



SABADELL GROUP

# Code of conduct



**B** Sabadell

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# 01

## Introduction

This **Code of Conduct** has been approved by the Board of Directors of Banco de Sabadell, S.A. in order to include the catalogue of principles, obligations and duties that must govern the actions of all the members of the Group.

All the internal obligations with a deontological content have been integrated into the Group's **Code of Conduct** which thereby groups them together in a single regulatory corpus under the direct supervision of the Corporate Ethics Committee and the Board of Directors of Banco de Sabadell, S.A. This Code of Conduct does not, however, replace the rules established in the Policies and Procedures approved by the Group.



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# 02

## Purpose

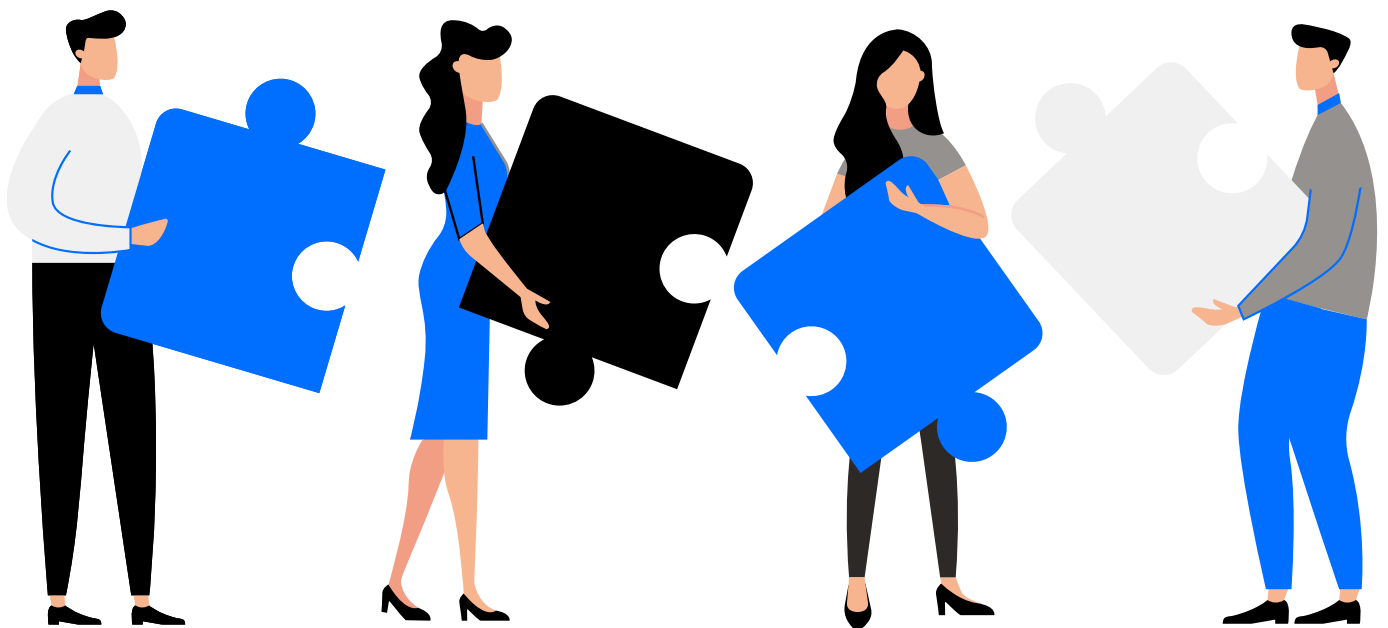
The purpose of this Code is to define the criteria to be followed to ensure ethical and responsible conduct, both in relationships within the Group itself and in relationships with clients, suppliers, shareholders, investors and other stakeholders.

# 03

## Obligated Parties

The parties bound by this Code are:

- People who form part of the **governing bodies**
- People with an employment **relationship with the Group**
- **External suppliers**
- **Business partners**



# 04

## Scope of Application

This Code is applicable in all jurisdictions and territories in which the Group carries out its activities, therefore, formal adherence is required.



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# 05

## Basic Principles

The Group adopts the following principles which inspire its corporate culture and which are used as a reference framework for this Code:

- **Willingness to serve:** having an understanding of clients' problems and needs, making all the Group's individual and collective capabilities available to them in the form of quick, simple and effective solutions.
- **Proximity:** implementation and development of all the elements that facilitate relationships, dialogue and the service itself with the client and, at the same time, the elimination of all those that might hinder this.
- **Adaptability:** agile adaptation to clients' needs through flexible and effective solutions.
- **Commercial orientation:** the orientation of the Group's activities and investments towards the materialisation of profitable commercial transactions, while defending the clients' best interests.



