

Ethical principles

MUNICIPALITY FINANCE GROUP

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Colophon

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21.9.2023	First version. Previously included in the Sustainability Policy.	Board
13.6.2024	Added references on the Finnish Transparency register, activities as investment service providers, references to bank secrecy, criminal code, MAR, applicable legislation, and any minor clarifications resulting from these.	Board
05.11.2025	Annual update.	Board
25.6.2026	Added mentions of risk assessment, compliance training, respect for human rights, and condemnation of forced labour and human trafficking. In addition, the footnote about Forced Labour Regulation has been deleted and technical corrections and clarifications have been made to the wording.	Board

1. Purpose

Municipality Finance Plc. and the Municipality Finance Group (later referred together as “**MuniFin**” or “**the Company**”, unless separately defined as either or) operates to serve as a trusted, and ethical institution in all of its activities and relationships, including customer and employment relationships, partnerships and other relations.

MuniFin Board of Directors (“**the Board**”) has approved these ethical principles. The purpose of this policy is to communicate MuniFin’s ethical operating principles to the company’s personnel and to prevent corruption and bribery. The ethical principles are based on MuniFin’s values which are customer centricity, responsibility and transparency.

These principles apply to all personnel and must be followed in all operations. In addition to complying with legislation, administrative regulations and internal policies and instructions, MuniFin’s management and employees are expected to perform their duties with due skills, care and honesty.

2. Governance

As per the Finnish Act on Credit Institutions (610/2014), MuniFin is a credit society and therefore governed by regulation on credit institutions and related supervisory guidelines. These contain a substantial number of requirements on governance management. In addition to the minimum legal requirements, MuniFin has internal policies that require its corporate governance to be professional, efficient and a solid basis for healthy business principles. MuniFin also follows the Finnish Corporate Governance Code 2020 issued by the Securities Market Association where applicable. MuniFin’s decision-making and central responsibilities are described in its Corporate Governance Policy, approved by the Board. The company discloses information on corporate governance on its website in the annually published Corporate Governance Statement in accordance with the Finnish Securities Markets Act.

Strong corporate governance lays the groundwork for a culture of doing the right thing, which, together with these ethical principles, provide employees with a framework in which to operate in accordance with laws and ethics in all situations.

3. Preventing corruption, money laundering and terrorist financing

MuniFin’s employees must prevent corruption and bribery in any form and comply with anti-corruption laws and regulations.

Corruption is the misuse of a position in order to gain a certain advantage or benefit in executing a task. It can manifest as improper favoritism, abuse of entrusted power or as conflict of interest problems. Bribery is any gift, payment, reward or advantage offered or received, if its purpose is to influence a person’s actions or decision-making. Gift means any form of free or clearly underpriced material or immaterial commodity that yields its receiver direct or indirect economic or emotional value.

All MuniFin's units and departments must regularly assess their risks and improve their processes and operations in accordance with the company's risk and governance framework. This also includes corruption and bribery risks. MuniFin may not make transactions that would aim to affect authorities' operating processes beyond normal operating models. In order to make employees better able to identify and prevent activities related to corruption or bribery both internally and externally, MuniFin is committed to raising awareness on the different forms of corruption through regular employee training. The principles of anti-corruption and other ethical principles of the company are also signed off by all employees as part of a mandatory compliance e-training on a regular basis.

MuniFin does not condone any money laundering or terrorist financing detected in a customer's business, and it will investigate all suspected cases thereof. The company's policy to prevent money laundering and terrorist financing dictates a specific know-your-customer (KYC) process, but MuniFin must also aim to be genuinely familiar with its customers and their representatives and business operations.

In accordance with the law, MuniFin is committed to monitoring its customers' operations in order to detect suspicious transactions that could indicate money laundering or financing of terrorism and report them to the relevant officials. The process requires MuniFin employees to internally report any suspicious transactions by a customer. External stakeholders can also notify MuniFin about suspicions regarding MuniFin's customers either by contacting MuniFin employees directly or by using MuniFin's whistleblowing channel anonymously.

