

# ESG Fact Book

Updated March 2023



Ringkjøbing  
**Landbobank**

## Table of contents

Introduction.....	3
Financial key figures .....	4
Ten Principles under the UN Global Compact and the UN Sustainable Development Goals .....	4
Environment .....	5
E – Our workplace.....	5
E – Our business .....	6
E – Targets .....	8
Social.....	9
S – Our workplace.....	9
S – Our customers .....	13
S – Our business.....	18
Governance .....	19
G – Our workplace .....	19
G – Our customers.....	24
G – Our business.....	24

## Introduction

Ringkjøbing Landbobank's annual Environmental, Social and Governance (ESG) report focuses on selected subjects in more detail and presents ESG key figures. This Fact Book should therefore be read as a supplement to the ESG report.

It presents data in a more compact and clear form and beyond the scope of the ESG report.

Conversely, the ESG report deals with subjects that do not lend themselves to the fact book style of presentation. For example, the ESG report reviews the bank's ownership of Sæbygård forest (owned via its subsidiary Sæbygård Skov A/S), which in fact more than covers the bank's CO<sub>2</sub> emissions. In addition, the forest has great recreational value for local residents.

Our collection and presentation of ESG-related key figures are in many ways still in the making and we continue to develop and refine our methods of statement and calculation. This means that some sections of the Fact Book are only descriptions of the bank's initiatives. In the longer term, we hope to be able to quantify our reporting in these areas. For the same reason, we do not report the bank's Scope 3 emissions at this stage, except those from the bank's loan portfolio and investments.

Since 2021, Ringkjøbing Landbobank has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment, and anti-corruption. We also support the UN Sustainable Development Goals.

It should be noted that the bank has no subsidiaries or associated companies conducting banking operations. The bank's ESG guidelines also apply to Sæbygård Skov A/S.

## Financial key figures

Ringkjøbing Landbobank key statistics	2022	2021	2020	2019	2018	2017
FTE employees, end of period	646	626	612	652	674	276
Loans (DKK million)	48,342	41,179	36,241	35,465	33,350	19,351
Core income (DKK million)	2,862	2,433	2,179	2,117	1,591	1,019
Expenses etc. (DKK million)	891	817	788	805	632	334
Impairment charges for loans (DKK million)	-2	-79	-223	-100	-81	-10
Profit before tax (DKK million)	1,880	1,538	1,144	1,245	813	735
Net profit for the year (DKK million)	1,495	1,229	920	978	663	589
Return on equity after tax (%)	16.6	14.6	11.7	13.2	12.1	16.0
Tier 1 capital ratio	17.4	17.6	17.5	14.7	15.0	16.5
Total capital ratio	21.6	22.3	21.1	20.0	18.8	17.8
MREL capital ratio	28.9	27.8	26.7	27.3	25.2	-

See also [the annual reports](#) on the bank's website.

## Ten Principles under the UN Global Compact and the UN Sustainable Development Goals

The bank's work with the Ten Principles under the UN Global Compact	Please see <a href="#">the ESG report</a> for 2022.
The bank's support of the UN Sustainable Development Goals	Please see <a href="#">the ESG report</a> for 2022.

## Environment

### E – Our workplace

#### CO<sub>2</sub> distribution by source

The table below shows the distribution of direct and indirect emissions for Ringkjøbing Landbobank by relevant sources/types.

Emissions are divided into the following two categories:

- Scope 1 – Direct greenhouse gas emissions from sources such as our cars' fuel consumption.
- Scope 2 – Indirect emissions from our consumption of electricity and heating (district heating and natural gas).

	CO <sub>2</sub> (tonnes)	Comment
<b>Scope 1</b>		
The bank's cars	55.6	Data from the ESG report for 2022.
<b>Scope 2</b>		
Electricity	0.0	Data from the ESG report for 2022. We only purchase electricity generated by wind turbines.
Heating (district heating and natural gas)	129.7	Data from the ESG report for 2022.
<b>Total scope 1 and 2</b>	<b>185.3</b>	
Climate compensation/carbon sequestration	300.0	Data from the ESG report for 2022. Ensured by purchasing certified climate credits.
<b>Emissions in 2022</b>	<b>-114.7</b>	The bank is thus carbon-neutral.

CO <sub>2</sub> (tonnes)	2022	2021	2020	2019
<b>Scope 1</b>				
The bank's cars	55.6	57.9	63.0	29.2
<b>Scope 2</b>				
Electricity	0.0	0.0	0.0	0.0
Heating (district heating and natural gas)	129.7	177.5	220.4	307.4
<b>Total scope 1 and 2</b>	<b>185.3</b>	<b>235.4</b>	<b>283.4</b>	<b>336.6</b>
Climate compensation/carbon sequestration	300.0	300.0	300.0	0.0
<b>Total emissions</b>	<b>-114.7</b>	<b>-64.6</b>	<b>-16.6</b>	<b>336.6</b>

	2022	2021	2020	2019
Energy consumption (GJ)	14,275	14,990	15,631	19,583
Renewable energy, in %	77.8	78.0	66.5	69.0
Purc. energy from the grid, in %	100	100	100	100
Consumption of electricity (GJ)	5,244	5,592	5,821	
Renewable electricity, in %	100	100	100	
Water consumption (m <sup>3</sup> )*	4,085	3,462	3,076	4,023

\* Water consumption and water discharge are assumed to be identical.