- **Innovation:** anticipating clients' needs by developing products and services capable of surprising them due to their provisions and ease of use.
- **Professionalism:** quality of the Group and its members based on rigour, meticulousness, punctuality, accuracy, clear and truthful communication, commitment, responsibility, making correct decisions and continuous learning.
- **Ethical conduct:** the Group's professional and personal conduct is based on fairness, honesty, transparency and its acceptance of the consequences of its staff's actions.
- **Sustainability:** contribution to improving sustainability by aligning our principles and actions with the Sustainable Development Goals (SDGs) as well as the United Nations Principles for Responsible Banking.
- **Austerity:** restraint in the use of the company's resources as opposed to ostentation and unnecessary spending.

- **Prudence:** showing wisdom when assuming the risks of the Group's activity through adequate technical training and by making decisions based on sufficient and verified information.
- **Teamwork:** integration of people and ideas in a common project in which common objectives prevail over individual interests.
- **Compliance:** the obligation to comply with both current law (and, in particular, all general provisions issued by public and supervisory bodies) and with the internally established regulations applicable to its activity.
- **Transparency:** commitment to transparency in the Group's activities, providing information on its operations in an accurate, truthful and comprehensible way and making all relevant financial and corporate information available to the various stakeholders, in accordance with current regulations.

- **Respect for the private sphere** and privacy of the various stakeholders whose personal data is processed.



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# 06

## Client Relationships

### 6.1 Honesty and Professional Responsibility

The Group focuses on offering its clients top quality services that provide them with a differential value compared to other services on offer on the market. In all client relationships, a high commitment to professional honesty and responsibility must be maintained, above and beyond showing compliance with legal standards.

Any commitments made to clients must be fulfilled, announcing any changes in verbal and written agreements in good time, promoting transparency in our relations with our clients and conducting ourselves with integrity in all our professional activities.

## Basic rules of action

- The sale of products should be made after offering all relevant information to the client for proper decision-making. In this regard, accurate, verifiable and clear information must be provided that is sufficient for clients to be able to make informed decisions, warning them of the risks, costs and fees applicable to each product and service, so that the essential elements are sufficiently known and understood before contracting them.
- Information relating to client accounts and transactions must always be provided diligently and may only be obstructed in situations of conflict of rights between the client and any of the Group's companies, always with the due guarantees.
- The processing of the data subjects' personal data must always be carried out in a legitimate manner in accordance with the various legal rules established by the regulations.

- Advertising activities must avoid any conduct that may involve deception or a lack of relevant information about products and services.
- Sufficient procedures and tools must be in place to prevent any action relating to the counterfeiting of credit or debit cards, or any other electronic payment method used by the client.



## 6.2 Treatment and Handling of Mistakes

Clients must be served in a kindly manner, with respect and diligence, without any distinctions being made based on race, gender, religion or any other characteristic of the person, but rather adapting our attitude and manners to the profile of each client within the framework of a professional relationship, without displaying either servility or arrogance.

Similarly, in order to promote financial inclusion, unjustified discrimination in providing access to products and services must be avoided, paying special attention to the most vulnerable groups.

Client complaints are opportunities for learning and improvement. A client who complains does so because they consider that they have a good enough reason to do so, therefore, the Group must be in a position to provide as many explanations as are necessary to ensure that the client feels they have received excellent service and that the issue is managed in a clear and transparent manner.

## 6.3 Conflicts of Interest with Clients

Conflicts of interest with clients are considered to be situations in which, when offering its products or the provision of its services, there is a conflict between the interests of the Group, including those of its directors, executives and employees or any person directly or indirectly related to them by control or kinship, and those of its clients, suppliers or business partners, which may lead to the undermining of the interests of the latter group. Similarly, there is the possibility of a conflict of interest if, in the aforementioned activities, there is a conflict of interests between two clients, two suppliers or two business partners.

We are committed to acting with honesty, impartiality and professionalism, always in the best interest of our clients. In the event that the supply of products or services gives rise to conflicts of interest between any of the Group's entities and their clients, the Group has internal rules and control procedures to ensure that these conflicts do not harm the interests of its clients.



## 6.4 Confidentiality and Privacy

The right to data protection, the right to respect and the right to personal privacy and confidentiality of anyone whose data is accessed in the course of their activity is guaranteed. In this regard, both personal, contact and identification information, as well as information on our clients' transactions, is treated with absolute confidentiality and, is only disclosed (in addition to its legitimate owners) to entities for which there is a requirement to comply with legal obligations, with the due legal guarantees. Access to clients' data by the obliged parties must only be justified on the grounds of the regulations and the various processing operations carried out must strictly comply with data protection regulations.

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**Business dealings with clients should be conducted, where necessary, in an environment that ensures the privacy of conversations and the documentation used.**

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## Some guidelines for action:

- Family or economic ties between clients cannot justify the principle of confidentiality being breached when the information refers to accounts in which there is no direct relationship of ownership or power of attorney between them.
- The terms and conditions regarding the use of personal data are subject to significant legal restrictions and corresponding penalties for non-compliance. Before proceeding to process personal data on data subjects, regardless of whether they are clients or not, the internal regulations in this regard should be reviewed or the Group's Regulatory Compliance Department should be consulted, through the Data Protection Officer.
- Information regarding the accounts of Group members should only be used in the context of normal banking transactions or in the context of disciplinary actions, as laid down in the employment regulations. The consultation of the data of a member's account beyond the circumstances

described above is a practice which is prohibited and contrary to banking and data protection regulations.