4. Gifts and hospitality

MuniFin and its employees may not offer, give, ask or receive any direct or indirect gifts or other benefits that can be viewed as bribes or corruption and thus an attempt to influence decision-making or business operations. Bribery is a crime and punishable under the Criminal Code and may result in a fine or imprisonment.

MuniFin and its employees may offer or receive gifts or hospitality only in such cases where these do not aim to influence or reasonably cannot be interpreted to have the intention to influence decision-making pertaining to MuniFin. Any gifts offered or accepted and hospitality provided or received must be related to MuniFin's business operations so that they cannot be interpreted as an attempt to advance any personal interests. Gifts and hospitality must always be moderate. This particularly concerns cooperation with public officials and supervisors, as their employment is based on the requirement of equal treatment and neutrality. Public officials have liability for their acts in office, and this sets specific limits for hospitality that can be considered acceptable.

As a main rule, the maximum price for a gift can be EUR 150. MuniFin applies an escalation process for more expensive gifts given or received for specific reasons, ensuring that the independency and objectivity of the employee or MuniFin is not compromised. Offering or receiving hospitality depends on the circumstances and is based on a principle of reasonableness.

MuniFin does not provide contributions to political parties, groups or candidates. MuniFin's name or property may not be used to promote the interest of political parties, groups or candidates.

This document is supplemented by an internal code of conduct regarding gifts, representation and conflicts of interest, which contains practical instructions on reporting and registering gifts and conflicts of interest, as well as examples to support employees in their decision-making.

5. Conflicts of interest

MuniFin strives to avoid conflicts of interest in all situations. If conflicts nevertheless arise, MuniFin aims to avoid compromising the interest of the customer or other stakeholder.

All MuniFin business operations must serve the interests of MuniFin, its shareholders and its customers, and they may not be based on anyone's personal interest, showing favoritism at the expense of another person is prohibited. If a conflict of interest is unavoidable, the customer or other party related to the conflicted business transaction will be informed so that they can independently decide if they wish to abstain from the transaction.

MuniFin employees must avoid situations that are in conflict or can be perceived to be in conflict with the employee's personal interest or the interests of MuniFin's business operations. MuniFin employees may not exploit their position, the information received as a result of their position or the funds belonging to MuniFin for their personal interest.

Potential conflicts of interest must not adversely affect the interests of MuniFin customers. MuniFin must manage and mitigate conflicts of interest with:

1. an appropriate segregation of duties and clear policies for signing rights;
2. information barriers, e.g. through the physical separation of certain business lines or units;
3. adequate procedures for transactions with related parties, e.g. requiring transactions to be conducted at arm's length; and
4. declaration and registration of acceptable conflicts of interest in accordance with internal rules.

Additionally, the MuniFin management is responsible for establishing, approving and overseeing the implementation and maintenance of policies and procedures to prevent, identify, assess, manage and mitigate actual and potential conflicts between the interests of MuniFin and the private interests of employees, including the interests of their closest family members and members of the management body. Such conflicts could adversely influence employees' performance of their duties and responsibilities. Conflicts of interest may arise not only from present but also from past personal or professional relationships.

6. Charitable donations and sponsorships

MuniFin may donate to charity within provisions set in the Limited Liability Companies Act. Any donations made must be of small monetary value for the company and decided within the limits of the decision-making powers set by the Board. The targets of charity must be responsible and reputable entities whose actions promote values important to MuniFin.

As a rule, MuniFin does not sponsor sports or other leisure events, with the exception of small-scale events for key stakeholders that are related to the company's operations and support MuniFin's brand.

7. Business partners and competition

MuniFin values ethical and transparent business relations in its whole value chain whether it is with its customers, vendors, representatives, distributors, or subcontractors. MuniFin respects internationally

recognised human rights in all its operations. We do not accept forced labour, human trafficking or other forms of exploitation.

MuniFin requires its customers and partners to respect human rights and to adhere to applicable legislation and regulations. Furthermore, MuniFin has set minimum requirements of ethical and sustainable business for all its partners, i.e. the Supplier Code of Conduct. This document and aforementioned principles are included in all partnership agreements made with key partners.