**E – Our business**

	Data	Comment
<b>Responsibility</b>		
Managerial responsibility	✓	The bank's CEO has day-to-day responsibility for ESG-related matters.  The board of directors has overall responsibility.
<b>Investments</b>		
<p>Ringkjøbing Landbobank is subject to the rules of the Disclosure and Taxonomy Regulations. The regulations aim to give the customers better sustainability-related information on investment products and services. The regulations specify the information we are required to disclose to our customers as part of our advisory service and trading in investment products and services.</p> <p>In response to these requirements, we have prepared a number of policies, which can be found on the bank's website. In addition, the bank has procedures to support and guide its employees. The investment advisers have received supplementary training in the rules.</p> <p>The bank's finance department has worked with the bank's investment partners to categorise the investment products offered by the bank according to the three types given in the disclosure regulation: article 6, article 8 and article 9 products. Article 6 products have no particular environmental or social aspects and do not target sustainable investments, whereas article 8 products promote environmental and social characteristics and integrate them into the investment decision, and article 9 products have a sustainable investment objective.</p>		
Integration of sustainability risks	✓	The bank has a <a href="#">Policy for integration of sustainability risks</a> , which describes the ESG risks that are associated with and can affect our customers' investments.
Assets not covered by the Taxonomy Regulation.	81.2%	Data for 2022. Please refer to the descriptions in the bank's <a href="#">ESG reports</a> (included from 2021).
Total CO <sub>2</sub> e emissions from the holding of investment products (tonnes)	58,255	Data for 2022. For more detailed definitions and information, please refer to the descriptions in the bank's <a href="#">ESG reports</a> (included from 2021).
Total CO <sub>2</sub> e emissions from the holding of investment products per invested million Danish kroner (tonnes)	3.12	Data for 2022. For more detailed definitions and information, please refer to the descriptions in the bank's <a href="#">ESG reports</a> (included from 2021).
Investment funds focusing on sustainability	✓	Ringkjøbing Landbobank offers investment funds focusing on sustainability and responsible investments in partnership with BankInvest. See <a href="http://bankinvest.dk/bæredygtighed">bankinvest.dk/bæredygtighed</a> (in Danish) for further details.
<b>Lending</b>		
<p>In 2022, the bank reported on carbon emissions from its loan portfolio for the first time. The statement is based on models and the bank expects a gradual transition to company-specific emission data in the long term. Ringkjøbing Landbobank thus complies with the relevant recommendations prepared and</p>		

<p>published by the Forum for Sustainable Finance. The Forum’s work supplements the Taxonomy Regulation.</p> <p>The bank will continually provide further training to its employees, further develop models, and adjust its policies and procedures to ESG matters.</p> <p>The work is described in more detail in the bank’s <a href="#">ESG reports</a> (included from 2021).</p>		
Assessment of ESG risks on lending	✓	Assessing whether our customers are associated with or exposed to particular ESG risks is part of our credit assessment/preparation of the recommendation for a loan. ESG risks are also included in the assessment of the loan values of assets provided as collateral security.
Central credit risk assessment of ESG risks	✓	When reviewing recommendations for loans, the bank’s central credit department also assesses ESG risks. The review is risk-based, which means that the focus is on industries/undertakings with a high ESG impact. Loan recommendations with high ESG risk are escalated to the bank’s credit committee.
Financing of sustainable energy	✓	Ringkjøbing Landbobank has granted finance for sustainable energy for many years and today specialises in financing the construction and operation of wind and solar farms and biogas plants.
Financing of agriculture	✓	With roots in West and North Jutland, it is natural for the bank to finance agriculture. Financing of agriculture is only a small part of the loan portfolio, however, and lending is subject to the same conditions for ESG risks as the rest of the portfolio.
Financing buildings (EPC A and B)	✓	Ringkjøbing Landbobank offers loans, directly and via partners, to build, renovate and buy new or existing buildings with all energy performance certificates (EPC). At present no special advantages are attached to financing of buildings with specific EPCs.
Financing low-emission transportation	✓	Ringkjøbing Landbobank offers car loans on attractive terms for electric, hydrogen or plug-in hybrid cars. See <a href="#">Green car loan</a> (in Danish).
Excluded sectors	✓	Ringkjøbing Landbobank has excluded a number of sectors to which no loans are offered. These sectors are: <ul style="list-style-type: none"> <li>- Fossil fuel extraction and production including coal mines</li> <li>- Nuclear energy</li> <li>- Arms and defence industry</li> <li>- Tobacco industry</li> </ul>
Energy efficiency loans	✓	Ringkjøbing Landbobank offers loans for improvement of energy efficiency, e.g. replacement of oil and gas burners, in part in collaboration with Totalkredit. An

		energy efficiency check of the home is also offered at favourable prices. See <a href="#">Energy calculator</a> (in Danish).
Reduction of domestic CO <sub>2</sub> emissions	✓	In partnership with Totalcredit, Ringkjøbing Landbobank has launched an energy calculator that can calculate any energy savings from renovating or improving a property. See <a href="#">Energy calculator</a> (in Danish).
<b>Bond programmes</b>		
EMTN programme	✓	The bank has had an EMTN programme since 2008. For further information, please see <a href="#">the bank's website</a> .
Green bonds	✓	In 2022, the bank has established a <a href="#">Green Bond Framework</a> and can now issue green bonds. The programme has been verified by <a href="#">Sustainalytics</a> .

