

Social responsibility and sustainability policy

Ringkjøbing Landbobank's policy in the areas of social responsibility and sustainability is based on the bank's long-term position in the local communities in which it operates and on the bank's core values: competent, responsive and proper.

We want to be a responsible and value-creating bank that shows social responsibility through responsible financing and responsible investment etc.

We work to create good, long-term results for our shareholders and wish to contribute to creating a sustainable society, focusing on:

- Customers
- Employees
- Climate and environment
- Society – both the local communities of which we are a natural part and at national level.

We thus desire to be known by all our stakeholders as a **SOUND AND SOCIALLY CONSCIOUS** partner.

This social responsibility and sustainability policy is supplemented by and reflected in a number of other policies etc., which are also published at the bank's website. The following are the policies etc.:

- The bank's code of conduct
- The bank's anti-money laundering principles
- Information on the processing of your personal data in Ringkjøbing Landbobank
- Remuneration policy
- Responsible purchasing policy
- Policy for handling conflicts of interest in Ringkjøbing Landbobank
- Policy for integration of sustainability risks
- Privacy policy for shareholders etc.
- Policy for a sound corporate culture
- Tax policy

The social responsibility and sustainability policy is also supplemented by the bank's credit policy, data ethics policy, target figures and policy for the under-represented gender and policy for diversity on the board of directors.

The bank has joined the UN Global Compact. We also support the UN Sustainable Development Goals.

Customers

Ringkjøbing Landbobank is a relationship bank and we attach a high level of importance to personal contact and dialogue in the interaction with our customers. We always want to meet our customers as equals and at a personal and committed level.

We see it as our most important task to give our customers trustworthy and constructive advice and to earn their trust which is critical for the bank's success and, all things considered, our right to exist.

We will work to ensure

- that customers meet committed and competent advisers,
- that customers have easy access to the bank, its employees and the expert advice which we offer, and
- that customers perceive us as a trustworthy and sound partner.

We also wish to be a bank which offers our customers responsible financing. This will be achieved through the bank's credit policy and responsible creditworthiness assessment of the bank's customers to ensure that the customers have the means of repaying their loans and are not put in untenable financial situations.

We want to offer our customers a broad range of investment opportunities and concepts and we will also provide self-service solutions.

When managing investments for our customers, we also want to help them invest sustainably, which is achieved under the bank's policy for integration of sustainability risks.

Employees

In Ringkjøbing Landbobank, we want our employees to enjoy attractive terms and possibilities – irrespective of gender, gender identity and perception, age, nationality, race, ethnic origin, any disabilities, sexual orientation, religion and/or political allegiance.

We work actively to create the framework for a good and challenging working life by

- ensuring a good and attractive workplace for all employees,
- ensuring employees a healthy working environment, physically as well as socially,
- ensuring a constant focus on employees' professional development,
- supporting initiatives which promote health and wellbeing at the workplace,
- ensuring employees equal access both to personal development and to management opportunities regardless of gender,
- ensuring flexibility in the employees' work situation,
- maintaining the best possible relations with relevant employee organisations,
- paying our employees equal salary for equal work, responsibility, and performance irrespective of gender, and
- maintaining a remuneration policy without any form of incentive payments and variable components for the board of directors and general management.

In specific terms, we have

- a wish to provide ongoing education and in-service training for our employees,
- at least an annual development interview with each employee, where the employee's wishes concerning development and the need for professional development are discussed,
- a health policy which means among other things that all employees have health insurance,
- a policy for older employees which permits tailor-made agreements for the benefit of both the individual employee and the bank,
- a policy to minimise stress – among other things in consultation with a psychologist,
- attractive parental leave possibilities for both the birth-giving and the non-birth-giving parent through a collective agreement entered into,
- an offer to our employees to examine their workplaces periodically,
- a wish to prevent problems by providing advice and guidance to our employees and branches as needed with a view to helping individual employees with optimal handling of their daily IT tools,
- a staff association which arranges regular social and cultural events for which the bank provides an annual subsidy, and a professional staff association which will safeguard the employees' professional interests, and
- a whistleblower scheme in accordance with applicable legislation.

Climate and environment

Ringkjøbing Landbobank seeks to minimise its environmental impact and related risks.

The bank wishes

- **To** adopt targets for the carbon intensity of the bank's loan portfolio, as well as the investments made on behalf of customers and the bank's own securities portfolio
- **To** reduce the bank's own negative effect on the environment via a continuous focus on reduction of the bank's resource consumption and regular assessment of the possibilities of alternative and energy-saving initiatives
- **To** increase our employees' environmental awareness and expertise, and
- **To** continue to develop our loans for climate-friendly and sustainable energy including wind turbines and other environmentally friendly technologies.

Transition plan, targets and carbon reduction initiatives for loans and investments (scope 3)

In December 2023, the bank's board of directors decided to prepare a transition plan and to establish quantitative targets and qualitative initiatives to reduce carbon emissions – CO₂ equivalents – for both loans and investments.

Of the bank's total carbon emissions, scope 3 emissions are the most significant and thus the bank's main focus.

Targets generally apply to downstream emissions. The targets are based on the Paris Agreement's goal of limiting the global temperature rise to less than two degrees and of striving to limit the temperature rise to 1.5 degrees. The EU has put the Paris Agreement into practice by adopting targets to reduce carbon emissions in the EU by at least 55% by the end of 2030, compared to the 1990 level and to achieve climate neutrality by 2050.

