibility that comes with it
- We must comply with current legislation, market standards and internal rules in all areas in which Nykredit conducts business or is represented
- We must perform our respective responsibilities in a professional manner and avoid conflicts of interest.

The compliance policy must support the aim of promoting honest and ethical conduct in Nykredit and a culture where openness about, and awareness and handling of, compliance risks are a matter of course.

2.3. Conduct management

Our external environment should have confidence in Nykredit at all times. To this end, we must pursue and nurture a corporate culture where we can openly discuss and act on the risks and dilemmas of a financial business.

We must also foster a trusting environment where Management sets a clear course for a responsible corporate culture and behaviour by which our business units can navigate. The purpose of Nykredit's continuous conduct management efforts is to provide a structured framework that empowers all staff members at all levels across Nykredit to assume responsibility for identifying and discussing dilemmas and for taking appropriate action. Conduct management is not a specific task with a clear beginning and end, but rather a corporate culture that we must actively support and follow up on, taking a structured approach. All managers and staff are expected to actively contribute to identifying and discussing dilemmas in a broad sense and to making any necessary business and behavioural adjustments.

2.4. Corporate responsibility

Nykredit aims to actively support Denmark's long-term, stable and sustainable development, and corporate responsibility is 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 also aim to support the fulfilment of the UN's 17 Sustainable Development Goals (SDG), concentrating on the areas in which Nykredit can truly make a difference.

NYKREDIT AS A WORKPLACE

3.1. Communicating openly, honestly and clearly

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 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 and talents. We also prioritise development and opportunities for the skilled and engaged people working for Nykredit. That is our pledge to our staff.

3.3. Discrimination and harassment

Nykredit 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 intervening, 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. We offer recovery programmes to staff members who have an abuse problem relating to alcohol, drugs or gaming.

3.5. Climate and environment

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.

3.6. Conflicts of interest and secondary occupation

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, who will decide 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.

However, different rules apply to Nykredit's senior management, who are governed by the Danish Financial Business Act with respect to secondary occupation. Whether or not, for example, private ownership of investment property gives rise to a conflict of interest is also subject to a case-by-case assessment.

3.7. 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 a prohibition against unauthorised use of information will constitute material breach of the employment terms and may lead to immediate dismissal and potential liability for damages.

3.8. Whistleblower scheme

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 help our customers stay on top of their finances and provide them with opportunities and security. We want to share their dreams and worries and help them find the right solutions. 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

It is essential that we protect our customer's data if we want to earn our customers' trust. 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 also adopted a gift policy that provides clear limits on gifts given and received by staff.

5.2. Insider knowledge and market manipulation

Some staff may get access to information that is not publicly available and may impact the financial markets. The Group 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. Moreover, 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. 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.

5.4. 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.