

## Statutory statement on data ethics 2023

in accordance with Section 135d of the Executive Order on Financial Reports for Credit Institutions and Investment Firms etc.

*Published 31 January 2024*

***This statement is the statutory statement on data ethics for 2023. The bank's annual report for 2023 contains a reference to this statement. This statement covers the financial reporting period from 1 January to 31 December 2023.***

In November 2023 the board of directors of Ringkjøbing Landbobank (Ringkjøbing Landbobank referred to below as the bank) adopted an update of the bank's data ethics policy. The update comprised only a few editorial changes.

The policy provides the framework for the bank's ethical principles and conduct in relation to data.

In the bank we use data and consider data ethics in the following way:

### **The bank's use of customer data**

In the bank we collect and store large amounts of data, including personal data. We are therefore conscious that we have a considerable responsibility for the data. People must be confident that we use their data in a responsible manner. We want to show clearly our basis for using the data and how we prioritise our data protection effort.

It is important to the bank that our customers and the outside world have great confidence in the bank's ability to store their data. Respecting customer and employee privacy is one of the bank's fundamental values. We safeguard the right to protection of privacy.

### **Openness and transparency concerning the bank's use of customer data**

The integrity of customer information must be assured through openness and transparency to the individual customer regarding the bank's storage of their data. Information must thus always be available to the bank's customers on what personal data the bank stores about them, how the data are kept and what they are used for.

To ensure customer self-determination regarding the data we store about our customers, the bank's continuous aim is for data processing to be as structured as possible so that we always know what data we store about the individual customer.

The bank also ensures that these data are kept no longer than necessary for the purposes for which the personal data are processed.

In the bank's data processing, we endeavour to strike a fair balance regarding categorisation of customers etc.

**Provision of data**

The bank collects and stores only necessary data which it can process lawfully.

It must always be ensured that data attributable to a natural person are collected on a lawful basis, which may be legislation, an agreement with the customer, or customer consent.

**The bank's focus on the outside world**

In addition to our customer relationships, the bank also interacts with the outside world at large. We are therefore conscious of our broader responsibility for ethically correct data processing.

Our use of data is very much about technology, because the bank is part of the financial sector. At the same time, our data use also has major legal and societal implications in the reality of its usage. We work, among others, with the authorities and live up to our obligations of making data available when requested to do so.

The bank also works with the authorities by reporting relevant information in relation to money-laundering and other crime.

The bank collects basic information such as name, address, nationality and financial details, information on employment situation, occupation, education, household and family. We request copies of identity documents and record certain telephone conversations, e.g. about investment.

**Third-party data processing**

In the area of data processing and storage, the bank works with third parties such as Bankdata, which is the bank's data centre. Like the bank, Bankdata ensures a high degree of protection of customer data.

The bank enters into processor agreements with relevant third parties and checks that they comply with what we require of them, including a data ethics policy.

The bank does not sell customer data or other data to third parties.

**Compliance in the bank and employee skills training**

The bank's data ethics policy is binding on all managers and employees. The managers have a special responsibility in leading the way, setting a good example and ensuring that all employees in their department know and comply with the data ethics policy.

The bank thus gives high priority to ensuring that all employees are well-informed about data ethics, data security and correct handling of personal data. This is done, for example, through e-learning about the General Data Processing Regulation, by providing information at morning staff meetings to familiarise the bank's employees with the procedures on personal data, and through awareness-raising activities.

The bank fosters a culture of openness among our employees in which openness about errors and problems leads to improvement.

Challenges and dilemmas may arise regarding data processing. The bank must be able to discuss and solve such issues across employee groups and build an open culture where errors and problems result in continual improvement.

The precondition for an open culture is that the bank's employees do not feel intimidated by owning and pointing out errors, for example by contacting relevant managers in the bank, reporting operational incidents or using the bank's whistleblower scheme. Everyone in the department thus learns from mistakes.

As part of the bank's cyber security and to ensure the employees' awareness of IT crime, the IT department regularly provides information on the bank's intranet on the risk of phishing attacks and other types of IT crime.

Furthermore, the bank has implemented an initiative with quarterly e-learning to its employees on cyber security in the form of video material etc.

In addition, internal "phishing attacks" are launched on an ongoing basis to test employee awareness. Awareness campaigns are carried out regularly to ensure that the employees always take a critical view of emails and their contents.

### **Roles and responsibilities**

The day-to-day work on data ethics is carried out by the bank's business areas which have responsibility for integrating data ethics into day-to-day operations and for implementing the bank's data ethics framework and goals.

The bank's IT manager, in partnership with general management, decides which new technological possibilities should be integrated into the bank.

The bank takes the view that considerations of data ethics have wider implications than purely legislative compliance. The bank thus pursues a pro-active approach to data ethics that goes beyond legal compliance.

*The board of directors of Ringkjøbing Landbobank A/S, 31 January 2024*