



## CODE OF BUSINESS CONDUCT AND ETHICS

### PURPOSE

The Code of Business Conduct and Ethics of Sound Financial Bancorp, Inc. (“Company”) is intended to deter wrongdoing and promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Avoidance of conflicts of interest, or the appearance of conflicts, including appropriate disclosure to supervisors of any material transaction or relationship that reasonably could be expected to give rise to a conflict;
- Full, fair, accurate, timely, and understandable disclosure in documents the Company files with, or submits to, the SEC and in all public communications made by the Company;
- Compliance with applicable governmental laws, rules and regulations;
- Prompt internal reporting to designated persons of violations of the Code; and
- Accountability for adherence to the Code.

### SCOPE

The Code applies to all Sound Financial Bancorp, Inc. directors and employees, including subsidiary and affiliate employees. The Code applies to all employee decisions and activities within the scope of employment or when representing the Company in any capacity. Employees acknowledge that they have reviewed the Code through the Bank’s payroll system.

All Company officers and directors should be familiar with the requirements of the Code, and should encourage employees to apply the Code to their daily activities and decisions, and to seek guidance from the appropriate individuals when additional information or explanation is needed.

Additional explanation regarding a particular provision of the Code or guidance for a specific situation, including whether a conflict or potential conflict of interest may exist, may be obtained through discussions with immediate supervisors. Additional guidance also may be obtained from the Human Resources Department or the Chief Executive Officer.

### REPORTING VIOLATIONS OF THE CODE

Any known or suspected violation of the Code, including actions or failures to act, must be promptly reported to management or the Chief People and Inclusion Officer. This includes violations or possible violations involving oneself, another employee (including officers), or a director. Any violation of law, rule or regulation applicable to the Company and/or corporate policy is also a violation of this Code. Violations of the Code may result in disciplinary action including, in severe situations, immediate termination of employment.

All concerns or complaints will be promptly investigated, and appropriate action taken. The Chief People and Inclusion Officer will document the results of the investigation in a report to the Board of Directors in order to ensure a fair process is utilized in determining whether a violation of the Code has occurred. No person expressing concerns or complaints will be subject to any disciplinary or other adverse action by the Company absent a knowingly false report. All concerns or complaints may be made anonymously and will remain confidential. Sufficient information is required to allow a proper investigation of concerns. The Company will retain a record of all concerns and complaints, and the results of its investigations, for five years.

Concerns regarding questionable accounting, internal accounting controls or auditing matters may be directed to the Chairperson of the Audit Committee by sending written notice to Audit Committee Chair, c/o Sound Financial Bancorp, Inc., 2400 3<sup>rd</sup> Avenue, Suite 150, Seattle, WA 98121.

## **PRINCIPLES AND STANDARDS OF CONDUCT**

One of the most valued assets of the Company is its reputation for integrity as determined by the personal conduct of its directors, officers and staff, and how that conduct may be perceived by the public. The ethical management of both personal and business affairs is most important to all directors and employees in order to avoid situations that might lead to a conflict, or even suspicion of a conflict, between personal interest and responsibility to the Company. An individual's position should never be used directly or indirectly for private gain, for advancement of personal interests or to obtain favors or benefits for oneself, customers, or suppliers.

The following is a statement of policy regarding standards of conduct expected from directors and employees of the Company and its subsidiaries in their treatment of confidential information, personal investments, gifts and fees, and outside activities.

### **Confidential and Insider Information**

Confidentiality is a fundamental principle of the financial services business. In the course of performing their duties, employees or directors may acquire confidential information. Confidential information includes all non-public information that might be of use to competitors or harmful to the Company or its customers, if disclosed. Confidential information, in any form, obtained through business or personal contacts with customers, prospective customers, suppliers, or other employees shall be used solely for the Company's purposes. Information reflecting favorably or adversely upon the current or future value of any business enterprise should not be used in any manner for personal gain or for advantage to a third party. This information must not be revealed to unauthorized persons or discussed with others within the Company unless their duties require this information. The use of confidential information submitted to the Company through any source about one customer to further the private interests of another customer is unethical and may be illegal.

Some specific examples of confidential information include:

- Personal, business, and financial information of the Company's customers and potential customers;
- Non-public business and financial information of the Company; personal information regarding any employee of the Company;
- Information related to, including the identity of potential candidates for mergers and acquisitions;
- Information regarding the Company's sales strategies, plans or proposals;
- Information related to computer software programs, whether proprietary or standard;
- Information related to documentation systems, information databases, customized hardware or other information systems and technological developments;
- Manuals, processes, policies, procedures, compositions, opinion letters, ideas, innovations, inventions, formulas and other proprietary information belonging to the Company or related to the Company's activities;
- Security information, including without limitation, policies and procedures, passwords, personal identification numbers (PINs) and electronic access keys;
- Communications by, to and from regulatory agencies; and
- Certain communications with or from attorneys for the Company, whether internal or external.

This caution on confidential information does not preclude releasing certain customer information when authorized by the customer or to the government when appropriate. The guidance of the Chief Human Resources Officer should be sought in all such cases. Disclosure of confidential information to attorneys, accountants and other professionals working on behalf of the Company, as well as regulatory examiners, may also be appropriate.

### **Personal Investments and Financial Affairs**

Directors and employees of the Company, like any other individuals, may make personal investments in corporate stock, real estate, etc. Such investments, however, shall not be made as a result of confidential information that is also material inside information obtained through an individual's position with the Company. Particular care should be taken with original or new stock issues.

