

Policy on Anti-Corruption and Anti-Bribery



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1 BACKGROUND

Sparebanken Sør wishes to create long-term value and contribute to sustainable regional growth and development. For Sparebanken Sør, responsibility for sustainable development means contributing to the positive development of ESG issues (the environment, social conditions and corporate governance), as well as exercising corporate social responsibility in the areas where the Bank operates. Our sustainability efforts are intended to strengthen the Bank's competitiveness and reduce risk by making requirements of our customers and our partners.

Anti-corruption work is an integral part of Sparebanken Sør's sustainability efforts.

2 PURPOSE

This policy is intended to provide guidance on the Bank's attitudes to and work on preventing corruption, trading in influence, bribery and use of facilitating payments.

3 TARGET GROUP

The policy applies to all employees and executives at Sparebanken Sør, including the securities investment business line and Sparebanken Sør Boligkreditt AS. The document also provides guidelines for all entities of the Sparebanken Sør group and must be adapted to each subsidiary that is subject to the reporting requirements.

4 DEFINITIONS AND TERMS

The following terms are frequently used in the area:

- **Corruption**

Corruption means:

- for one's own or others' benefit, demanding, receiving or accepting an offer of an undue advantage through the exercising of a position or office, or execution of an assignment
- giving or offering any person an undue advantage through the exercising of a position or office, or execution of an assignment

Such an undue advantage could take the form of money, gifts or services.

- **Trading in influence**

Trading in influence means:

- for one's own or others' benefit, demanding, receiving or accepting an offer of an undue advantage in return for influencing the exercising of another party's position or office, or execution of an assignment, or
- giving or offering any person an undue advantage in return for influencing the exercising of another party's position or office, or execution of an assignment

- **Facilitating payments**

Facilitating payments are:

- payments made for a service that someone is essentially entitled to receive without making such a payment

5 PRINCIPLES AND COMMITMENTS

5.1 Strategic guidelines

Sparebanken Sør has adopted the following strategic guidelines for anti-corruption work:

- zero tolerance for corruption, trading in influence, bribery and use of facilitating payments
- we will actively work on ethics, anti-corruption and anti-bribery
- we will actively combat corruption and bribery

For Sparebanken Sør this means that:

- the Bank's attitude to corruption, trading in influence, bribery and use of facilitating payments is clearly communicated to employees, members of governing bodies, customers, suppliers and partners
- the Bank and the Bank's employees must not receive bribes or other illegal benefits from customers, suppliers or others
- the Bank and the Bank's employees must not use corruption, trading in influence, bribery or facilitating payments to promote the Bank's or its employees' interests
- the Bank must not make political contributions, i.e. give financial support to political parties
- the Bank and the Bank's employees must help to prevent corruption, trading in influence, bribery and use of facilitating payments in the form of monetary transactions processed through the Bank
- the Bank does not wish to have commercial relationships or other associations with customers, suppliers or partners who are involved in corruption, trading in influence or bribery or who use facilitating payments

5.2 Commitments

Sparebanken Sør pledges to comply with all legislation that is relevant to our activities, and to strive to ensure that our customers, partners and suppliers comply with legislation that is relevant to their activities in the market areas in which they operate.

Our Anti-Corruption Policy should support, and align and comply with, the Bank's:

- Sustainability strategy
- Code of Conduct
- Policy for conflicts of interest
- Framework for combating financing of terrorism and money laundering
- Relevant laws, regulations and official guidelines

UN Global Compact

Sparebanken Sør has signed up to the ten principles of the UN Global Compact for responsible business, where the following principles are of key importance for anti-corruption work:

- Principle 10: We will work against corruption in all its forms, including extortion and bribery

UNEP Principles for Responsible Banking

Sparebanken Sør has also signed up to the UN's environmental programme, the UNEP Principles for Responsible Banking, where the following principles in particular apply to anti-corruption work:

- Principle 3: We will work responsibly with our clients and customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.
- Principle 5: We will implement our commitment to these Principles through effective governance and a culture of responsible banking and demonstrate our ambitions and responsibility by setting and publishing targets in the areas where we exert the greatest influence.

The UN Sustainable Development Goals

The UN Sustainable Development Goals, which were adopted in 2015, represent a global plan to eradicate poverty, combat inequality and stop climate change. The plan consists of 17 goals, which are referred to as the world's common blueprint for sustainable development. Sparebanken Sør supports all 17 of the goals.

The following sustainable development goals are of key importance for anti-corruption work:

- SDG 8: Decent work and economic growth
- SDG 10: Reduced inequalities
- SDG 16: Peace, justice and strong institutions

5.3 Requirements and expectations of customers, suppliers and partners

In their corporate governance, our customers and suppliers are also expected to prioritise meeting the obligations and principles that apply to Sparebanken Sør's anti-corruption work.

6 RESPONSIBILITY, MANAGEMENT, FOLLOW-UP AND VIOLATIONS

The Board of Directors and the CEO have overarching responsibility for the Bank's efforts to ensure that the Bank's employees neither receive or make use of corruption, trading in influence, bribery or facilitating payments. They have further delegated responsibility to the EVP Group Staff.

As the Bank's AML Compliance Officer, the Executive Vice President Legal is responsible for the individual elements of the Bank's efforts to combat financial crime (money-laundering, financing of terrorism, evasion of sanctions and fraud).

The directors of Retail Market and Corporate Market are responsible for ensuring that the Bank does not establish customer relationships with, or extend credit to, customers who are involved in corruption, trading in influence or bribery or who use facilitating payments.

Individual divisional/group directors are responsible for ensuring that the guidelines in this document are implemented and maintained in daily activities in their own sphere of responsibility. This responsibility encompasses ongoing controls to identify potential situations where corruption, trading in influence, bribery or use of facilitating payments could occur, and whether the guidelines are adequate to prevent the risk of such violations of the guidelines. If the guidelines are not deemed to be adequate, decisions must be taken to enable the Bank to act in accordance with good business practice.

All managers must ensure that activities in their own area of responsibility are conducted 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 the Anti-Corruption and Bribery Policy is reviewed together with relevant employees at least once a year.

All the Bank's employees are independently responsible for ensuring compliance with the Bank's Anti-Corruption Policy and the control measures that have been established to prevent corruption, trading in influence, bribery and use of facilitating payments.

When entering into agreements, dealing with payments, including cost rebates, and other relevant activities, all the Bank's employees must use their professional judgement to identify potential corruption, trading in influence, bribery or use of facilitating payments.

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.

You can read more about responsibility, management, organisation and reporting in our governing document "Sustainability Strategy".

7 REPORTING

Employees who become aware of cases of corruption, trading in influence, bribery or use of facilitating payments must report their suspicions via Sparebanken Sør's whistleblowing channel or their line manager. HR must prepare an annual report on all notified cases of corruption, trading in influence, bribery and use of facilitating payments.

8 CONTROL/MONITORING

First line of defence

The individual business areas prepare their own control plans designed to ensure daily compliance with statutory requirements and governing documents. Annual and ongoing identification and assessment of risk of corruption or bribery provide the basis for first-line control and compliance. Risks are assessed, and controls and any necessary measures are implemented and documented as part of internal control activities.

Second line of defence

Compliance and Risk Management form the second line of defence and check compliance using independent sample testing and assessments. Compliance is reported to the Board of Directors and Group management in the quarterly compliance report.

Third line of defence

Internal Audit is the Bank's third line of defence. This function reports directly to the Board of Directors and is independent of the rest of the administration team.

9 DOCUMENT REVISION

The Anti-Corruption Policy is revised and updated at regular intervals, and adopted at least once a year by Group management.