As both offeror and buyer, MuniFin conducts fair and ethical competition and adheres to applicable competition law. MuniFin employees must comply with competition law, regulations and MuniFin's own procurement guidelines.

MuniFin also respects the immaterial rights and information confidentiality of other parties.

8. Property and confidential information

MuniFin's resources must be used honestly and efficiently and for legal business purposes only.

MuniFin's management and employees must protect company resources against theft, disappearance, damages and misuse. Resources include physical property, such as facilities, materials, equipment, vehicles and assets, but also immaterial property, such as confidential information, immaterial rights and data systems.

We comply in all our operations with the bank secrecy guidelines drawn up by Finance Finland, which are based on the principle and regulations of bank secrecy in accordance with the Act on Credit Institutions.

Handling confidential information that pertains to MuniFin and its customers, employees and business partners is part of MuniFin's operations as a credit society, bond issuer, investment service provider and employer. MuniFin must handle such information with due care and in compliance with current legislation, adhering to the required security arrangements to protect the confidentiality of information. Even if the information being leaked would not affect the value of MuniFin bonds or enable insider trading, confidential information may not be disclosed to any party, except where disclosure is justified (e.g. by order of the authorities or power of attorney). Confidential information may also not be disclosed within MuniFin to any party other than those who require it to undertake their work duties.

All non-public information gained from vendors, customers and other stakeholders must be handled in compliance with applicable legislation and contractual obligations.

9. Transparency, confidentiality and advocacy work

The objective of MuniFin's external communication is to provide all market participants with simultaneous, equal, adequate and correct information on the company's business operations, future prospects and any other factors that may affect the value of securities issued by MuniFin.

MuniFin maintains a website which provides up-to-date information on the company. In its external communication, MuniFin complies with the Finnish Securities Market Act, the Finnish Limited Liability Companies Act, decisions of the Finnish Ministry of Finance, instructions and regulations issued by the Finnish Financial Supervisory Authority, and any other acts, statutes and regulatory decrees which may be relevant to communications depending on the situation.

MuniFin openly and transparently discloses financial information related to its situation and activities as required by law and other regulations. MuniFin's bookkeeping and business documents must be accurate and describe all business transactions in a comprehensive and appropriate manner. MuniFin values continuous interaction with investors, customers, supervisory authorities, and other stakeholder groups.

MuniFin has separate insider guideline approved by the Executive Management Team. The guidelines concern the governance and management of insider information. The guideline defines the procedures in accordance with the EU Market Abuse Regulation (MAR 596/2014), including the obligation to draw up and maintain an insider list and the processing and secrecy of inside information.

MuniFin is committed to the principle of transparency also in its stakeholder relations and advocacy work. MuniFin reports all contacts made for the purpose of advocacy campaigns and public relations activities directed at Members of Parliament and ministries to the national transparency register maintained by the National Audit Office of Finland (NAOF). The information entered in NAOF's Transparency Register is public to all.

10. Developing wellbeing at work

Employee wellbeing and job satisfaction are key factors for successful business, and MuniFin invests extensively in both. The work carried out by MuniFin employees is significant and has social importance.

MuniFin strives to create an environment which allows employees to succeed and develop while also seamlessly combining responsibility and ethical business practices. MuniFin provides a physically and mentally safe working environment that promotes the general wellbeing of employees and offers equal opportunities.

10.1 Workplace safety and wellbeing

Safety is vital to all MuniFin operations. MuniFin seeks to instil a culture of safety and employee wellbeing at the workplace. Employees are instructed to be generally vigilant, heed safety practices and report all incidents and safety issues.

MuniFin supports various measures that promote work ability, including sound managerial work, high-quality occupational healthcare and recreational activities that aim to prevent problems and ensure speedy recovery. MuniFin also encourages employees to maintain a healthy work-life balance.

10.2 Equality, diversity, non-discrimination and freedom of association

MuniFin treats all employees equally. For MuniFin, diversity means valuing everyone's individual characteristics, such as personality, lifestyle, work experience, competence, ethnic background, religion, gender, sexual orientation, age, national origin and political orientation.

