

Report on the Ten Principles of the UN Global Compact **Communication on Progress 2023**



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Disclaimer: This document is a translation of an original document in Danish. The original Danish text shall be the governing text for all purposes and in case of any discrepancy the Danish wording shall be applicable.

Photo on cover: Vestas V162-6.2 MW wind turbines erected by Sdr. Bork Vind K/S.

WE SUPPORT



Ringkjøbing Landbobank hereby confirms its continued support of the UN Global Compact's Ten Principles of responsible business operation in the areas of human rights, labour, environment and anti-corruption. This report must be read together with Ringkjøbing Landbobank's ESG report for 2023, which for example gives definitions and explanations of concepts used under "Practice for main and key figures".

John Fisker

A handwritten signature in blue ink, appearing to read "John Fisker".

CEO, Ringkjøbing Landbobank A/S



The Ten Principles of the UN Global Compact



Human rights

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence; and

Principle 2

make sure that they are not complicit in human rights abuses.



Labour

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4

the elimination of all forms of forced and compulsory labour;

Principle 5

the effective abolition of child labour; and

Principle 6

the elimination of discrimination in respect of employment and occupation.



Environment

Principle 7

Businesses should support a precautionary approach to environmental challenges;

Principle 8

undertake initiatives to promote greater environmental responsibility; and

Principle 9

encourage the development and diffusion of environmentally friendly technologies.



Anti-corruption

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.



Environment

Ringkjøbing Landbobank views **competitive financing and dialogue on climate strategy** as the path towards green transition

Goals

Ringkjøbing Landbobank supports the intentions of the Paris Agreement and has set itself the goal of being carbon neutral by the end of 2050. By the end of 2030, the bank wants to reduce its carbon emissions from the loan portfolio by 45% per DKK million lent and from the investment portfolio by 50% per DKK million invested – both with 2020 as the base year.

Emissions from the loan and investment portfolios at the end of 2020, 2021 and 2022 were recalculated in 2023 based on updated data. The data in this area – primarily on scope 3 emissions – are still of highly uncertain quality. Data for loans are model-based, while data for investments are obtained from MSCI and others, and in some cases, data has been scaled up. As individual data become available and calculation methods are developed, the reporting will improve gradually. This also means that the figures in the bank's CoP reporting may be changed in coming years – possibly with retroactive effect – as the data quality and calculation methods are improved.

The target for the investment portfolio applies to the customers' funds under asset management agreements and pooled schemes etc. and to the bank's own portfolio, but not to individual customers' custody accounts as the bank cannot influence them.

Ringkjøbing Landbobank pursues an organic growth strategy and wants to win additional market share for loans. It has

therefore been essential for the bank to formulate the targets so that the bank can continue to grow.

The bank wants to help finance businesses which enable more sustainable ways of producing and consuming and/or to help finance investments that can bring a business forward in the green transition of the business' industry. Such businesses do not necessarily have low carbon emissions, but they need financing for their transition to reduce their direct and indirect carbon emissions.

Carbon footprint from loans

Carbon emissions from the bank's loans were 8.34 tonnes of CO₂e per DKK million lent at the end of 2023, which is unchanged compared to the end of 2022. The figure at the end of 2021 was 10.01 tonnes of CO₂e per DKK million lent and the figure for the base year 2020 was 10.32 tonnes of CO₂e per DKK million lent.

The target for the loan portfolio must be achieved through dialogues with those customers who are most important to the bank's financed emissions to discuss climate strategy and the transition to more climate-friendly ways of producing. These dialogues must be completed by the end of 2025.

Ringkjøbing Landbobank has contributed financing for the expansion of wind power in Denmark since 1995 and today also helps finance Danish investors' purchases of wind turbines abroad. Together with loans for solar energy and biogas

plants, loans for wind turbines are a strong, nationwide niche for the financing of renewable energy supplies – a niche which the bank wants to retain and preferably strengthen to reduce the emission intensity from the its loans. At the end of 2023, this area represented 5.3% of the bank's total net loans and guarantees.

Carbon footprint from investments

Emissions from the end-of-period portfolio of Ringkjøbing Landbobank's investments on its own and its customers' behalf were 5.03 tonnes of CO₂e per DKK million invested in 2023. The corresponding figure for 2022 and 2021 was 4.73 tonnes and 8.75 tonnes of CO₂e respectively per DKK million invested. The figure for the 2020 base year was 9.66 tonnes of CO₂e per DKK million invested.

The bank is gradually implementing the mandatory and, from 3 October 2023, adjusted profiling of all investment customers' individual sustainability preferences. The reduction target must be achieved through dialogues with customers in the ongoing advisory services on how to obtain competitive returns, based on and taking into account the individual customer's risk and sustainability profile.

The bank contributes amongst other actions to promoting sustainable investments via its partnership with BankInvest. BankInvest joined the Net Zero Asset Managers initiative in 2021 and has thereby committed to neutralising greenhouse gas emissions from the companies invested in by 2050. As



Environment

a sub-target, BankInvest has committed to achieving a 55% reduction of carbon emissions from the portfolios by 2030. A concrete expression of this target in spring 2023 was BankInvest's launch of two new Nordic Swan Ecolabelled funds with a sustainable objective – referred to in the taxonomy as article 9 funds.

The bank's own emissions

The bank's CO₂ scope 1 emissions were 49.4 tonnes and its CO₂ scope 2 emissions 139.0 tonnes in 2023. The figures for 2022 were 55.6 and 129.7 tonnes respectively. The bank buys only green electricity from wind turbines, which means that the electricity consumption contributes 0 emissions to scope 2.