## E – Targets

Activity	Target	Status
The bank will compensate for its CO <sub>2</sub> emissions (scopes 1 and 2) by buying certified climate credits	100%	In 2022, the bank bought credits covering 300 tonnes, equivalent to 162% of the bank's emissions.  Carbon sequestration in Sæbygård Skov forest must be added to this.
The bank's electricity consumption must come from renewable energy sources	100%	In collaboration with Scanenergi, the bank has ensured that the electricity it consumes comes from wind turbines.
Reduction of emissions from investments	✓	Ringkjøbing Landbobank published CO <sub>2</sub> emissions from investments for the first time in 2021. See the bank's ESG reports.  At 31 December 2022 emissions had decreased to 58,255 tonnes from 98,817 tonnes at 31 December 2021, equivalent to a decrease of 41.6%.  The bank regards the statement of CO <sub>2</sub> emissions from investment activities as the first of several steps towards reducing CO <sub>2</sub> emissions. The bank will use the statement as a guideline for the further work of identifying possibilities of decreasing negative and increasing positive effects.  As more data measurement points become available, they can form the basis for setting percentage reductions or similar targets.
Reduction of emissions from loans	✓	The bank published CO <sub>2</sub> emissions from loans for the first time in 2022. See the bank's <a href="#">ESG reports</a> .  The bank regards the statement of CO <sub>2</sub> emissions from lending activities as the first of several steps towards



		<p>reducing CO<sub>2</sub> emissions. The bank will use the statement as a guideline for the further work of identifying possibilities of decreasing negative and increasing positive effects.</p> <p>The quality of the model-based statement is expected to improve as more of the bank's customers state their actual CO<sub>2</sub> emissions and disclose them to the bank.</p> <p>As more data measurement points become available, they can form the basis for setting percentage reductions or similar targets.</p>
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## Social

### S – Our workplace

	Data	Comment
<b>Employees</b>		
Number of employees/FTE (average)	641	Includes hourly paid employees. Data for 2022.
FTE workforce	646	Includes hourly paid employees. Data at the end of 2022.
<b>Training and development</b>		
Job-specific development training programmes	✓	<p>The bank places great emphasis on having well-educated, skilled employees as this contributes to good customer service.</p> <p>We therefore continually organise the training of our employees to ensure we comply with legislation and procedures in job-specific areas (for example, all employees receive training in the bank's code of conduct, investment advisers receive training in good practice for investment etc. and customer advisers receive training in good practice for lending etc.). Certification and tests are part of the ongoing training.</p>
Managerial development training	✓	<p>HR supports training of the bank's managers through our own training academy and selected external providers. This investment is of great value to the bank, which has a flat management structure. Good management in the individual departments and teams is therefore very important.</p> <p>In 2020 and 2021, the bank ran a longer-term training programme for all its managers. The training programme is continually followed up and expanded.</p>

		The bank's managers are generally graduates, at bachelor level or higher.	
Talent development, finance students and trainees	✓	The bank's strategy is to select, employ and train young people from local business schools etc.  During employment, we also develop the individual employee's skills through our own training academy and selected external providers, including the Universities of Aarhus, Aalborg, and Southern Denmark. All students of finance and economics employed by the bank thus receive training to bachelor level.	
Ensuring training and education	✓	The bank pays tuition fees and pays for the textbooks for its employees' training. Salaries are also paid for time spent in education during working hours, but not for training time outside working hours.	
Number of finance students and trainees employed (in the process of training)	31	Data at the end of 2022.	
<b>Job satisfaction</b>			
Job satisfaction survey	✓	Ringkjøbing Landbobank carries out an annual job satisfaction survey to map employee satisfaction on a range of topics.  The most recent survey in spring 2022 again showed an increase from an already high level.	
Scale 1-10	2022	2021	2020
Employee average score	8.7	8.0	7.9
Job appraisal reviews	✓	Job appraisal reviews are held annually between the employees and their managers to evaluate the previous year and discuss and determine the desired future development.  Six months after the reviews, follow-up interviews are held to evaluate the goals, strategies and requests determined in the reviews.	
Health policy	✓	Ringkjøbing Landbobank offers all employees advice from external providers on a number of health-related subjects such as quitting smoking, diet and weight loss. A stress reduction and management plan is also offered.  This collaboration ensures quick, professional, and unified handling.	
Employee benefits	✓	<b>Health and dental insurance</b> All employees are covered by both health and dental insurance. Please see the <a href="#">Standard collective agreement 2020-2023</a> for details.	

		<p><b>Healthy refreshments scheme</b> Free fruit and vegetables, coffee, and tea and, in the morning, freshly baked bread are available to all employees.</p> <p><b>Holiday cottage</b> All employees can rent a holiday cottage owned by the bank on favourable terms.</p>
Prevention and treatment of stress and other psycho-social issues.	✓	Ringkøbing Landbobank has relevant tools to prevent such issues and offers external treatment programmes as necessary.
Safety precautions for employees	✓	For the protection of employees, Ringkøbing Landbobank has an (internal) safety manual describing the overall framework and principles of physical and psycho-social safety.
Grievance reporting	✓	<p>The employees are encouraged to report it if they are exposed to any physical or psychological incidents, bullying etc. HR handles the reports.</p> <p>Please also see the <a href="#">Code of conduct for Ringkøbing Landbobank</a> and the section on the whistleblower scheme.</p>
Employee turnover ratio	10.4	Data for 2022. Please see the bank's <a href="#">ESG reports</a> for comparative figures.
Sickness absence	7.4	Average number of sickness days per FTE for 2022. Please see the bank's <a href="#">ESG reports</a> for comparative figures.
<b>Work-life balance</b>		
Possibility of leave	✓	<p>The employees are of course entitled to statutory types of leave such as maternity/paternity leave. The bank also provides the opportunity to take 12 weeks paid child-care leave.</p> <p>Other types of leave are agreed individually and employees with more than 5 years' seniority are entitled to up to 6 months' unpaid leave.</p>
Possibility of part-time	✓	To the extent that it's practically possible and compatible with the person in question's position, the bank is flexible in relation to the options for a part-time position/reduced working hours.
Possibility of remote work/daily flexibility	✓	Many employees can connect to the bank's systems from home to ensure flexibility in their daily lives.
Overtime	✓	Overtime cannot always be avoided.