- Clients' data will not be processed for commercial purposes when there is no legitimate reason to do so or when the client has expressly objected to said processing.
- The data collection procedures must be strictly followed, in which the mandatory information on data protection is essential, as well as ensuring that, where appropriate, clients' consent is obtained based on their free and informed declaration.

## 6.5 Rapid Communication of Decisions

Clients must be made immediately aware of the decisions affecting their relationship with the Group, so that they have all the essential elements for making their own decisions.



# 07

## Relationships with Employees

### 7.1 Respect for Human Rights and Equality Policies

The Group is fully committed to compliance with Human Rights and with the main international declarations in this regard, such as the United Nations' "Guiding Principles on Business and Human Rights" and the Ten Principles of the "United Nations Global Compact", which Banco de Sabadell, S.A. adhered to in 2005 and, therefore, its content applies to relationships with all the people who choose to work for the organisation. Similarly, the Group rejects all forms of child exploitation.

Moreover, equal opportunities in access to employment and professional promotion is encouraged, ensuring the absence of discrimination on grounds of race, gender, ideology, nationality, religion, sexual orientation or any other personal, physical, mental or social condition of its employees. In this regard, when assessing the candidates selected by the Group to occupy each of its key

positions, special emphasis is placed on ensuring diversity, particularly with regard to gender, promoting ambitious representation targets for women.

No form of harassment, whether it be sexual, physical or mental, is tolerated. This includes intimidation of employees. Employees should be open, honest and show respect towards others.

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## 7.2 Free Exercise of Collective Rights

The free exercise of collective rights by the Group's employees and, in particular, of the internationally recognised rights to form and join unions, associations and collective bargaining, as well as the activities carried out by the organisations that represent them within the framework of the functions and competences legally attributed to them are respected and guaranteed.

## 7.3 Respect and Fair Treatment

Diversity is one of the Group's strengths. All employees must respect the people and cultures with which they work or in which they work. As an organisation, we seek diversity at all levels and expect a working environment in which all employees can develop and contribute to their full potential.

In this regard, a working environment is maintained in which the dignity of all people is respected and any type of conduct that involves the violation of the personal rights of employees is rejected.



## 7.4 Health and Safety in the Workplace

The Group is committed to maintaining health and safety in the workplace. To this end, we act proactively in the prevention, management and mitigation of risks arising from occupational accidents and health and safety in the workplace is promoted, reinforcing the measures adopted when external circumstances (e.g., epidemics, pandemics, etc.) so require, to ensure the health and safety of employees in the performance of the duties and tasks associated with their jobs.

Similarly, all applicable preventive measures regarding safety and occupational risk prevention are made available to employees and measures are taken to ensure that they have the necessary training and that they carry out their activities in safe conditions. All employees must comply with their health and safety obligations, follow the health and safety rules which are published and report any concerns, safety violations or incidents immediately.

## 7.5 Professional Loyalty

Conflicts of interest can arise when employees have personal or private interests that influence or may affect the objective and impartial performance of their professional duties. In particular, economic ties and family relationships or friendships with clients may entail a loss of the necessary independence when it comes to making decisions and a potential risk of unfair action due to the conflict of their personal interests and those of the Group. Consequently, this type of situation should be avoided and, when it is not possible to do so, the said conflict should be brought to the attention of the Corporate Ethics Committee.

In this regard, the professional loyalty of employees is safeguarded, ensuring that there is no abuse of trust or exploitation of their work for their own benefit, or to the benefit of their family members or third parties related to the employee.

To this end, mechanisms are in place to prevent, manage and mitigate actual as well as potential conflicts between the Group's interests and the private interests of its employees, which may have a negative influence on the performance of their activities and the fulfilment of their duties.

## Basic rules of action:

- When making decisions, and when in any doubt about the interpretation of a potential conflict of interest, it is always better to abstain in favour of another decision-making body of the Group.
- As a general rule, powers of attorney, trusts, mandates or any other form of representation of the clients' interests should not be accepted, except in cases in which the transaction itself requires it. In all other cases, when the said representation is absolutely essential, the Corporate Ethics Committee must be informed.
- Conduct that could compromise our independence, such as accepting personal favours or gifts or becoming personally indebted to clients, should be avoided.

## 7.6 Professional Development

The aim is to motivate, retain and attract a competent and professional team of people, offering appropriate overall compensation, based on fair and competitive remuneration, truthful and transparent information, respect for the dignity of the person and lasting cooperation, guiding decision-making towards the reduction of the gender pay gap through our human resources management policies and doing all this, within the existing regulatory framework.