MuniFin seeks to attract, train and retain diverse personnel with different skill sets and to ensure an inclusive working environment that sees the value in individual diversity. No employee or job applicant is discriminated against or treated unfairly when it comes to recruitment, hiring, training, promotion, remuneration, incentives or any other conditions of their employment contract. The gender equality of pay in similar positions is monitored yearly. MuniFin adheres to the collective agreement for the financial sector as a generally binding agreement for all its employees. In addition, employees can work remotely if their position allows it.

MuniFin respects its employees' freedom of association whether it is professional or political. MuniFin employees are not required to inform MuniFin about their possible memberships, unless these cause a conflict of interest or otherwise jeopardise their professional duties.

10.3 Respectful and harassment-free workplace

MuniFin maintains a working culture in which everyone is treated with respect. Harassment or offensive conduct of any kind is not tolerated. All actions and behaviour that demean another person are prohibited. MuniFin has a separate policy for intervening with any harassment or inappropriate behaviour. The policy is internally available to all employees.

All MuniFin employees are expected to perform their duties with due care and in compliance with good professional conduct and to acquire the knowledge required for their duties and decisions. MuniFin enables the continuous professional development of its employees. All MuniFin employees are expected to act in a manner that allows themselves, their employer, the financial sector and the municipal sector to be held in high esteem.

MuniFin respects the United Nations Universal Declaration of Human Rights. The use of forced labour or child labour is not permitted under any circumstances. MuniFin is also committed to adhere to the International Labour Organization (ILO) Conventions.

11. Uncertain situations and suspected misconduct

All MuniFin employees must adhere to the applicable laws, rules, regulations and guidelines.

Market conditions change on a daily basis, and MuniFin's operating environment may also change rapidly. In any situation where an employee is uncertain of how to act, they should seek advice from their supervisor, any representative of the MuniFin management, the Legal, Compliance and Operative Risks, or HR and assistants units.

MuniFin has an anonymous whistleblowing channel for reporting potential internal or external misconduct. All employees must report any potential breaches or misconduct. The whistleblowing channel makes it easy for employees and other stakeholders to report any wrongdoings by MuniFin. The whistleblowing channel can be accessed anonymously on the Company's website. The notification can be made anonymously on MuniFin's website. Each notification is investigated confidentially by an independent party. In addition, the number of reports and the types of misconduct are regularly reported to the senior management and Board.

12. Scope of application and violations

This policy must be applied throughout all MuniFin operations and interactions.

The MuniFin management is committed to developing, adopting, exercising and promoting the high ethical and professional standards specified in this policy. These standards apply to all MuniFin employees, including the Board and the executive management, and they must be observed in all day-to-day work and decisions. Supervisors are responsible for supporting their teams in this respect. MuniFin encourages its entire organisation to maintain open dialogue on ethical principles.

In addition to the applicable regulation and this policy, MuniFin management and employees are bound by any other internal policies and guidelines in place at MuniFin at any given time. Such internal policies and guidelines may not conflict this policy or lessen its effectiveness of application.

Any actions that violate this policy must be rectified immediately. MuniFin's directors, managers and Compliance and Operative Risks unit monitor adherence to this policy and ensure employee awareness, for example by providing training. However, all employees are obliged to report any non-compliance they notice. MuniFin has designated the Compliance and Operative Risks unit responsible for monitoring adherence to this policy and to maintain a process for assessing and rectifying any non-compliance. The results of this work are reported to the Board periodically.

Violating this policy may result in disciplinary action, which, in the most serious cases, can lead to the termination of the employment contract and/or personal legal responsibility. MuniFin is responsible for ensuring that any employee reporting a breach of this policy will not suffer negative work-related consequences as long as the employee has not been party to the breach. Breaches must be reported to the immediate supervisor, any representative of the MuniFin management, the Legal, Compliance and Operative Risks or HR and assistants unit, or persons responsible for compliance or HR. MuniFin's established anonymous whistleblowing channel may also be used for this purpose.