The bank's goal is to be scope 1 and 2 carbon-neutral, which we have been in practice from 2020. The bank owns the forest Sæbygaard Skov where the annual volume growth is capturing more carbon than the bank's total emissions. However, carbon sequestration in forestry is only accepted in carbon accounting if the forest is certified under a UN-approved standard, which Sæbygaard Skov is not.

The bank's indirect carbon emissions are also at a low level because both Bankdata and JN Data, which is a subsupplier to Bankdata and responsible for the bank's IT operations, have only bought green electricity produced by solar cells from 1 January 2023. As part of the agreement, the supplier has established a new solar energy park.

Ringkjøbing Landbobank's cost/income ratio is – at 25.2% in 2023 – the lowest in the sector, in part because optimal utilisation of only the necessary resources is part of our culture. The bank therefore continually carries out profitable energy renovation projects.

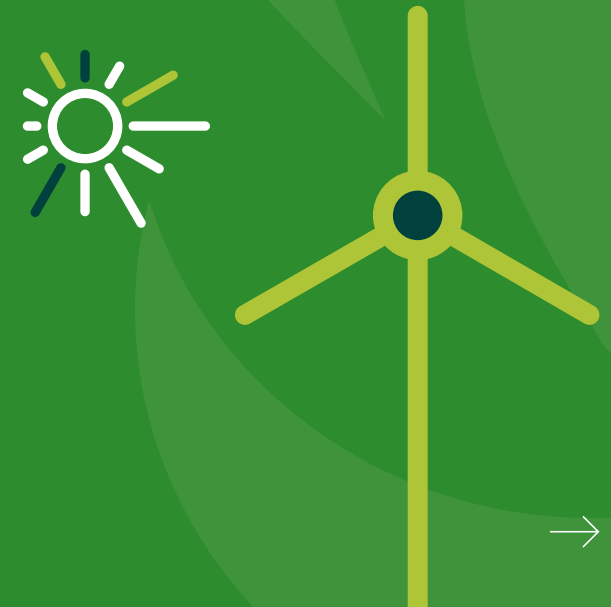
The bank's environmental initiatives

The bank's environmental work is based on our policies – including the social responsibility and sustainability policy as well as the responsible purchasing policy. The bank's policies are available at: landbobanken.dk/en/ir-english/thebank/policies


In accordance with the bank's business goals and policies and the UN Global Compact's environmental principles 7, 8 and 9, the bank aims to:

- **Make a significant contribution to financing of the green transition**, including granting loans for renewable energy production and for the promotion of the transition of manufacturing businesses to a more climate-friendly future
- **By the end of 2025, take the initiative to a constructive dialogue on climate strategy with those customers that make the greatest impact on the climate intensity of the bank's loans**

- **Grant loans for personal customers' energy improvements** – including energy efficiency improvement of homes and purchases of sustainable vehicles
- **Market, advise on and, through BankInvest, contribute to developing sustainable investment products**
- **Reduce our own negative impact on the environment as far as possible** – including by buying electricity from renewable energy sources
- **Increase our employees' environmental awareness**



Report on **environmental aspects**

Area of initiative	Contributes to	Objectives	Completed 2023	Expected initiatives 2024
Environment – Sustainable finance	UN Global Compact's Ten Principles Principles 7–9 	<p>The bank supports the intentions of the Paris Agreement's of limiting the temperature rise to less than 2 degrees and preferably only 1.5 degrees.</p> <p>The bank therefore also supports the EU's implementation of the Paris Agreement and, with 2020 as the base year, has set itself the target of reducing carbon emissions from the loan portfolio by 45% per DKK million lent by the end of 2030. The bank wants to be carbon neutral by the end of 2050.</p> <p>Continually improving the statement of carbon emissions from the bank's loan portfolio by replacing sector standards with figures for customers' actual emissions.</p> <p>Offering sustainable loan products.</p>	<p>The bank has set concrete targets for carbon emissions from its loan portfolio.</p> <p>The target for the loan portfolio must be achieved, amongst other things, through a dialogue with the bank's biggest agricultural customers by the end of 2025 to discuss climate strategies for reduction of carbon emissions from their farms and through similar dialogues with all other major customers of significance to the bank's total financed emissions.</p> <p>The bank wants to operate as a fellow player and competent partner for financing of customers' sustainable transition.</p> <p>Carbon emissions from the bank's end-of-year loan portfolio was 8.34 tonnes of CO₂e per DKK million lent for 2023, which is unchanged compared to the end of 2022. The figure at the end of 2021 was 10.01 tonnes of CO₂e per DKK million lent and the figure for the base year 2020 was 10.32 tonnes of CO₂e per DKK million lent.</p> <p>Loans for renewable energy production (wind, solar power and biogas) represented 5.3% of the bank's total net loans and guarantees at the end of 2023.</p> <p>The bank has offered "pension off your burner" loans since May 2023, thereby supporting the agreement between Finance Denmark and the Ministry of Industry, Business and Financial Affairs, under which oil and gas burners can be replaced with a green heating source without any payment of loan fee, handling charge or registration fee. Throughout the year, customers have also been offered a grant of DKK 10,000 from Ringkjøbing Landbobank's business partner Totalcredit for replacing their oil or gas-fired burner with a heat pump.</p> <p>The bank's business customer advisers have completed a course on sustainable customer dialogue to equip them for the dialogues with customers on their climate strategies and transition to more sustainable ways of producing and other ESG aspects.</p>	<p>Initiate a dialogue on climate strategies and the transition to more sustainable production methods with the biggest agricultural customers and other customers of significance to the bank's total financed emissions.</p> <p>Continued focus on loans for sustainable production and customers' sustainable/green transition.</p> <p>Continued focus on providing loans for renewable energy production from wind turbines and solar energy and biogas plants.</p> <p>Continue working towards increasing the quality of data on the bank's financed emissions by using actual data as far as possible to measure carbon emissions from the loan portfolio.</p> <p>In our home ownership advice, continued focus on the potential of energy renovation and/or replacement of oil or gas heating with more sustainable energy types.</p> <p>Continued focus on Finance Denmark's agreement with the government on the "pension-off-your-burner" scheme.</p> <p>Possibly issue green bonds if the demand is there and market conditions are favourable.</p>