The professional development of our employees is encouraged, guaranteeing equal opportunities in their recruitment, promotion and training, offering a working environment free from any form of discrimination or harassment and encouraging a spirit of self-improvement in them through the moral and material recognition of their personal effort in contributing to the Group's success as a whole.

## Basic rules of action:

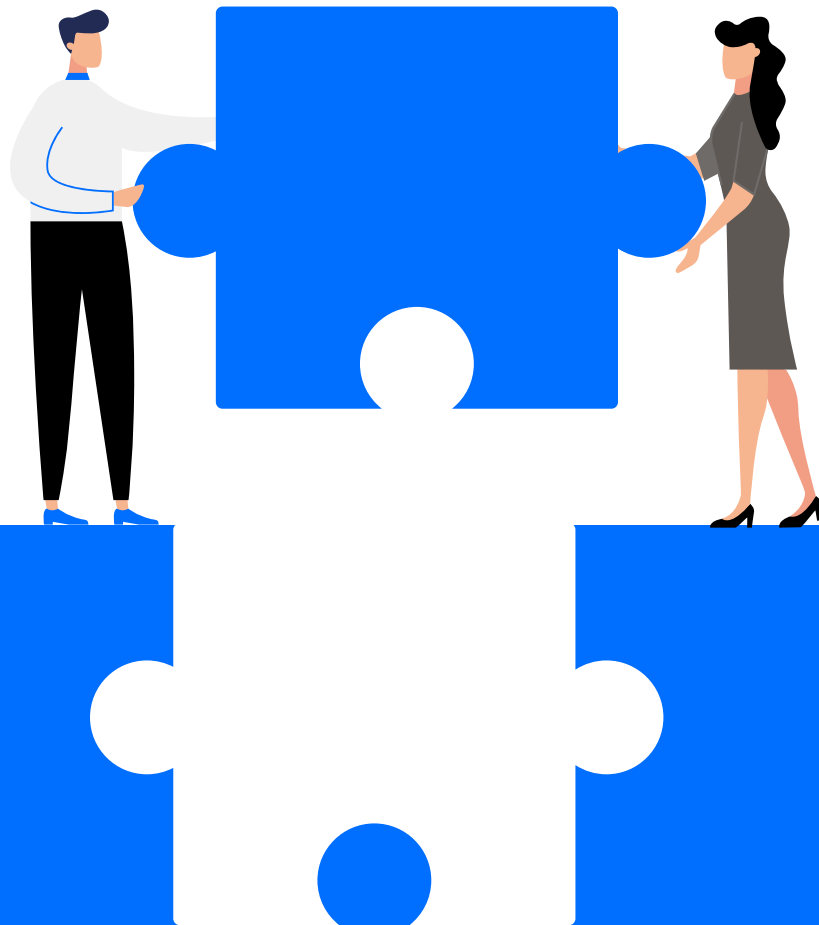
- Merit, personal qualifications, managerial ability or other similar characteristics must be the criteria used when making decisions regarding the contracting or promotion of employees, regardless of race, gender, disability or any other status of the individual.
- Training aimed at better performance of the role is an opportunity for improvement and considered an enriching factor in the debate on alternatives. Training can never be understood as an element of internal competition, but rather as a means of obtaining the maximum possible return on the intellectual capital that the organisation possesses.

## 7.7 Professional Conduct

Professional action must be guided by honesty, mutual respect and unity of individual efforts for the sake of the common goal. Each member of the organisation and, especially those who have tasks involving managing people, must accept responsibility for their actions and also for those who collaborate with them. Information must flow freely and transparently through all participants involved in decision-making processes, both with regard to the action and its effects, without concealing errors or there being persistent non-compliance. This professional conduct must extend to the responsible use of the resources that the Group makes available to achieve its business objectives.

Within each level, responsibilities and decision-making capacities are defined, promoting the contribution of new ideas and stimulating as much initiative and freedom of action as possible in their collaborators, valuing their contributions fairly, through rewards consistent with the results arising from them.

Employee involvement does not solve all of an organisation's problems, but it does make it more flexible and efficient through faster decision-making. Setting an example in our daily conduct and actions is the best way of encouraging corporate cohesion and the most direct way to gain the trust and respect in our working environment.



## 7.8 Private Sphere

The private lives of Group members are respected without interfering in the activities or conduct outside the scope of existing relationships, provided that such activities or conduct do not affect the good name of the Group, its legitimate interests or the professional performance of the employee. Similarly, the personal and family life of its employees will be respected and work-life balance programmes will be promoted to facilitate a better balance between their personal and family life and their responsibilities.

At all times, it is desirable to use the Group's companies as the main providers of financial services, observing strict compliance with contractual obligations and avoiding situations of disproportionate indebtedness that could affect our professional performance at all times.



The Group's image also depends on the actions of its employees. Consequently, when using individual freedom where there is the intention to carry out activities that have public repercussions, the Corporate Ethics Committee must be informed of the fact, indicating their nature and the possible incompatibilities that such activities may entail with the exercising of their duties within the organisation.