		Employees who work overtime take time off in lieu later or receive overtime pay, depending on individual agreements.
<b>Diversity</b>		
Average age of employees (years)	45.3	Data at the end of 2022.
Average seniority of employees (years)	13.9	Data at the end of 2022.
Share of women in workforce (%)	46.9	Data at the end of 2022. Please see the bank's <a href="#">ESG reports</a> for comparative figures.
Women in management positions (%)	20.0	Data at the end of 2022. This corresponds to 11.8 FTE out of a total of 58.8 FTE. Please see the bank's <a href="#">ESG reports</a> for comparative figures and definitions.
Women in general management (%)	0.0	Data at the end of 2022.
Women on board of directors (%)	25.0	Data at the end of 2022. Please see the bank's <a href="#">ESG reports</a> for comparative figures.
Women on shareholders' committee (%)	22.0	Data at the end of 2022.
Non-discrimination	✓	All suitable candidates are considered when filling vacancies regardless of gender, age, ethnicity, religion etc. No form of discrimination is accepted in everyday business.
<b>Employment, salaries and wages</b>		
Employee share ownership scheme	✓	All permanent employees have the option of acquiring shares in the bank under a gross wage scheme.
Freedom of association and the right to collective bargaining	✓	Please see the <a href="#">collective agreement entered into</a> (in Danish) between the Danish Employers' Association for the Financial Sector and Financial Services Union Denmark regarding salary and employment conditions for banks and mortgage credit institutions. See also <a href="#">the bank's Code of conduct</a> .
Employees covered by the collective agreement	✓	The employees are either covered by the collective agreement between the Financial Services Union and the Danish Employers' Association for the Financial Sector, or they have terms in their contract referring to the collective agreement.  The collective agreement describes fundamental employee rights and deals with matters such as working hours, holidays, sickness etc.
Number of FTE total	646	Data at the end of 2022.
Number of FTE full-time	642 (99%)	Data at the end of 2022.
Number of FTE hourly-paid	4 (1%)	Data at the end of 2022.
Number of full-time employees	660	Data at the end of 2022.
Number of hourly-paid employees	22	Data at the end of 2022.

Direct employment	100%	The bank only uses directly employed staff.
Gender pay ratio (times)	1.25	The bank gives equal pay for equal work. Differences in the average pay for men and women therefore result from differences in gender representation in different types of jobs – including as managers.

## S – Our customers

	Data	Comment
Consumer protection/good practice	✓	<p>In Denmark, consumers' basic rights are protected by regulation. A range of industry-specific executive orders and guidelines on good practice etc. also contribute to protecting the rights of consumers. See for example the <a href="#">Executive order on good practice for financial undertakings</a> (in Danish) and the <a href="#">Guideline for the executive order on good practice</a> (in Danish).</p> <p>In addition, private consumers are entitled to submit complaints to the Danish Financial Complaint Board at negligible cost.</p>
Data protection	✓	<p>All employees have completed relevant mandatory courses on data protection (GDPR). Please also see the <a href="#">Code of conduct for Ringkjøbing Landbobank, Personal data policy for shareholders etc.</a> and <a href="#">Processing of personal data</a>. The above and the bank's internal privacy policy cover all of the bank's business areas/operations.</p> <p>The bank places great emphasis on ensuring control and protection of personal and sensitive data. See below under "IT and access security" for further descriptions.</p>
Data ethics	✓	<p>The bank has adopted a data ethics policy which provides the framework for the bank's ethical principles and conduct in relation to data.</p> <p>The bank publishes an annual statement on its work and policy on matters of data ethics. See <a href="#">the bank's website</a>.</p> <p>Please also see page 40 of the bank's <a href="#">annual report for 2022</a>.</p>
Minimising data collection, use and storage	✓	<p>The bank collects, uses and exchanges only data required by law or for which consent has been given.</p> <p>The customers always have the right of access to the data collected about them and the right to have their data rectified if they contain errors.</p>

		<p>The data are deleted when a customer relationship ends, unless a longer storage period is required by law.</p> <p>The bank thus follows the applicable GDPR rules.</p>
GDPR governance structure	✓	<p>The bank's DPO in the department for anti-money laundering and operational risk is responsible for monitoring and dealing with GDPR issues. This ensures uniform, high-quality compliance. In practice, follow-up on this obligation takes place in partnership with the individual departments.</p> <p>The bank has introduced ongoing monitoring to ensure that data are only processed by relevant persons for work-related purposes.</p>
Securing private data	✓	<p>The Danish national identification and security system, <a href="#">Mit-ID</a>, must be used to secure our customers' private data when they log into mobile and online banking.</p> <p>Users of the bank's website have the option of minimising the number and scope of cookies, and customers using the mobile banking app can define their own data collection permissions.</p>
IT and access security	✓	<p>The bank has introduced policies and procedures to ensure correct processing of data regarding customers, employees, and other partners. The policies and procedures also help to ensure that no adverse events occur. The bank's board and general management have the overall responsibility on IT security areas etc.</p> <p>The bank does not itself operate an IT infrastructure but has centralised all IT with Bankdata. Bankdata ensures that all IT installations are maintained and updated, and a Tiber-dk test of cyber security is performed twice a year.</p> <p>IT installations and processes at Bankdata are checked on an ongoing basis in accordance with the ISO standards and the requirements of the Danish Executive Order on Outsourcing for Credit Institutions etc. and Annex 5 of the Danish Executive Order on Management and Control of Banks etc., and monthly reports are sent to all member banks. The bank also follows up itself on compliance with the Executive Order on Outsourcing and Annex 5 of the Executive Order on Management and Control of Banks. The bank's IT department is responsible for continually monitoring outsourced IT activities and reporting on them to the bank's board of directors and general management.</p>