Report on **environmental aspects**

Area of initiative	Contributes to	Objectives	Completed 2023	Expected initiatives 2024
<p>Environment – Responsible investments</p> <p>UN Global Compact’s Ten Principles</p> <p>Principles 1–10</p> 		<p>The bank supports the intentions of the Paris Agreement’s of limiting the temperature rise to less than 2 degrees and preferably only 1.5 degrees.</p> <p>The bank therefore also supports the EU’s implementation of the Paris Agreement and, with 2020 as the base year, has set itself the target of reducing carbon emissions from the investment portfolio by 50% per DKK million invested by the end of 2030. The bank wants to be carbon neutral by the end of 2050.</p> <p>The target for the investment portfolio applies to the customers’ funds under asset management agreements and pooled schemes etc. and the bank’s own portfolio, but not to individual customers’ custody accounts as the bank cannot influence them.</p> <p>Ensuring consistence between the customer’s investment needs and the investment product offered to the customer as the conclusion of advisory services. This will be achieved e.g. by preparing the statutory and, from 3 October 2023 more nuanced investment profile of the customer, which takes into account risk, time frame and individual sustainability preferences.</p> <p>Profiling is relevant in particular for customers using asset management products and the pooled scheme because the bank’s investments on behalf of customers account for the vast majority of the carbon emissions from investments.</p>	<p>The bank set concrete targets for carbon emissions from its investment portfolio.</p> <p>Emissions from the end-of-year portfolio of the bank’s own investments and those made on its customers’ behalf were 5.03 tonnes of CO₂e per DKK million invested in 2023, compared to 4.73 tonnes of CO₂e per DKK million invested in 2022, 8.75 tonnes of CO₂e per DKK million invested in 2021, and 9.66 tonnes of CO₂e per DKK million invested in the base year 2020.</p> <p>Before providing investment advice, Ringkjøbing Landbobank performs the mandatory profiling regarding the customers’ sustainability preferences. From 3 October 2023, the profiling categories low, medium or high level of sustainability preference were replaced by specific preferences. This makes it possible to take individual sustainability preferences into consideration.</p> <p>Ringkjøbing Landbobank has primarily distributed investment products from BankInvest, which classifies its funds in accordance with the disclosure regulation:</p> <ul style="list-style-type: none"> • Article 6 funds have no particular environmental or social characteristics • Article 8 funds promote environmental and social characteristics and integrate them into the investment decision • Article 9 funds have sustainable investment as their objective <p>Following the introduction of two actual article 9 funds in spring 2023, BankInvest only offers article 8 and 9 funds: one is share-based, the other bond-based. This is particularly important for customers with strong sustainability preferences. They now have additional possibilities of meeting their need for investing sustainably through the bank’s asset management product FormuePleje and the pooled scheme Puljeinvestering Bankvalg, possibly supplemented by article 9 funds which are available to the bank through its strategic collaboration with SEB.</p>	<p>Ringkjøbing Landbobank continues to give priority to incorporating the specific sustainability preferences into its advice to customers in 2024.</p> <p>The bank will participate actively in the continued development of sustainable investment products from BankInvest.</p>



Report on **environmental aspects**

Area of initiative	Contributes to	Objectives	Completed 2023	Expected initiatives 2024
Environment – Responsible investments – continued			<p>In 2021, BankInvest joined the Net Zero Asset Managers initiative, under which asset managers commit to working towards neutralising greenhouse gas emissions from the invested companies by 2050 and to set sub-targets for these emissions. 62% of BankInvest’s assets under management were covered by the initiative at the end of 2023, compared to 43% at the end of 2022. The main reason for the difference is that mortgage credit bonds are now covered.</p> <p>The bank has participated actively in the continued development of sustainable investment products from BankInvest. CEO John Fisker is chair of the board of directors of BankInvest Holding A/S and finance manager Sten Erlandsen is a member of BankInvest’s Product Committee.</p>	
Environment	UN Global Compact’s Ten Principles Principles 7–8 	<p>Continuing to realise Forum for Sustainable Finance’s 20 recommendations on how the financial sector can accelerate the sustainable transition of the economy. The 20 recommendations can be found here: www.epaper.dk/finansdanmark/forum-for-b%C3%A6redygtig-finans-20-anbefalinger-til-finans-danmark/</p> <p>Maintaining the banking sector’s lowest cost/income ratio.</p> <p>Continuing to carry out profitable energy-saving projects in the bank’s buildings.</p> <p>Reducing carbon emissions from the bank’s transport, including by holding meetings online when possible.</p> <p>Reducing the climate impact from the bank’s IT equipment.</p>	<p>The bank focuses on controlling risks in all relevant areas, including environmental ones.</p> <p>The key effort in 2023 was to define specific targets for the reduction of carbon emissions from the bank’s loan and investment portfolios.</p> <p>The bank’s cost/income ratio in 2023 was 25.2%, which is the lowest in the banking sector and a decrease from 31.1% in 2022. The cost/income ratio tells us something about the bank’s ability to create value from the resources spent, and optimal utilisation of only the necessary resources is part of the bank’s DNA.</p> <p>The bank regularly assesses and prioritises the possibilities of energy-saving initiatives. In 2023, the bank continued switching to LED lighting, replaced equipment for cooling of return water, optimised ventilation systems, replaced windows and replaced some of its vehicles with hybrid cars.</p>	<p>Continued focus on loans to and, via BankInvest, investments in companies contributing to the green transition – either by having a low carbon footprint compared to their revenue, by taking the lead in the green transition of their industry or by enabling consumers and businesses to produce and consume in more sustainable ways.</p> <p>Realise more of the potential for energy renovation of the bank’s buildings – including by installing LED lighting.</p> <p>Start to buy electrical cars for our bank janitors.</p> <p>Provide a possibility for recycling batteries and RAM and reduce the consumption of packaging in future purchases of IT equipment.</p>