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**The private lives of Group members are respected without interfering in the activities or conduct outside the scope of existing relationships**

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# 08

## Relationships with Public Administrations

### 8.1 Institutional Respect and Proactive Collaboration

Relationships with the various public administrations must be guided by institutional respect and strict compliance with their decisions. Similarly, the Group will collaborate proactively with the competent authorities, responding to their requests and providing them with the information they require quickly and accurately.

## Basic rules of action:

- All requests made to us by the competent authorities must be met within the time established for this purpose and in accordance with the way they are requested in each case.
- Transparency must be ensured and the ability to access information must be provided to the competent authorities in performing their functions. In addition, the truthfulness and accuracy of the information provided to them must be ensured.
- Proactivity in addressing any deficiencies identified by competent authorities must be ensured. In this regard, all necessary measures must be adopted in order to correct them in a timely manner and in the correct way.

## 8.2 Preventing Corruption with Authorities and/or Public Officials

Any type of conduct related to the giving, promising or offering of any kind of payment, commission, gift or reward, as well as any other type of undue advantage, to any authorities and/or public officials is expressly condemned. This condemnation also includes facilitation payments, understood as small amounts given to public officials in order to speed up administrative procedures.

In this regard, any conduct that could be misinterpreted as an attempt to obtain undue consideration, carried out in such a way that would compromise the Group's reputation, must always be avoided.

It is not permitted to contribute directly or indirectly to political parties, or to sponsor causes linked to them or their campaigns, or to cancel all or part of the debt or overdue interest, or to renegotiate interest rates in their transactions below those applied under market conditions.

# 09

## Relationships with Shareholders and Investors

### 9.1 Protecting the Interests of Shareholders and Investors

The aim of creating value for the Group's shareholders must be pursued vigorously. To do this, the Group shall always act with the aim of preserving, safeguarding and increasing the assets, rights and legitimate interests of the said shareholders.

In particular, the preservation of the Group's assets and their protection from inappropriate or fraudulent use by third parties must be guaranteed, ensuring that these assets are not impaired and establishing mechanisms conducive to their protection and safeguarding.

Moreover, the intellectual and industrial property created by employees shall be the property of the Group. Therefore, patents, trademarks, copyrights, trade secrets and any other type of information subject to an intellectual or

industrial property right belonging to the Group or of a third party must be protected without the prior authorisation of their owner.

Similarly, the details must protect the interests of those who invest in the different financial instruments issued by the Group.



## 9.2 Responsible Use of Resources

The Group must ensure a prudent, proportional and responsible use of the assets and facilities that the Group makes available to its members, ensuring that they are used solely and exclusively for the purpose for which they have been provided and that they refrain from using them for any purpose that is not in the Group's interest at all times.

In this regard, all members must make responsible use of the material resources, ensuring their conservation and with the intention of using them to the full. Both the use of assets as well as incurring expenses on behalf of the Group must comply with the principles of necessity, proportionality and austerity when contracting them.

Knowledge of products, technologies or processes, all of which are the result of effort made by all those involved, shall not be transferred to third parties without the required authorisation, even beyond the necessary protection of intellectual property.

Similarly, any access, use, dissemination or exploitation of confidential information owned by others without the required authorisation must be rejected. This includes unlawful access to IT

or physical media belonging to third parties.

All reports, documents, supporting material and any other similar materials collected in the performance of their duties must remain in the department they were collected for, so that those who succeed us in our role can use them to better carry out their responsibilities. In this regard, the appropriate use of the resources made available to those involved can be monitored in accordance with the guidelines set forth throughout this document.



## 9.3 Transparency and Disclosure of Information

The Group is firmly committed to transparency in the relationship with our shareholders and it makes all information (not only financial information, but also corporate information) available to them. To this end, it guarantees the publication, within the appropriate deadlines, of accurate information of interest to such shareholders and, in particular, all significant aspects of its activities, structure, its statement of financial position, profit and loss results and corporate governance system.

We are committed to publishing information in accordance with strict accounting and financial and non-financial reporting standards in order to significantly enhance the shareholders' ability to follow the Group by providing them with the maximum reliability and comparability of the information published as well as facilitating their understanding of its data.

# 10

## Relationships with Suppliers

### 10.1 Responsible Supplier Management

The new challenges of competitiveness require a cooperative way of working with our suppliers and viewing them as collaborators. In order to establish this long-term cooperation, it is necessary to maintain truthful communication, show a willingness to fulfil commitments and attention to the problems and needs of the other parties.

Having an understanding of the needs and objectives of suppliers and making them compatible with our requirements will help the Group to get past the traditional view based exclusively on price and arrive at a broader concept that incorporates all elements of the transaction. The supplier's right to legitimate profit must be respected, avoiding the opportunism of unfair suppliers which ultimately entails control costs and increased uncertainty.