		<p>Moreover, Bankdata’s systems are audited on an ongoing basis by Bankdata’s internal and external auditors.</p> <p>In addition, the bank’s general IT security, including IT policies, is audited by the bank’s internal audit function, which is assisted by IT auditors from the bank’s external auditors every three years.</p> <p>To prevent abuse of our customers’ funds and data, Ringkjøbing Landbobank has a comprehensive set-up with strict access controls for internet and mobile banking and other customer systems.</p> <p>Access requirements and controls are also in place for the bank’s systems. Login from external devices always requires two-factor authentication and access is only given through the bank’s Citrix installation.</p> <p>The bank’s systems also ensure encryption of data when exchanging data with both internal and external parties.</p>
Incident reporting and data breaches	✓	<p>If data security is breached, the bank’s DPO is involved immediately. The DPO informs the affected customers and, if required, submits a report to the Danish Data Protection Agency.</p> <p>In addition, any incidents and how they were handled are reported to the board of directors regularly and at least annually.</p>
Monitoring of anti-money laundering	✓	<p>The bank’s department for anti-money laundering and operational risk continually monitors customer transactions, and all the bank’s employees are obliged to pay attention to patterns of customer activity and changes to these patterns. If any changes are identified, all employees are obliged to report them to the department for anti-money laundering and operational risk.</p> <p>The bank’s monitoring model is risk-based, and customers are classified and given a risk score. The bank has initiated increased monitoring and review of customers with a high risk score and of transactions to and from high-risk countries.</p> <p>Please also see pages 39-40 of the bank’s <a href="#">annual report for 2022</a>.</p>
Responsible marketing	✓	<p>Ringkjøbing Landbobank gives customers thorough advice on the risks associated with the bank’s products,</p>

		e.g. loans and <a href="#">investments</a> ; this is also a <a href="#">Good practice</a> (in Danish) requirement. In addition, the bank's <a href="#">price list</a> (in Danish) is available on the website.
Review of new and existing products and services	✓	<p>New and significantly changed products and services are reviewed and approved continually.</p> <p>The relevant departments, with the involvement of the bank's risk and compliance functions, make proposals for new and significantly changed products and services. These proposals are then submitted to the general management and last to the bank's board of directors for final review and approval. In this way, the board of directors is fully involved in approving new and significantly changed products and services.</p> <p>In addition, existing products and services are reviewed at least every three years. This is also reported to the board of directors.</p> <p>At least once a year, the board of directors is informed of the sales of investment products etc. This information is given in reports from the compliance function.</p> <p>Please also see page 40 of the bank's <a href="#">annual report for 2022</a>.</p>
Responsible investment	✓	<p>In Ringkjøbing Landbobank it is possible to invest <a href="#">responsibly</a> (in Danish) and <a href="#">sustainably</a> (in Danish).</p> <p>See also the bank's <a href="#">Policy for integration of sustainability</a> and <a href="#">ESG-reports</a> for further details.</p>
Responsible and sustainable investment policy	✓	Please see Ringkjøbing Landbobank's <a href="#">Policy for integration of sustainability</a> .
Responsible sales methods	✓	<p>Naturally, Ringkjøbing Landbobank follows legislation in the area: see <a href="#">Executive order on good practice for financial undertakings</a> (in Danish) and <a href="#">Executive order on good practice for mortgage lending</a> (in Danish), which specify, among other things, that financial undertakings may not use misleading or incorrect statements or omit important information if this is likely to materially distort the clients' economic decisions in market practice.</p> <p>In addition, all the bank's advisers are educated and certified in the granting of mortgage credit, insurance intermediation, and investments.</p>



		Finally, we embody Ringkjøbing Landbobank’s core values: competent, responsive, and proper. These values are formalised in our <a href="#">Code of conduct</a> .
Training of customers	✓	It is a requirement in Denmark that advice on pensions, mortgage lending, insurance, investment etc. must enable customers to make informed choices based on their own situation and finances. In certain areas, the customers must acknowledge that they have received advice.  Advice to customers thus involves training of customers.
Pay linked to sales targets	No	The paramount rule is that no variable remuneration is paid which depends on meeting sales targets. See <a href="#">the bank’s remuneration policy</a> for further information regarding the bank’s management and major risk-takers.
Customer retention ratio	91.5%	Data for 2022.  The bank also considers the result of the largest survey of customer satisfaction etc. in Danish financial institutions to be an adequate assessment of customer satisfaction with the bank. The survey is carried out by Voxmeter.  In the January 2020, January 2021, January 2022 and January 2023 surveys, the bank is placed in the top half of this scale.  Please see the bank’s <a href="#">ESG reports</a> .
Customer complaints	✓	The bank aims to resolve problems and disagreements through dialogue. If this is not possible, the bank’s customers may complain here: <a href="#">Complaints procedure</a> (in Danish).  Please also see page 41 of the bank’s <a href="#">annual report for 2022</a> .
Independent complaints function	✓	Ringkjøbing Landbobank has an independent complaints function which handles complaints that cannot be resolved by the department which served the customer (the customer’s adviser and the adviser’s manager). The complaints function is also available to stakeholders who are not customers in the bank.  The board of directors regularly receives reports on the status of major complaint cases etc. and an annual report covering all complaint cases.  Please also see page 41 of the bank’s <a href="#">annual report for 2022</a> .