Report on **environmental aspects**

Area of initiative	Contributes to	Objectives	Completed 2023	Expected initiatives 2024
Environment – continued		Optimising case handling procedures and processes through digitalisation and the use of robots.	The stricter legal requirements for waste sorting have been implemented. Bulk waste is sorted for delivery to recycling centres.	Only issue payment cards containing 100% recycled PVC once the remaining stocks of cards with 85% recycled PVC have been used.
		Keeping the bank’s indirect carbon emissions at a minimum.	Online meetings are used in particular for: <ul style="list-style-type: none"> • Meetings with the bank’s customers • Internal meetings – including between head office in Ringkøbing and the regional office in Nørresundby • Meetings with close partners such as Bankdata and BankInvest 	Continue to work towards carbon neutrality without including operation of the bank’s own forest.
		The bank wants both personal and business customers to sign documents digitally unless otherwise expressly agreed.	The bank works continually on increasing its employees’ knowledge and awareness of good environmental conduct, in part by encouraging them to share cars as far as possible.	
			The bank has decided that all its payment cards will be made from 100% recycled PVC. Delivery of the new cards has started but the remaining stocks of cards containing 85% recycled PVC will continue to be used for a while.	
			The bank’s indirect electricity consumption primarily results from IT development and operations being outsourced to Bankdata, which in turn has outsourced the energy-demanding IT operations to JN Data. Bankdata and JN Data have entered into an overall agreement on buying green electricity from solar cells. As part of the agreement, the supplier has established a new solar energy park. The agreement has significantly reduced carbon emissions from the bank’s indirect electricity consumption.	



Report on **environmental aspects**

Area of initiative	Contributes to	Objectives	Completed 2023	Expected initiatives 2024
Environment 	UN Global Compact's Ten Principles	Maintaining and developing our loans for climate-friendly and renewable energy production – including wind turbines, solar cells, biogas and other environmentally friendly technologies.	<p>Ringkjøbing Landbobank has contributed financing for the expansion of wind power in Denmark since 1995 and today also helps finance Danish investors' purchases of wind turbines abroad. Together with loans for solar energy and biogas plants, loans for wind turbines are a strong, nationwide niche for the financing of renewable energy supplies – a niche which the bank wants to retain and preferably strengthen.</p>	Continued focus on loans for renewable energy production and climate-friendly production.
	Principle 9	Playing an active role in financing the transition of manufacturing businesses to more sustainable ways of producing.	<p>Ringkjøbing Landbobank has built close relationships with Danish and other Scandinavian and European partners on loans for green investments. These relationships give access to competitive funding which we make available to our customers for financing of sustainable projects. Our collaboration with these partners strengthens the profitability of projects and thereby supports society's transition to being more sustainable.</p>	<p>Continued focus on loans – and, when relevant – arranging of mortgage loans for private individuals for:</p> <ul style="list-style-type: none"> • Energy renovation of homes • Switching from gas and oil-consuming heating to district heating and other sustainable energy types. • Purchases of sustainable vehicles
		Maintaining our relationships with national and international partners for the financing of profitable and sustainable projects for the benefit of our customers and society.	<p>Our partners include:</p> <ul style="list-style-type: none"> • The Export and Investment Fund of Denmark regarding loans for, and other financing of assets fostering green transition in Denmark and abroad • Nordic Investment Bank (collaboration on loans for financing green assets and the SME segment etc.) • European Investment Bank (collaboration on loans for financing green assets and the SME segment etc.) • Kreditanstalt für Wiederaufbau (collaboration on back-to-back financing of loans for renewable energy projects) 	Possibly issue green bonds if the demand is there and market conditions are favourable.
		Continuing to develop our loans for the sustainable transition of private individuals, including energy efficiency improvement of homes and purchases of sustainable vehicles.	<p>The bank continues to encourage its personal customers to use Totalkredit's energy calculator to get inspiration for specific energy improvements in their homes. The bank is happy to finance sustainable vehicles and energy and environment-related initiatives in private homes.</p>	
	Perceiving green transition as an opportunity for continued growth in the bank's lending.		<p>The bank only buys electricity generated by wind turbines.</p>	



Social aspects

The bank **gives high priority to the wellbeing of its employees** and the surrounding community

Employees

The bank employed 652.6 full-time equivalent employees (FTEs) in 2023. This is an increase of 11.5 compared to the year before. The percentage of the under-represented gender was 45.1% in 2023. The employee turnover ratio fell from 10.4% in 2022 to 8.9% in 2023, which means the bank's employees stay in the bank for more than 11 years on average.

The percentage of the under-represented gender at other management levels increased from 20.7% at the end of 2022 to 22.9% at the end of 2023 and is thus nearing the bank's target of at least 25% by the end of 2025.