## Basic rules of action:

- Suppliers must be expected to meet an appropriate standard of commitment to socially responsible practices and respect for human rights, in accordance with our Supplier Code of Conduct and the United Nations Guiding Principles on Business and Human Rights.
- The procurement process for new supplies and services must be transparent and open, providing all participants with accurate information and providing opportunities to alternative suppliers.
- The processing of supplier data in the role of the data processor must comply with the instructions of the Data Controller in the performance of its functions, as well as implementing the personal data security measures contractually defined by the latter.

- In any case, the actions in this area must be in line with the provisions set out in Banco Sabadell Group's Outsourcing Policy for functions.



## 10.2 Control and Supervising of the Outsourced Activity

The Group maintains overall control over the activities carried out by its suppliers, ensuring that outsourcing does not involve any obstacles to or restrictions on the implementation of internal control models or the intervention by the Supervisor or any other competent supervisory authority or body.

For this purpose, maintaining the necessary internal knowledge must be guaranteed in order to be able to carry out adequate control and supervision of the outsourced activities, as well as returning to doing them in-house or replacing the supplier at any time.

Furthermore, the Bank ensures compliance with the applicable laws and regulations at all times with contracts that must stipulate the ability to require suppliers to conform their activities and service level agreements to these regulations. Similarly, the Group also reserves the right to use the legal mechanisms available to terminate the business relationship with the supplier if it becomes aware of any occurrences of non-compliance by any means.

## 10.3 Conflicts of Interest with Suppliers

The purchase of goods or the contracting of services at any level within the Group must be made maintaining complete independence when making decisions, and it is therefore advisable to do so without having any family, economic or friendship ties with the contracted supplier.

Any benefits obtained through any promotional activities of our suppliers shall be for the Group and shall not be personal. Offers of free or low-cost services must be politely declined so as not to violate the relationship with the supplier, although if this refusal would compromise our position, they may be accepted provided they are authorised by the Corporate Ethics Committee.

## Basic rules of action:

- When making decisions, and when in any doubt about the interpretation of a potential conflict of interest, it is always better to abstain in favour of another decision-making body of the Group.
- There must be no interference in the decision-making process regarding suppliers by making recommendations that are based on personal interests or favours.
- Gifts received from the Group's suppliers shall be handled in accordance with the internal regulations established at any given time, and under no circumstances shall gifts be accepted if, due to their value or the circumstances in which they were given, it may be understood that their real purpose goes beyond the traditional token of appreciation.

- In this regard, any gift, compensation or personal benefit of any kind (including but not limited to: gifts, goods, services, tickets to shows or sporting events, trips, preferential treatment, special discounts or anything else of value) offered by a current or potential supplier that may limit or condition the employee's decision-making capacity with regard to professional tasks within the various companies of the Group must not be accepted.



# 11

## Sustainability and Relationships with Society

The Group has incorporated Sustainability into its business model, risk assessment and management in a cross-functional way, as well as into its relationships with stakeholders, in order to promote its contribution to sustainable development.

This commitment to the transition to a sustainable economy is expressed through our adherence to the United Nations Principles for Responsible Banking and by keeping our business strategy in alignment with the Sustainable Development Goals (SDGs), establishing the following priority areas for action:

- Supporting clients in the transition towards a sustainable economy:
  - \_ by contributing to the promotion of sustainable cities and by encouraging and supporting companies towards achieving a sustainable model.

- Enabling investors to contribute to sustainability:
  - \_ by contributing to responsible investment
  
- Adapting the organisation to the new paradigm:
  - \_ by defining and identifying the organisation's risks and its exposure to climate change.
  
  - \_ by incorporating the sustainability criteria in risk control and management.
  
  - \_ by reducing the Group's carbon footprint and promoting environmentally and socially responsible policies and practices, which, along with specific training in this area, also include measures aimed at the safe handling, storage and disposal of hazardous waste, reducing atmospheric emissions, the use of environmentally friendly technologies, minimizing consumption and waste, and contributing to the recycling and reuse of materials and products, as well as ensuring sustainable building and mobility.

- Contributing to the transition towards a sustainable society:
  - \_ with the fight against poverty and inequality and the promotion of inclusive, equitable and quality education.



## 11.1 Defence of Fair Competition

The principles and rules of fair competition and compliance with the relevant antitrust and competition laws must be observed.

In particular, any acquisition of a new business must be supervised beforehand in order to assess the risk of a negative impact on the market and, where appropriate, notify or request authorisation from the antitrust and competition authority so that it may rule on the legality of the transaction before the completion of a new business acquisition.

## 11.2 Fight against Corruption

Any type of conduct, practice or form of corruption is condemned, expressly prohibiting any action of this nature, with appropriate internal control mechanisms having to be established to prevent and combat acts of corruption.

In particular, any conduct related to the delivery, request, receipt or acceptance of an unjustified benefit or advantage of any nature, for oneself or for a third party, as compensation for unduly favouring another natural and/or legal person in business relations is expressly condemned.