Cases before the Danish Financial Complaint Board	5	Historical average over the last 6 years (2017-2022).
Number of complaints received and handled by the bank's complaints manager	75	Data for 2022. This figure does not include cases submitted to the Danish Financial Complaint Board.
Responsible treatment of customers experiencing payment difficulty/loan modifications/collection procedures	✓	<p>If a customer has difficulty paying, the bank engages in dialogue with them regarding a voluntary agreement to pay by instalments to solve the challenges in the best way for both parties. If agreement is not reached, a lawyer will be involved who will also seek to reach an amicable agreement. As a final step if agreement is not reached, the debt will be placed for collection.</p> <p>Ringkjøbing Landbobank's internal credit policies also contain principles governing what conditions must be met before a loan is granted.</p>
Access to basic financial services	✓	<p>As required by law, all citizens, regardless of age, living conditions or financial situation, have access to a deposit account: a NemKonto (in English: Easy Account). Ringkjøbing Landbobank calls the account <a href="#">Basiskonto</a> (in Danish). See also the <a href="#">NemKonto act</a> (in Danish) and the <a href="#">Executive order on good practice</a> (in Danish).</p>
Financial inclusion	✓	<p>Ringkjøbing Landbobank provides all customers with financial advisory services that include due consideration for all aspects of the individual customer's life. See also "Serving local communities".</p> <p>Ringkjøbing Landbobank also works with relevant educational institutions to foster financial understanding in children and young people. See <a href="#">our ESG reports</a>.</p>
Share of loans and guarantees to SME business customers (%)	86.0	<p>The majority of the bank's loans and guarantees to business customers consist of loans to small and medium-sized enterprises, which are an important part of the communities in which the bank is located.</p> <p>Please also see note 46 on page 89 of the bank's <a href="#">annual report for 2022</a>.</p>

## S – Our business

	Data	Comment
		<p>In Ringkjøbing Landbobank we are conscious of the bank's roots in West, Central and North Jutland and the local areas the bank serves. This can also be seen in the bank's <a href="#">social responsibility policy</a>.</p> <p>We give practical expression to this link through sponsorships and other support for local initiatives benefiting the local communities but also through responsible lending and training and upskilling of our</p>

employees. In respect of training and upgrading, the bank works with a range of educational institutions, which also benefits others.		
Community involvement	✓	Ringkøbing Landbobank has a long-standing tradition of supporting associations, cultural institutions, charities etc. in the local communities where the bank operates. See <a href="#">our ESG reports</a> .
Serving local communities	✓	As stated, the bank is conscious of serving all forms of customers in the areas where it has its roots and branches, i.e. West, Central and North Jutland.  All customers both in the above areas and other parts of the country have the possibility of using the bank's services via a well-developed internet and mobile banking platform and via virtual meetings.
Alternative access to the bank	✓	Via the data centre Bankdata, the bank offers innovative mobile and internet banking solutions which give customers online access to general banking business products and to products and information regarding investment, housing, insurance, and pensions.  Customers are also offered payment possibilities via Mobilepay, Apple Pay and Google Pay.  Denmark has well-developed full network cover ensuring that the bank's customers can be served throughout the country via mobile or internet banking.
Public subsidies	None	Ringkøbing Landbobank has received no public support to secure its operation etc.
Responsible purchasing	✓	Ringkøbing Landbobank aims to ensure that it has responsible suppliers and partners. To this end, the bank has a <a href="#">procurement policy</a> to ensure that they show the same responsibility as we do.

## Governance

### G – Our workplace

	Data	Comment
<b>Restructuring and job cuts</b>		
Major mergers or acquisitions within the last three years	None	Ringkøbing Landbobank merged with the then Nordjyske Bank in June 2018.
Major job cuts in the last three years (affecting 10% of employees)	None	Ringkøbing Landbobank does not disclose the number of employees terminated each year but, if job cuts affect 10% or more of the staff, we are required by law to notify the Regional Employment Council. We have not sent any such notifications in the last three years.

Business ethics		
Code of conduct/ethical standard	✓	<p>Ringkøbing Landbobank's <a href="#">Code of conduct</a> is available to the public and describes the guidelines applying to the conduct of the bank's employees, general management, and board of directors.</p> <p>The general management reviews the code of conduct annually to assess the need for recommending changes for approval by the board of directors.</p> <p>The bank's board of directors conducts its own independent review of the code of conduct at least once a year to assess the need for changes, including deciding on recommendations from the general management. The board of directors reviews and approves an updated code of conduct at least once a year. In addition, the code of conduct is one of the areas that may be included in the internal audit function's operational audit: see the "Auditing" section below.</p> <p>All employees must review and read the updated code of conduct annually and acknowledge that they have done so.</p> <p>Each employee is responsible for complying with the code of conduct and each manager is responsible for ensuring that the employees in his or her department understand and comply with the code. The bank has undertaken to work to identify, solve and prevent problems relating to the code of conduct etc.</p>
Policy for a sound corporate culture	✓	<p>In addition to the above code of conduct, the bank also has a <a href="#">policy for a sound corporate culture</a> to supplement the code.</p> <p>The bank's board of directors receives an annual report from the general management on compliance with the policy and code of conduct. The chair of the bank's board reports on compliance with the policy and code of conduct in the <a href="#">board's report</a> (in Danish) to the annual general meeting.</p> <p>Please also see page 38 of the bank's <a href="#">annual report for 2022</a>.</p>
Anti-bribery and anti-corruption	✓	<p>Ringkøbing Landbobank is against any form of corruption and bribery and a number of rules apply to the bank's employees to prevent this. Please see the</p>