Ringkjøbing Landbobank's employees state that they are thriving at the bank. In the annual employee survey the statement regarding wellbeing had an average rating of 8.8 on a 10-point scale, which is satisfactory and the bank's highest ever score. The score was 8.7 in 2022, 8.0 in 2021 and 7.9 in 2020.

The bank has made the strategic choice that both personal and business customer advisers must have the expertise to provide competent advice on home ownership, pensions and investment. It creates an overview for customers and employees, and we believe it is one of the most important reasons for the bank's high level of customer and employee

satisfaction. But it requires the advisers to have a broad range of competences within the areas of home ownership, pension, investment and for some also business matters. Training and education of the employees are therefore a very high priority and are provided continually.

For many years it has been the bank's strategy to the extent possible to ensure its basis for recruitment by training our own future employees. During 2023, thirteen finance apprentices and six trainees started in the bank who will finish their training programme in Ringkjøbing Landbobank at bachelor level by completing a university graduate diploma programme (HD). Education takes place at the bank's own internal academy in collaboration with universities and business academies. In 2023, the internal academy had a total of 39 students in six classes.

In 2023, the bank launched its own new graduate programme for academics at bachelor and masters levels to fill the specialist jobs that will only increase in numbers in the future. Three such employees commenced work during the autumn.

Ringkjøbing Landbobank has never had more employees receiving on-the-job education than at the end of 2023.

The bank supports and complies with the Danish model of cooperation between employer and employee. The bank thus complies with the standard collective agreement entered into between the Danish Employers' Association for the Financial Sector (Finanssektorens Arbejdsgiverforening) and Financial Services Union Denmark (Finansforbundet) in the first quarter of 2023. The bank, its employees and the Financial Services Union subsequently entered into a local workplace agreement.



Social aspects

Society

It is part of the bank's DNA to finance investments in local business development and private individuals' purchases of homes, cars etc., and we generate a substantial number of knowledge-based jobs in our local areas.

The bank happily contributes to developing Danish society. Ringkjøbing Landbobank now has customers throughout Denmark but we are also a local bank with deep roots and a special responsibility in West, Central and North Jutland. We have always been conscious of our significance here and are proud that our support fosters wellbeing and helps maintain sports and cultural activities in more than 1,000 clubs and associations.

As one of Denmark's top 50 taxpayers (2021 income year), the bank also makes a considerable contribution to our common national economy.

The bank's initiatives in the social area

Ringkjøbing Landbobank's work in the social area is also based on our policies – including the social responsibility and sustainability policy, code of conduct, policy for a sound corporate culture and tax policy. The bank's policies are available at: landbobanken.dk/en/ir-english/thebank/policies

In accordance with the bank's business goals, the bank's tradition of contributing to local community and development, the bank's policies and the UN Global Compact's principles 1 and 2 regarding human rights and principles 3, 4, 5 and 6 regarding labour, the bank aims to:



- **Respect and comply with human and labour rights, including ensuring equal opportunities for all employees**
- **Ensure diversity and equal opportunities for all employees in the bank irrespective of gender and other background**
- **Ensure good health and continued wellbeing at the workplace**

- **Offer employees quality education and training as desired and needed, including giving the bank's apprentices a good education which is completed at bachelor level and to give other employees in-service training and further education to ensure their competences are always strong and up to date**
- **Make our expertise in financial matters available to the surrounding community**
- **Contribute positively to the continued development of society – at local and national levels**

Wellbeing **8.8**
on a scale from 1 to 10





Report on **social aspects**

Area of initiative	Contributes to	Objectives	Completed 2023	Expected initiatives 2024
Social aspects – Human rights	UN Global Compact's Ten Principles Principles 1–2 	That the bank respects the UN's human rights principles and acts in accordance with the human rights principles when assessing and selecting partners.	<p>The bank only has physical departments and branches in Denmark. Loans and guarantees outside Denmark accounted for 5% of the bank's total portfolio of loans and guarantees at the end of 2023.</p> <p>The bank supports the UN's human rights principles as also stated in the bank's code of conduct. The bank thus does not accept discrimination on grounds of gender, gender identity/perception, age, nationality, race, ethnic origin, any disabilities, sexual orientation, religion and/or political allegiance and has zero tolerance for bullying, and sexual and other forms of harassment.</p> <p>All of the bank's employees are asked each year to read the code of conduct and reaffirm that they understand its contents.</p>	<p>Continually keep track of and monitor employee compliance with the UN's human rights principles.</p> <p>Continually keep track of whether customers, suppliers and other partners comply with human rights obligations.</p> <p>Continually ensure that the employees are aware of and comply with the bank's code of conduct.</p>
	Social aspects – Labour	UN Global Compact's Ten Principles Principle 3 	Continuing the good collaboration with the bank's employees and their organisations.	<p>The bank supports the employees' freedom of association and upholds their right to collective bargaining. The bank thus fully supports and complies with what is known as the Danish model: voluntary agreements between trade unions and employers.</p> <p>Most of the bank's employees are members of Financial Services Union Denmark (Finansforbundet) and the bank is a member of Finance Denmark (Finans Danmark), who as of 1 January 2024 is also an employers association after having integrated the activities from the Danish Employers' Association for the Financial Sector (Finanssektorens Arbejdsgiverforening – FA). The bank complies with the standard collective agreement which was entered into between FA and Financial Services Union Denmark in the first quarter of 2023. The standard collective agreement helps assure proper working conditions for the employees including with regard to working hours, minimum pay and overtime pay.</p> <p>In addition, the bank, its employees and Financial Services Union Denmark have entered into a local workplace agreement with further details on remuneration.</p> <p>The bank has registered no cases regarding the right of association or the right to collective bargaining.</p>