Confidential information about the Company and its customers and suppliers acquired by directors and employees in the course of their duties is to be used solely for the Company's purposes and not as a basis for personal investment by directors and employees or their immediate families. In making personal investments, all directors and employees should be guided by a keen awareness of potential conflict. In addition, personal investments should not influence a director or employee's judgment or action in the conduct of the Company's business.

It is expected that all directors and employees will conduct their personal financial affairs in a manner that will not reflect adversely upon the Company or on their personal standing in the community.

### **Material Inside Information**

Generally, material inside information is defined as any information that is confidential in nature, and that a reasonable investor would likely consider important in deciding whether to buy, sell, or hold the Company's stock. The following types of information, if not generally known or publicly disclosed, should be considered material inside information and treated according to the provisions of this Code and the Company's Insider Trading Policy:

- Proposals or plans for mergers and acquisitions;
- Earnings estimates or results, whether for the month, quarter or year;
- Changes in dividends;
- New product innovation, development or implementation;
- Major litigation, adverse regulatory proceeding or material threat of either event;
- Significant operational issues, including changes in non-performing assets;
- Significant expansion of operations, whether geographic or otherwise, or the curtailment of current or future planned operations; and
- Any other information which, if known, would likely influence the decisions of investors.

### **Gifts and Fees**

It is illegal for anyone to offer or promise anything of value to an employee, officer, director or agent of a financial institution with the intent to influence or reward the person in connection with any business or transaction of the financial institution. It is also illegal for an employee, officer, director or agent of a financial institution to solicit or accept anything of value from any person intending to be influenced or rewarded in connection with any business or transaction of the financial institution.

No employee or director of the Company shall accept anything of value from a customer of the Company or a vendor to the Company other than the following:

- Gifts based on a family relationship or gifts of a reasonable value based on a personal relationship where that relationship is the obvious motivating factor for the gift;
- Advertising or promotional material with a value of less than \$100;
- Gifts with a value of less than \$200 related to commonly recognized events such as a promotion, religious holiday, wedding or retirement;
- Acceptance of customary hospitality (business luncheons, dinners, golf outings, ball games, etc.) where it is directly related to Company activities and provided that the expense would be paid for by the Company if not paid for by another party. Any entertainment beyond that scope or of a frequent nature must be pre-authorized by the CEO, CFO, or CHRO;
- Discounts or rebates on merchandise or services that do not exceed those available to other customers of the merchant; or
- Awards for recognition of service or accomplishment from civic, charitable, educational or religious organizations.

If an employee or director receives, or anticipates receiving, a benefit from a Company customer or vendor, and is unsure whether acceptance of the gift is in compliance with this policy, a written disclosure should be made to the Chief Human Resources Officer, who may approve the acceptance of the benefit if the acceptance is otherwise consistent with this policy.

Directors, employees and their immediate families should never borrow personally from customers or suppliers unless these entities are engaged directly in the lending business, and then only under normal conditions with respect to interest rates, terms, security, and repayment programs that are available to any borrower.

### **Outside Activities**

Outside activities that might constitute a conflict of interest or interfere with performance, or compromise a director's or employee's position, are to be avoided. Employee activities such as full-time outside employment; the rendering of investment, legal or accounting services; membership on corporate boards of directors; seeking of an elective political position; or appointment to government bodies should be reviewed and approved by Chief Human Resources Officer prior to such undertakings. As in the past, the Company continues to encourage active participation on the part of directors, officers and employees in service clubs and organizations fostering the betterment of the community, and the active use of various social memberships in maintaining a proper image of the Company within the community.

### **Compliance with Laws, Rules and Regulations**

All directors and employees of the Company are required to comply with the requirements of this Code, all policies of the Company and applicable laws, rules and regulations. Directors and employees must also comply with the procedures implementing and effectuating the Company's policies. Failure to comply with the Company's policies and procedures may result in disciplinary action including, in severe situations, immediate termination of employment.

### **Accounting Practices**

All employees are expected to observe and comply with generally accepted accounting principles, the system of internal controls and disclosure controls and procedures established by the Company requiring that corporate books and records accurately and fairly reflect in reasonable detail the financial condition and results of operations of the Company. Company policies are intended to promote full, fair, accurate, timely and understandable disclosure in reports and documents filed with or submitted to the SEC and in the Company's public statements. In furtherance of these requirements, employees must practice the following:

- No false, misleading or artificial entries shall be made on corporate books, records and reports for any reason.
- No undisclosed or unrecorded corporate funds or assets shall be established for any purpose.
- No payments from corporate funds or other assets shall be approved or be made with the intention or understanding that any part of such payment will be used for any purpose other than that described by the documents supporting the payment. All payments must be supported with appropriately approved purchase orders, invoices or receipts, expense reports or other customary documents, all in accordance with established policy.

**ADMINISTRATION**

This Code will be administered and monitored by Human Resources.

**WAIVERS**

Any requests for waivers of the Code for employees who are not executive officers should be directed through the employee's supervisor to Human Resources. Requests for waivers for directors and executive officers should be directed to the Board of Directors through the Corporate Secretary. Only a majority of the Board of Directors may waive the applicability of the Code for a director or executive officer. Any waiver granted to directors or executive officers, including the principal accounting officer, and the reasons for granting the waiver, and any change in the Code applicable to directors and executive officers, including the principal accounting officer, must be promptly disclosed to the public as required by law or the Nasdaq Stock Market, if applicable.

**DOCUMENT APPROVAL HISTORY**

This Document's Approval Date: April 24, 2023

Previous Approval Date: April 26, 2022

**DOCUMENT OWNERSHIP AND APPROVAL REQUIREMENTS**

Maintained by: Chief Executive Officer

Reviewed by: Executive Management

Approved by: Board of Directors

Review Cycle: As needed, but at least annually