		bank's <a href="#">Code of conduct</a> and the item above about the code.
Whistleblower scheme	✓	<p>Ringkøbing Landbobank has a whistleblower scheme as the law requires.</p> <p>The bank's <a href="#">Code of conduct</a> describes the scheme briefly and internal procedures elaborate on it.</p> <p>Whistleblowers are protected under the Danish <a href="#">whistleblower protection act</a></p>
Training in know-your-customer (KYC) and anti-money laundering	✓	<p>As stated in Ringkøbing Landbobank's <a href="#">Code of conduct</a>, all employees have a duty to prevent money laundering and other forms of crime. Training in this is offered on an ongoing basis.</p> <p>Please also see pages 39-40 of the bank's <a href="#">annual report for 2022</a>.</p>
<b>Remuneration</b>		
CEO salary	✓	See the <a href="#">Remuneration reports</a> for a description and individual remuneration.
Executive pay	✓	See the <a href="#">Remuneration reports</a> for individual remuneration of general managers.
Board and executives trading in and holding the bank's own shares	✓	<p>All transactions in Ringkøbing Landbobank shares by members of the board of directors or general management are published <a href="#">here</a> if, cumulatively, they exceed the EUR 20,000 threshold specified by law.</p> <p>The total number of Ringkøbing Landbobank shares held by this group at the end of the year are stated in <a href="#">the Annual reports</a>.</p>
Directors' remuneration	✓	See the <a href="#">Remuneration reports</a> for a description and individual remuneration of the board of directors and its audit committee.
Remuneration policy	✓	Please see the current <a href="#">remuneration policy</a> .
Pay linked to sustainability	No	No variable salary components are used for the general management and no salary is thus linked to sustainability performance indicators. See the <a href="#">remuneration policy</a> .
CEO pay ratio (factor)	11.5	Stated for 2022. Please see the bank's <a href="#">ESG reports</a> for comparative figures.
<b>Seniority and independence</b>		
Separation of executive and board roles	✓	Ringkøbing Landbobank complies with the <a href="#">legal requirements</a> (in Danish) and <a href="#">Recommendations on corporate governance</a> . The general management and board of directors are thus independent of each other, and no person is a member of both corporate bodies.

Management's length of employment and independence	✓	We refer to the description in the <a href="#">Annual reports</a> .
Term of office of the chair of the board	✓	We refer to the description in the <a href="#">Annual reports</a> and article 15 of the <a href="#">Articles of association of Ringkjøbing Landbobank</a> .
Composition of board and general management: name, independence, special competences and term of office	✓	We refer to the description in the <a href="#">Annual reports</a> .
Independent board members (%)	66.7	Data at the end of 2022. All members are elected by the shareholders. We refer to the description in the <a href="#">Annual reports</a> .
Independent chair of the board	✓	Data at the end of 2022. We refer to the description in the <a href="#">Annual reports</a> .
Independent audit committee members (%)	100.0	Data at the end of 2022. We refer to the description in the <a href="#">Annual reports</a> .
Independent remuneration committee members (%)	75.0	Data at the end of 2022. We refer to the description in the <a href="#">Annual reports</a> .
Independent nomination committee members (%)	66.7	Data at the end of 2022. We refer to the description in the <a href="#">Annual reports</a> .
Independent risk committee members (%)	66.7	Data at the end of 2022. We refer to the description in the <a href="#">Annual reports</a> .
<b>Competences and diversity</b>		
Board competences	✓	We refer to the description in the <a href="#">Annual reports</a> and the tab "Board" under this <a href="#">link</a> .
Financial competences/managerial experience from other financial undertakings	✓	Mads Hvolby, deputy chair of the board, and Jon Steingrim Johnsen, board member. We refer to the description in the <a href="#">Annual reports</a> .
Qualifications within accounting or auditing	✓	Jens Møller Nielsen, deputy chair of the board We refer to the description in the <a href="#">Annual reports</a> .
Board diversity	✓	We refer to the description in the <a href="#">Annual reports</a> .
<b>Compliance</b>		
Compliance function	✓	<p>The bank's compliance function is responsible for and performs compliance investigations of selected areas using a risk-based approach.</p> <p>The compliance function regularly reports on the conducted investigations to the relevant persons responsible for the areas, including recommended improvements. At least once a year, the bank's general management and board of directors receive a compliance annual report with the main conclusions on conducted investigations and all compliance reports attached. They also receive other compliance reporting as required.</p>

		The general management holds meetings with the bank's compliance and risk management functions in rotation to follow up on compliance with recommendations made etc. The bank's internal auditor also attends these meetings.
Anti-money laundering function	✓	<p>The bank's anti-money laundering function is overseen by and reports to the general management member responsible for anti-money laundering.</p> <p>The responsible general management member receives a half-yearly report and the bank's board of directors receives a summary of the report.</p> <p>The responsible general management member regularly holds follow-up meetings with the head of the bank's anti-money laundering function.</p>
Risk management function	✓	<p>The bank's risk management function performs a number of risk assessments and investigations in selected risk areas each year.</p> <p>The risk management function regularly reports on the conducted assessments and investigations to the relevant persons responsible for the areas, including recommended improvements. The bank's general management and board of directors receive various annual risk reports. They also receive other risk reporting as required.</p> <p>The general management holds meetings with the bank's risk management and compliance functions in rotation to follow up on compliance with recommendations made etc. The bank's internal auditor also attends these meetings.</p>
<b>Auditing and financial reporting</b>		
Non-financial communication integrated in the annual report	✓	We refer to the description in the <a href="#">Annual reports</a> .
Independent auditor	✓	Article 19 of the <a href="#">Articles of Association of Ringkøbing Landbobank</a> specifies that one or more auditors who meet the requirements of the Danish FSA and other legislation must be elected every year. For a division of responsibility between the internal audit function and external auditors, see below under "Auditing".
Auditor's engagement period (years)	5	Data at the end of 2022. The Danish Business Authority has approved resetting of the auditor's engagement period in connection with the merger of Ringkøbing Landbobank A/S and Nordjyske Bank A/S

		in 2018. See the auditor's report in the <a href="#">Annual report</a> for 2022.
Auditor fees	✓	We refer to the description in the <a href="#">Annual reports</a> .