Report on **social aspects**

Area of initiative	Contributes to	Objectives	Completed 2023	Expected initiatives 2024
Social aspects – Labour	UN Global Compact’s Ten Principles	Including and respecting the principle of elimination of forced, compulsory and child labour in the bank’s assessment and selection of partners.	<p>The bank supports the fight against all forms of forced, compulsory and child labour.</p> <p>The bank thus does not want to have customers, suppliers or other partners who violate human rights by using forced, compulsory or child labour. This is also clear from the bank’s responsible purchasing policy.</p> <p>The bank offers after-school jobs and employed a few young people between the ages of 15 and 17 who did only light office work in 2023.</p> <p>The bank is not aware of any customers, suppliers or other partners using forced, compulsory or child labour.</p>	Assess relevant customers, suppliers and other partners on an ongoing basis for their compliance with principles 4 and 5.
	Principles 4–5			
				
Social aspects – Labour	UN Global Compact’s Ten Principles	Avoiding any form of discrimination in employment and occupation.	<p>The bank does not accept discrimination on grounds of gender, gender identity/perception, age, nationality, race, ethnic origin, any disabilities, sexual orientation, religion and/or political allegiance and has zero tolerance for bullying, and sexual and other forms of harassment. The bank’s HR department follows up on this.</p> <p>The bank has established the statutory whistleblower scheme enabling all employees in the bank to report – anonymously if need be – any instances of discrimination, bullying, harassment etc.</p> <p>The bank has received no reports via the whistleblower scheme in 2023.</p>	Continue to prevent the risk of discrimination in employment and occupation and taking immediate action should any discrimination occur.
	Principle 6	Awareness among the bank’s employees that equal development and career opportunities are open to them, irrespective of gender and other background, and that they are paid equal salary for equal work.	<p>The bank gives all employees equal development and career opportunities in the bank, irrespective of gender and other background.</p> <p>Ringkjøbing Landbobank 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.</p>	Continue to focus on giving all employees in the bank equal opportunities.
				



Report on **social aspects**

Area of initiative	Contributes to	Objectives	Completed 2023	Expected initiatives 2024
Social aspects – Labour – continued		Ensuring that the percentage of the under-represented gender is at least 25% at the bank’s other management levels by the end of 2025.	<p>Diversity at the bank’s other management levels improved in 2023 as the percentage of the under-represented gender was 22.9% at the end of 2023 compared to 20.7% at the end of 2022.</p> <p>The bank launched the following concrete initiatives in 2023 to increase the percentage of the under-represented gender at the bank’s other management levels. When these initiatives have had the necessary time to work, the bank expects that the target will be met:</p> <ul style="list-style-type: none"> • When recruiting for management positions with the assistance of headhunters, the bank always requires that candidates of both genders must be presented • In the bank’s own recruiting, emphasis is placed on selecting candidates of both genders for interviews • General focus on diversity in employments to provide the basis for more managers of both genders in the bank in the future • When selecting employees for the role of sales manager, focus is on motivating candidates of both genders to seek this role • There is focus on selecting young employees of both genders for the instructor role in the bank’s academy. This role is a good way of preparing for a possible subsequent leadership role 	Work towards the goal that the percentage of the under-represented gender should be at least the target set for the bank’s other management levels.
		That the wellbeing of a large majority of the bank’s employees is rated very satisfactory or extremely satisfactory.	<p>With an overall score averaging 8.6 on a scale from 1 to 10, where 1 is “I fully disagree” and 10 is “I fully agree”, the employee survey for 2023 showed a historically high level of employee wellbeing and satisfaction. For 19 out of 20 questions, the score was higher or the same as the year before. The score for the question “I thrive at the bank” was 8.8.</p> <p>The analysis is used as a management and employee tool. If a response shows a low level of wellbeing, the HR department contacts the employee directly for an open dialogue on challenges and possible solutions.</p> <p>The bank gives priority to good working conditions for its employees. Health and wellbeing are facilitated by stress, smoking and alcohol policies, health insurance, schemes for older employees, access to a business psychologist and online doctor and a range of social events. In 2023, a social network called NetVærket was set up for young people between the ages of 20 and 35.</p>	<p>Continue to support a high level of job satisfaction by providing good working and employment conditions.</p> <p>Repeat the annual employee survey.</p>