Similarly, any conduct related to the promise, offer or concession to a director, administrator, employee or collaborator of a commercial entity, company, association, foundation or organisation of an unjustified benefit or advantage, of any nature, for them or for a third party, as compensation for unduly favouring them or a third party in business relations, must not be tolerated.

Payments and receipts must correspond to the services that are actually provided, following the established authorisation channels as well as being documented and registered in the accounts.

Giving or receiving gifts or presents should be avoided when, due to their value or the circumstances in which they are given, it could be understood that the real motive behind them goes beyond traditional tokens of appreciation and, in any case, when their real purpose is to unduly influence the person receiving them.

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**Any type of conduct, practice or form of corruption is condemned, expressly prohibiting any action of this nature**

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## 11.3 Prevention of Money Laundering and Financing of Terrorism

Strict compliance with the obligations imposed by current law on the prevention of money laundering and the financing of terrorism must be ensured and, in particular, we must remain constantly alert to attempts to use the Group in money laundering operations from criminal activities, for the financing of terrorism or non-compliance with international sanctions imposed on certain countries, providing our active collaboration in the detection and monitoring of possible cases, as established in the internal regulations on this subject.

## Basic rules of action:

- Adequate knowledge of all clients must be identified and obtained for their correct classification and the application of due diligence measures according to the risk detected, refraining from carrying out any type of transaction when there are indications or certainty that the client is linked to money laundering and/or the financing of terrorism or non-compliance with international sanctions.
- Tracking alerts must be analysed and any suspicious transactions or any indications of irregular or illicit activity must be reported immediately to the authorities, taking action in business relationships in this regard.
- Training plans on the requirements for the prevention of money laundering, the financing of terrorism and international sanctions must be carried out.



## 11.4 Securities Market

### 11.4.1 Requirements arising from having Shares on the Securities Market

The Banco Sabadell Group provides various types of services related to security market transactions and Banco de Sabadell, S.A., the Group's parent company, is a company whose shares have been listed on the Spanish stock exchange since April 2001. Having shares on the securities markets also entails a commitment to ensure transparency, fair price formation and investor protection.



## 11.4.2 Market Abuse and Insider Trading

Directors, officers and employees shall not engage in or promote conduct involving the improper use or transfer of inside information.

The three elements that must coincide for information to be classified as inside information are:

- Information relates to a security, or issuer of securities, that is listed on an organised securities market. The security can be variable income or fixed income.
- The said information has not yet been made public.
- It is information which, if made public, could affect the share price.

### 11.4.3 Banco Sabadell Group's Internal Code of Conduct relating to the Securities Market

The Internal Conduct Regulations (ICR) are applicable to members of the Board of Directors of Banco Sabadell, as well as to executives and employees whose work is related to its activities and services in the field of the securities market or who have frequent or regular access to relevant information relating to the Bank itself or to companies within its group, which is available on the corporate website.

With regard to Treasury Stock Transactions, they must always be governed by the supervisor's recommendations and adhere to the following principles:

- Purpose. To provide investors with appropriate liquidity and depth in the trading of securities, to minimise any temporary imbalances between supply and demand in the market, to implement share buyback programmes approved by the Board of Directors or resolutions of the General Meeting of Shareholders or to fulfil previously agreed legal commitments. Under no circumstance shall the transactions be for the purpose of intervention in the free process of price formation.

- Transparency in relationships with supervisors and governing bodies in the market.
- Not affected by inside information. Investment or divestment decisions or transactions whose direct or indirect object is treasury stock shall be avoided at all times, regardless of whether they are affected by the possession of inside information.
- Neutrality. The Bank's actions in the market with regard to its own shares must not represent a dominant position in dealing. This is unless the said shares are specifically authorised on reasonable grounds by the Corporate Ethics Committee, as an ad hoc body as described in the Internal Conduct Regulations. Treasury stock transactions shall not be conducted with companies within the Group itself, with its directors or its significant shareholders.

## 11.5 Financing of Political Parties

The political pluralism of the companies with which the Group operates is accepted and respected.

No actions are carried out which, either directly or indirectly, could be understood as a donation to political parties, or as sponsorship of causes linked to them or their political campaigns, or the total or partial cancellation of debts or overdue interest, or the renegotiation of interest rates below those applied under market conditions.

# 12

## Financial and Tax Obligations

### 12.1 Accuracy of Economic and Financial Information

The Group must ensure that all the economic and financial information faithfully reflects its economic, financial and equity reality, in accordance with the generally accepted accounting principles and the applicable international financial reporting standards. For this purpose, internal control procedures and systems are in place and are subject to regular internal reviews and monitoring.

Furthermore, any type of conduct related to the concealment or distortion of information in the accounting, economic and financial records and reports is expressly condemned.

## 12.2 Compliance with Tax Obligations

The Group is fully committed to the economic development of the companies with which it operates and considers compliance with its tax obligations to be one of the fundamental elements in achieving this.