## G – Our customers

	Data	Comment
Policy on conflicts of interest	✓	See the bank's <a href="#">Policy for handling conflicts of interest</a> (in Danish).
Data ethics policy	✓	<p>Ringkøbing Landbobank has a data ethics policy and publishes an <a href="#">annual statement</a> on it in the bank's annual report.</p> <p>The policy describes how the bank works with its own and its customer's data and the measures taken to protect the data.</p> <p>Supplementing the bank's data ethics policy are a range of other policies on privacy, <a href="#">processing of personal data</a> (in Danish), IT security, IT risk management, <a href="#">Code of conduct</a> etc.</p> <p>The bank's IT manager is responsible for the bank's data ethics in partnership with the DPO.</p>
Data processor agreements	✓	<p>Ringkøbing Landbobank enters into data processor agreements with relevant third parties and checks regularly that the agreements are complied with.</p> <p>The bank neither shares nor discloses data to third parties unless the data are used to perform its customers' transactions. Data are never rented or sold to third parties.</p>

## G – Our business

	Data	Comment
ESG governance structure	✓	<p>The board of directors of Ringkøbing Landbobank has overall responsibility for strategies and policies, while the general management has day-to-day responsibility for sustainability and CSR.</p> <p>In practice, the general management and relevant departments follow up on this responsibility in partnership.</p>
Policy on corporate social responsibility and sustainability	✓	It is Ringkøbing Landbobank's goal to be a reliable and attentive partner for our stakeholders. This



		<p>requires us to show social responsibility and integrate sustainability and accountability into what we do. The bank has therefore endorsed the UN Global Compact's corporate responsibility initiative, supported the UN Sustainable Development Goals and adopted a <a href="#">responsible purchasing policy</a> imposing requirements on the suppliers and business partners used by the bank.</p> <p>See our <a href="#">Policy and statement on corporate social responsibility</a> and <a href="#">ESG reports</a>.</p>
Taxpayer	✓	<p>Ringkøbing Landbobank is a major corporation taxpayer: see <a href="#">the Danish tax authority's list of corporate taxpayers</a> [in Danish]. See more in our <a href="#">ESG reports</a>.</p> <p>Moreover, the bank has adopted and published a tax policy that describes the bank's position on tax payments and consultancy. The policy is available <a href="#">here</a>.</p>
Policy for prevention of tax evasion and fraud	✓	<p>Ringkøbing Landbobank has a number of internal procedures and recommendations to prevent the bank from contributing to any form of tax evasion. A short version is given in the bank's <a href="#">Code of conduct</a>.</p> <p>Moreover, the bank has adopted and published a tax policy that describes the bank's position on tax payments and consultancy. The policy is available <a href="#">here</a>.</p> <p>Finally, we comply with the requirements of the EU DAC 6 directive on reporting of aggressive tax avoidance.</p>
Stakeholder dialogue	✓	<p>The employees' ongoing dialogue with customers and other stakeholders is essential for Ringkøbing Landbobank. Emphasis in this dialogue is placed on observing the bank's three core values: competent, responsive and proper.</p>
Ownership	✓	<p>The Ringkøbing Landbobank share is listed on Nasdaq Copenhagen.</p> <p>Information on major shareholders is published on <a href="#">the bank's website</a> and shown historically in the <a href="#">Annual reports</a>.</p> <p>In addition, the distribution of shareholders is published in the <a href="#">Annual reports</a>.</p>

Ownership structure and voting rights	✓	<p>Shareholders have one vote per nom. DKK 1 share, but a maximum of 3,000 votes.</p> <p>No share certificates with special rights have been issued.</p> <p>We refer to articles 9a and 9b of the <a href="#">Articles of association of Ringkjøbing Landbobank</a>.</p>
Shareholders' committee	✓	<p>The bank has a shareholder-elected committee of shareholders.</p> <p>We refer to articles 12-14 of the <a href="#">Articles of association of Ringkjøbing Landbobank</a>.</p> <p>For a list of members of the shareholders' committee, we refer to <a href="#">the bank's website</a> and <a href="#">Annual reports</a>.</p>
Attending general meetings	✓	<p>Shareholders have the opportunity to vote by attending in person, sending a postal vote, or granting a proxy to the board of directors or a third party. Proxies may be granted physically or electronically.</p>
Provisions preventing takeovers	✓	<p>The board of directors considers all takeover offers and subsequently publishes its recommendation.</p> <p>See also articles 9a, 9b and 10 of the <a href="#">Articles of association of Ringkjøbing Landbobank</a>.</p>
Policies on prevention of money-laundering and financing of terrorism	✓	<p>Ringkjøbing Landbobank has policies and a large number of internal procedures to prevent money laundering and financing of terrorism.</p> <p>A short version is given in the bank's <a href="#">Code of conduct</a>.</p>
Contributions to politicians and political parties	✓	<p>Ringkjøbing Landbobank does not make any contributions to politicians and political parties.</p>
Interest organisations and lobbying	✓	<p>Ringkjøbing Landbobank is a member of LOPI, the Association of Local Banks, Savings Banks, and Cooperative Banks in Denmark, which safeguards the interests of small and medium-sized banks in political matters etc. See <a href="#">LOPI.dk</a> for further information.</p> <p>The bank is also a member of Finance Denmark, which undertakes similar tasks for a wider membership. See <a href="#">Finansdanmark.dk</a> for further information.</p>
Auditing	✓	<p>The bank has both external auditors as stated above and an internal audit function.</p> <p>The internal audit function is primarily responsible for the operational auditing of the bank's policies, procedures, and internal routines/processes. Every</p>

		<p>year, the bank’s chief internal auditor selects the areas to be audited using a risk-based approach. The external auditors examine the work carried out by the internal audit function.</p> <p>The external auditors and the internal audit function carry out the financial audit of the bank in partnership, i.e. primarily the bank’s financial statements.</p>
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