Report on **social aspects**

Area of initiative	Contributes to	Objectives	Completed 2023	Expected initiatives 2024
Social aspects – Good health and wellbeing locally and nationally		Ensuring thorough local knowledge as the basis for competent advice and competitive financing of businesses and individuals.	<p>Providing competent advice to, and financing of, business and personal customers are priorities to the bank.</p> <p>As part of this, the bank focuses on being an attractive financial partner in the green transition, both for businesses and in energy-saving initiatives that make homes more sustainable and enable the bank’s customers to reduce their ongoing costs of heating and other energy.</p>	<p>Continued focus on providing competent advice within home ownership, pensions, investments and business matters.</p> <p>Continued focus on loans for renewable energy production and for the transition of agricultural and industrial businesses towards climate-friendly production.</p>
		Contributing to the wellbeing and development of the local communities in which we operate, including by supporting local clubs and associations, cultural institutions and events.	<p>Through the bank’s employees, operating activities and support to more than 1,000 local events, sports clubs and cultural associations, we helped provide the framework for a good, healthy life for people in the local communities where the bank is represented.</p> <p>The bank encourages its employees to participate, preferably actively, in community clubs, associations and cultural life.</p> <p>Distributions for charitable purposes were made from:</p> <ul style="list-style-type: none"> • The bank’s own profit distribution • Sdr. Lem Andelskasse’s Fund • Ulfborg Sparekasse’s Fund • Sulsted-Aistrups Sognes Spare- og Lånekasse’s Memorial Foundation • Ø. Brønderslev Sparekasse’s Fund <p>As a special appreciation of initiatives by associations and individual members of local communities, the bank contributed to the following awards:</p> <ul style="list-style-type: none"> • Association of the Year 2023 in West Jutland (six awards) • Ringkøbing-Skjern Business Council’s Entrepreneur of the Year and Entrepreneurship Challenge (two awards) • Nordjyske Bank’s associations award (three awards) • The North Jutland Managers’ Award in partnership with UCN, Lederne Himmerland and Erhverv Norddanmark Chamber of Commerce • Handball Association of the Year in district 3 of the Jutland Handball Federation 	<p>Continued focus on financing personal customers’ purchases of sustainable vehicles, energy upgrading of homes, and switching from oil and gas heating.</p> <p>Continue to support a good, healthy life for people in the local communities where the bank is represented.</p>



Report on **social aspects**

Area of initiative	Contributes to	Objectives	Completed 2023	Expected initiatives 2024
Social aspects – Good health and wellbeing locally and nationally – continued		Contributing to the development of society through responsible granting of credit and payment of direct and indirect taxes imposed on us.	<p>As a Danish undertaking with branches in Denmark only, Ringkjøbing Landbobank pays Danish tax on its entire income.</p> <p>With payments of DKK 65 million in payroll tax and DKK 676 million in corporate tax for the 2023 income year, the bank’s ability to add value contributes to financing Danish society as a whole. The corporate tax includes the extra tax levy of DKK 86 million to finance early retirement. Tax deducted from income at source and labour market contributions of DKK 155 million were also paid as was withholding tax of DKK 39 million on ordinary dividend. The payroll tax, corporate tax, tax deducted from income at source, labour market contributions and withholding tax totalled DKK 935 million for 2023. In 2022, the corresponding amount was DKK 616 million.</p>	Settle our direct and indirect tax obligations in accordance with the bank’s tax policy.
		Developing financial understanding in children and young people.	<p>Ringkjøbing Landbobank was no. 27 on the list of Denmark’s biggest corporate taxpayers covering the 2021 income year.</p> <p>The bank works closely with the local higher commercial examination colleges and with business academies. An example was the finance and economics programme at UCRS (Ringkjøbing Skjern Education Centre), where the bank contributes to a longer-term course during the academic year.</p>	Continue the good collaboration with the local higher commercial examination colleges, business academies and Aarhus and Aalborg Universities.
			The bank helped develop financial understanding in children and young people by providing teaching staff and educational materials to lower secondary and post-secondary educational institutions as requested and by welcoming visits from schools in the bank’s local areas.	Continue to provide teaching staff and educational materials to lower secondary and post-secondary educational institutions and to receive visits from them.



Report on **social aspects**

Area of initiative	Contributes to	Objectives	Completed 2023	Expected initiatives 2024
Social aspects – Quality education		<p>Offering existing and new employees quality education and in-service training.</p> <p>Collaborating with relevant educational institutions and, if desired and needed, contributing to their management and development.</p>	<p>Ringkjøbing Landbobank has made the strategic choice that customer advisers must have the expertise to provide competent advice on home ownership, pensions and investment and – if relevant – also business matters. This requires the advisers to possess a broad range of competences within the above areas.</p> <p>The need for in-service training and competence development was also part of the bank’s annual employee interviews in 2023.</p> <p>Relevant in-service training and competence development is offered, e.g. in partnership with the Financial Sector’s Training Centre (Finanssektorens Uddannelsescenter), Business Academy MidWest (EAMV), the University College of Northern Denmark (UCN) and Aarhus and Aalborg Universities.</p> <p>A large part of the qualifying training and education is completed with the statutory certification of the employees.</p> <ul style="list-style-type: none"> • Home ownership advice (Mortgage Credit Directive) • Investment advice regarding simple investment products – including e-learning about market abuse • Investment advice regarding complex investment products • IDD (Insurance Distribution Directive) <p>Other qualifying training and education is provided to equip the employees to advise on home ownership, pensions, investment and possibly business matters. An additional 53 advisers of personal customers received training in investment advice, bringing the total number of personal customer advisers who have completed this course up to 153.</p> <p>The bank’s investment, personal customer, business customer and private banking advisers have been trained in the statutory (and in 2023, adjusted) profiling of investment customers’ sustainability preferences.</p> <p>All business customer advisers have completed the course “Sustainable customer dialogue” on ESG matters.</p> <p>Six of the bank’s employees completed an instructor course in 2023 and 40 completed a management course at UCN act2learn, the University College of Northern Denmark (UCN), in North Jutland.</p>	<p>Continue the strategy of providing competent advice on home ownership, pensions, investment and possibly business matters by asking the advisers and other relevant employees to train for the statutory certifications and attend other relevant, qualifying training and education.</p> <p>Continue the good collaboration with relevant educational institutions on in-service training and competence development of the bank’s employees.</p> <p>Continue to support secure and appropriate conduct by offering the employees relevant training and education.</p>