The bank has set its targets to be consistent with the EU's carbon reduction target of 55% in the period 1990-2030. Reductions already achieved at EU level from 1990 to 2020 were taken into account in the targets.

The bank's targets are intensity-based, as the bank does not consider it possible to set valid absolute targets. The bank thus wishes to contribute to the green transition and the transition which both businesses and individuals must help to achieve. Setting absolute targets will be influenced by the general economic trend. The bank's organic growth strategy will influence the bank's loan portfolio as well as the portfolio of investments on behalf of the bank's customers and the bank's own portfolio.

Given the bank's size and sector composition, the bank judges that it is not possible to set actual sector-specific targets.

Transition plan and targets for loans

The bank wishes to achieve a 45% reduction of the carbon emission intensity of its loan portfolio by 2030 compared to 2020.

The basis of emission intensity for 2020 is 9.88 tonnes of CO₂ per DKK 1 million loan and the target for 2030 is thus 5.43 tonnes of CO₂ per DKK 1 million loan.

The EU has decided that anticipated absolute carbon emissions must also be stated when publishing a target. With 2020 as the base year and assuming 5% growth p.a. in the bank's loans from 2020 to 2030, this is equivalent to absolute carbon emissions totalling approximately 295,000 tonnes of CO₂ in 2030.

The bank wishes to achieve a carbon-neutral loan portfolio by 2050.

The above quantitative targets are supplemented by the following qualitative initiatives and targets:

- By 2025, the bank must have had a dialogue on climate strategy with the biggest agricultural customers, who account for 70% of the bank's financed emissions in the agricultural sector
- By 2025, the bank must have had a dialogue on climate strategy with all other major customers of significance to the bank's total financed emissions*.

* Customers of significance to the bank's financed emissions are defined as customers whose carbon emission intensity exceeds the bank's average carbon emission intensity for business customers excluding agricultural customers.

Transition plan and targets for investments

The bank wishes to achieve a 50% reduction of the carbon emission intensity of its investment portfolio by 2030 compared to 2020.

The basis of emission intensity for 2020 is 9.66 tonnes of CO₂ per DKK 1 million invested and the target for 2030 is thus 4.83 tonnes of CO₂ per DKK 1 million invested.

The EU has decided that anticipated absolute carbon emissions must also be stated when publishing a target. With 2020 as the base year and assuming 5% investment growth p.a. from 2020 to 2030, this is equivalent to absolute carbon emissions totalling approximately 152,000 tonnes of CO₂ in 2030.

The bank wishes to achieve a carbon-neutral investment portfolio by 2050.

The above quantitative targets are supplemented by the following qualitative initiatives and goals:

- In the coming years the bank wishes to develop further tools/IT aids for controlling the investment portfolios, including incorporation of carbon emissions into the bank's investment portfolio
- The bank has a goal of allocating an ESG score to all customers
- The bank wishes to develop products with the business partner BankInvest to support the customer's requirements.

Data quality

The bank's carbon statements are based mainly on figures from Statistics Denmark and MSCI. The statements are thus model-based and consequently highly uncertain.

The bank's goal is to improve the data quality over the coming years by collecting data from customers etc.

Goals for scopes 1 and 2

Carbon emissions from the bank's operations are marginal, but as a responsible financial institution, the bank's goal is to ensure carbon-neutral operation of the bank in terms of scopes 1 and 2 emissions.

The bank owns a forest, which captures carbon almost equal to the bank's emissions.

The bank naturally also wishes to reduce our own negative effect on the environment via a continuous focus on reduction of the bank's resource consumption and regular assessment of the possibilities of alternative and energy-saving initiatives.

The local community

Ringkjøbing Landbobank was founded in 1886. It has grown substantially since, organically and through mergers, including with Nordjyske Bank in 2018.

Although we now have activities throughout Denmark – mainly in West, Central and North Jutland – we remain a local bank with strong roots in the local communities where we are physically represented under the two brands Ringkjøbing Landbobank and Nordjyske Bank.

With our position in the different local areas, we naturally wish to support their development locally, and will therefore use our thorough knowledge of the different local areas, their residents and businesses and business people to combine the responsible granting of credit and honest and competent advice mainly for the benefit of our customers, but also of the local areas.

We thus see it as our role to be a major and responsible partner in the financing of local business.

Given that we wish to be an integral part of our local communities, we play an active role in them, and the bank's wish and goal are to contribute to our local communities' development at both cultural and social levels.

We do this by supporting local sporting and cultural life in the areas we serve, because both sporting and cultural experiences create solidarity and contribute to a healthy and interesting life.

Specifically, we wish to support a wide range of associations in the local communities in which we are present.

Danish society

Ringkjøbing Landbobank wants to contribute positively to the development of Denmark and of a sustainable society.

As a business, we work with the Danish financial sector to secure a financial infrastructure in Denmark, and with the Danish authorities we contribute to ensuring financial stability, create transparency and facilitate public tasks within tax reporting, monitoring of money-laundering and digitalisation. We thus support the authorities' combating of crime.

We work closely with the authorities to ensure responsible financing in society through the Export and Investment Fund of Denmark, the Nordic Investment Bank, The European Investment Fund and the German KfW Bankengruppe.

In addition, we wish to have close ties with a number of educational institutions and to participate actively in the education of trainees in the financial sector. We also work to give students at post-compulsory level a basic financial understanding.

As a bank we also contribute to society with considerable corporation tax and payroll tax payments.

Approved by the board of directors of Ringkjøbing Landbobank on 20 December 2023.