Within the framework of responsible conduct in tax matters, the group acts in accordance with the principles of efficiency, prudence, transparency and minimisation of tax risk established in the Tax Strategy approved by the Board of Directors, with the aim of ensuring compliance with tax obligations, always observing the legal framework in force with regard to tax matters. In line with this, Banco de Sabadell, S.A. adheres to the Code of Good Tax Practices drawn up by the Large Corporations Forum in partnership with the State Tax Administration Agency, thus promoting a cooperative relationship with the Tax Agency through its actions based on the principles of transparency and mutual trust.

# 13

## Corporate Ethics Committee

The Corporate Ethics Committee (hereinafter, “CEC”) is the delegated body that advises the Board regarding the adoption of policies that promote the Group’s ethical conduct.

### 13.1 Estructure

The CEC is a collegiate body of a multidisciplinary nature and is made up of the following members, all of whom are appointed by the Bank’s Board of Directors:

- Director of Risk Control and Regulation
- Secretary General
- Director of People
- Director of Regulatory Compliance
- Director of Internal Audit
- Director of Corporate Governance



The Chairperson is the Secretary General and the Secretary of the Committee is the Director of Regulatory Compliance.

The members of the CEC will be elected by the Board of Directors of Banco Sabadell and the duration of the representation will be indefinite. They may be removed from office by the decision of the Board or due to a change of functions within the organisation.

# 14

## Monitoring and Periodic Review

Periodic monitoring and reviews of this Code is guaranteed in order to maintain its validity and ensure that its effect is permanent, as well as to amend any aspects that have proved unsuccessful or that require adaptations in accordance with any changes in the company or in the Group itself.



# 15

## Internal Control of Compliance

The observance and strict compliance with this Code of Conduct is considered part of the essential obligations accepted by its members, thereby helping to strengthen the culture of compliance.

For this purpose, internal controls are carried out in accordance with current law, in order to verify the correct application of this Code and to prevent activities that may affect legal compliance, confidentiality, integrity and the availability of information.

Similarly, any infringement detected will be penalised in accordance with the regime established in the corresponding employment law and in the Group's internal regulations.

This activity is subject to periodic internal reviews and monitoring, within the Company's risk management framework.



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# 16

## Communication Channels

The Corporate Ethics Committee has a dedicated email address [0901CEC@bancsabadell.com](mailto:0901CEC@bancsabadell.com), so that any employee of the Group can make enquiries regarding the Code of Conduct or express any queries or concerns about its application in their area of work, including those coming from the different stakeholders.

Moreover, as part of the commitment to a culture of ethics and compliance, an Internal Information System is in place to report, in general, any actions or omissions that may entail a breach of applicable law, the Code of Conduct of the Banco Sabadell Group and other internal regulations (including the regulations on the prevention of money laundering and terrorist financing) of the Group.

Banco Sabadell S.A., as the Group's parent company, has a Whistle-blowing Channel available to its stakeholders and subsidiaries (except in Mexico and the United Kingdom, that they have their own channel), branches and representative offices outside the Group as a formal mechanism for reporting irregularities or infringements, which forms part of

the Group's Internal Information System, one of the guiding principles of its operation being the protection of the person making any queries or complaints.

The Channel, which is hosted on a platform accessible via the website (<https://canaldenunciasgrupo.bancsabadell.com>), is the principal tool for reporting, identifying and managing potential irregularities that may put this commitment at risk or that may involve a criminal offence. Any employee of the Group or any person related to it (subcontracted personnel, collaborators, suppliers, etc.) must report any information or indication of non-compliance with the Code of Conduct or of the possible commission of an offence of which he/she becomes aware.

Complaints may be made by giving one's name or anonymously; in all cases the confidentiality of the identity of the person making a communication, of any other person involved is guaranteed, as well as any information provided, the protection of personal data, the right of defence, the presumption of innocence and the right to honour of all persons affected, also ensuring the non-existence of reprisals in the case of use of the channel in good faith.



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The Institution has a policy and procedure for the internal reporting and whistleblower protection system published on the Channel platform and on the corporate intranet, available to any employee of the Group or person related thereto, which describes the principles and guarantees of the Internal Reporting System and the process and main phases relating to the management of the Channel's complaints.

# 17

## Disciplinary Regime

Failure to comply with the provisions of this Code of Conduct may give rise to the imposition of the penalties established in current employment law or in the applicable collective bargaining agreements, as well as the appropriate consequences if the relationship with the Group is of a commercial nature.

The seriousness of the breach may lead to the termination of the offender's relationship with the Group, without prejudice to any administrative or criminal penalties which may be applicable.

Similarly, breach of the provisions set forth in this Code of Conduct by third parties with whom the Group maintains a professional relationship may lead to the termination of the said relationship in accordance with the Group's internal regulations, without prejudice to any administrative or criminal penalties which may be applicable.

# 18

## Publication

This Code is available to all employees on CanalBS and is also published on the Group's website ([www.grupobancosabadell.com](http://www.grupobancosabadell.com)), and the distribution channel may be modified depending on what is considered appropriate at any given time.





**B Sabadell**