

Responsible purchasing policy

Introduction

In Ringkjøbing Landbobank A/S (referred to below as “Ringkjøbing Landbobank” or the “bank”), we want to ensure we have responsible suppliers. This applies to both suppliers and partners, collectively referred to below as “supplier”.

In order to achieve responsible supply, we have introduced various environmental, social and ethical standards.

It is also crucial that our suppliers comply at least with applicable national law.

Ringkjøbing Landbobank follows the standards of this responsible purchasing policy: we strive to work with suppliers who show the same responsibility as us. Through trust, dialogue and collaboration with our suppliers, we contribute to the joint creation of value while ensuring a sustainable future and development for the bank’s stakeholders, including our customers, society and suppliers.

The fundamental principle is that price is not always the crucial argument for our choice of supplier.

Every day, we handle many different – small and large – purchases of both physical products and services from various types of supplier as part of the bank’s operations.

Some purchases are made centrally by head office, while others are made locally by the branches.

Based on section 135 of the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms etc., section 99a of the Danish Financial Statements Act and the Ten Principles of the UN Global Compact (which the bank has endorsed from the end of 2021), Ringkjøbing Landbobank’s responsible purchasing policy is subdivided as follows:

- Human rights and working conditions
- The environment and climate
- Anti-corruption
- Unacceptable conduct

Human rights and working conditions

- The supplier must comply with the UN's human rights principles.
- The supplier must not use or indirectly benefit from child labour.
- The supplier must refrain from taking on young employees (under 18 years of age) to carry out any form of work that is likely to harm their health, safety or morals.
- The supplier must provide a safe and healthy work environment for its employees. This should include, without limitation, protection against fire, accidents and poisonous substances. Appropriate health and safety policies and procedures must be established and followed.
- The supplier must give employees the protective equipment and training required to safely carry out their work.
- The supplier must protect its employees against all forms of physical, verbal, sexual or psychological harassment, violence or threats at the workplace whether committed by managers or colleagues, and determine and implement disciplinary measures in support of this protection.
- The supplier must enter into employment relationships in accordance with applicable law and meet any requirements for remuneration, working hours etc. stipulated by a collective agreement.

The environment and climate

- The supplier must strive to minimise the negative environmental impact of its activities, products and services through a proactive approach and responsible handling of its environmental circumstances (including, without limitation):
 - The use of scarce natural resources, energy and water
 - Emissions to air and discharge to water
 - Noise, odour and dust emission
 - Potential and actual soil contamination
 - Waste management (hazardous and non-hazardous substances)
 - Product issues (design, packaging, transportation, use and recycling/disposal)

- The supplier must ensure constant attention to current environmental law requirements that are relevant to the environmental impact of the supplier's activities, products and services. The supplier must also ensure compliance with law through education, information, verification of compliance and monitoring.
- The supplier must continually improve its total environmental activity in relation to significant environmental aspects.
- The supplier must establish and maintain emergency procedures to effectively prevent and handle all health emergencies and occupational accidents that can affect the community or negatively impact the environment.
- The supplier must show due care when designing, manufacturing and testing products. The purpose is to protect against product failure which can endanger life or be detrimental to the health and safety of people who are likely to be affected by the defective product, or which negatively affects the environment.

Anti-corruption

- The supplier and its associates must not participate in or tolerate corrupt and fraudulent practices and must observe the applicable laws.
- The supplier must refrain from bribery or the use of other methods to unlawfully influence public and/or private-sector employees.
- The supplier's contracts with agents, intermediaries and consultants must contain a section on anti-corruption and state that the contracting party must observe all applicable rules and regulations.
- The supplier must not offer Ringkjøbing Landbobank's employees gifts or entertainment for the purpose of influencing their decision for the bank. Ringkjøbing Landbobank only allows gifts to its employees which are related to their employment with the bank – up to a reasonable level only and never during invitation to tender procedures.
- The supplier's advice, judgments and decisions must be impartial and the supplier must inform Ringkjøbing Landbobank of potential conflicts of interest. The supplier must not accept payment that may prejudice independent judgment.

Unacceptable conduct

Ringkjøbing Landbobank does not want to work with a supplier that violates fundamental human rights or is complicit in bribery and corruption. The following are therefore considered unacceptable:

- Discriminating against employees based on gender, age, sexuality, ethnicity and political allegiance
- Exposing employees to life-threatening work environments without informing them of the dangers and without taking protective measures
- Deliberately causing considerable air or water pollution or significant soil contamination
- Participating in or supporting bribery, corruption or fraudulent practices.

Subcontractors

Ringkjøbing Landbobank expects its suppliers to ensure that their subcontractors also comply with this policy.

Verification of compliance and violation of the policy

Ringkjøbing Landbobank does not directly verify individual suppliers' or their subcontractors' compliance with this policy but of course continually monitors all suppliers' circumstances.

If the bank becomes aware that a supplier or a supplier's subcontractors do not respect this responsible purchasing policy, the bank will initiate a dialogue with the supplier to clarify the circumstances.

Ringkjøbing Landbobank will initially encourage and possibly attempt to assist in improving the social, ethical and environmental aspects at the supplier or the supplier's subcontractors.

If the attempt fails, the future collaboration with the supplier will be reassessed and if possible scaled down, suspended or ended.

Publication

This policy will be published on the bank's website, www.landbobanken.dk

Updating

The policy must be reviewed with a view to changes at least once a year, and all changes are to be approved by the board of directors.

The bank's general management is responsible for the update.

Adopted by the board of directors on 15 December 2021.