Report on **social aspects**

Area of initiative	Contributes to	Objectives	Completed 2023	Expected initiatives 2024
<p>Social aspects – Quality education – continued</p>	<p>Supporting the bank’s future basis for recruitment by continuing to train our own future employees by employing apprentices and trainees in the bank’s local areas.</p>	<p>Attracting employees with the academic competences needed for a range of specialist jobs in the bank.</p>	<p>Finally, the employees are trained continually in IT awareness and conduct-related subjects to prevent money laundering, data abuse, cyber crime etc.:</p> <ul style="list-style-type: none"> • Code of conduct • Awareness training regarding market abuse • Sustainability in the financial sector • E-learning regarding market abuse • Prevention of money laundering and financing of terrorism (required by law) • Processing of personal data • IT awareness <p>For many years it has been the bank’s strategy to the extent possible to ensure our basis for recruitment by educating our own future employees.</p> <p>During 2023, thirteen finance apprentices and six trainees, including five finance trainees and one finance bachelor trainee, started in the bank. The education of apprentices and trainees takes place at the bank’s own internal academy in collaboration with universities and business academies. In 2023, the internal academy had a total of 39 students in six classes.</p> <p>During their apprenticeship in Ringkjøbing Landbobank, finance apprentices start on the graduate diploma programme (HD) at a university. When they have completed the university graduate diploma programme, they have reached bachelor level. As part of their training programme in the bank, they are also enrolled in one of two courses: The competent adviser or The business customer adviser. These courses are offered by the Financial Sector’s Training Centre and take a year.</p> <p>In 2023, the bank launched its own new graduate programme for academics at bachelor and masters levels. The programme takes 18 months and was developed to attract highly-educated candidates for future specialist jobs in the bank. Three such employees commenced work during the autumn. The programme has increased the interest in Ringkjøbing Landbobank among bachelor and master-level applicants and the bank employed an additional two of the many applicants for other positions.</p>	<p>Employ a sufficient number of interns, apprentices, trainees and graduates to secure the bank’s future basis of recruitment.</p> <p>Continue the new graduate programme to secure the basis of recruitment for specialist jobs in the future.</p>



Governance

The bank's values **"competent, responsive and proper"** set the framework for our governance work

Ringkjøbing Landbobank is a solid bank with more than 200,000 customers, nearly 50,000 shareholders and over 650 full-time equivalent employees. According to Voxmeter, the Ringkjøbing Landbobank brand has the best reputation in the sector for the fourth consecutive year, and the Nordjyske Bank brand is in fifth place.

Diversity and management

The percentage of board members of the under-represented gender elected by the shareholders' committee increased from 25% in 2022 to 33.3 at the end of 2023. The bank has thus achieved the minimum target of 30% set for the underrepresented gender and at the end of 2023 thus complies with the Danish Business Authority's definition of equal gender distribution. Furthermore, the bank's employees have elected four members for the board of directors and after the latest election there has been a gender parity between the four members with two women and two men.

The bank's board members are committed to their work. The attendance ratio at the bank's board meetings in 2023 was 97.1% and the ratio has exceeded 95.0% every year since 2020.

Collaboration with authorities and protection of data

The bank works intensively to protect society and the bank against money laundering and financing of terrorism. Combating money laundering and financing of terrorism is a task for all employees in Ringkjøbing Landbobank. They are supported by a central department, which investigates and handles

unusual and/or suspicious activities or transactions – including reports on this from the employees.

In close partnership with Bankdata and JN Data and by means of effective technology and employee competence development, the bank works dedicatedly to protect its customers, society and the bank against data abuse and cyber crime.

The bank works with the Danish authorities to ensure financial infrastructure and stability, create transparency, handle imposed tasks competently and safely and facilitate public tasks within tax reporting and digitalisation.

Shareholders

In 2023, the bank paid a dividend of DKK 7 per share for 2022 and, from February 2023 to January 2024, completed a share buyback programme totalling DKK 770 million. Return on the bank's share in 2023 was 5% including dividend. The board of directors has recommended to the general meeting that a dividend of DKK 10 per share be paid for the 2023 financial year.

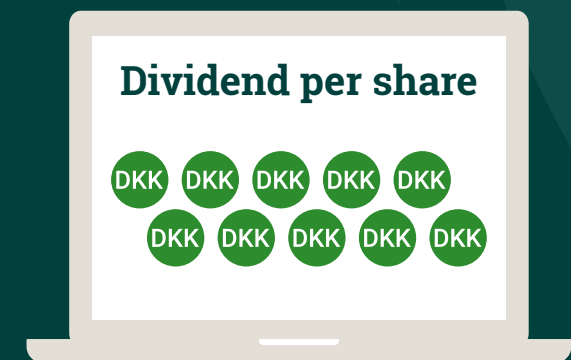
The bank's governance initiatives

The bank's governance work is also based on our policies – e.g. the social responsibility and sustainability policy, code of conduct, policy for a sound corporate culture and responsible purchasing policy. The bank's policies are available at:


landbobanken.dk/en/ir-english/thebank/policies

In accordance with the bank's values and policies and the UN Global Compact's anti-corruption principle, the bank aims to:

- **Avoid any form of corruption and bribery**
- **Reduce the challenges faced by society, the customers and the bank** regarding money laundering, data security and cyber crime
- **Ensure continued diversity and commitment on the board of directors**
- **Ensure competitiveness and transparency in the remuneration policy for the bank's management and the return to shareholders**



Report on **Governance**

Area of initiative	Contributes to	Objectives	Completed 2023	Expected initiatives 2024
Governance – Anti-corruption	UN Global Compact’s Ten Principles Principle 10 	That the bank has no cases of violation of its code of conduct or the anti-corruption provisions.	The bank has zero tolerance for corruption and bribery in all their forms. The bank’s code of conduct and policies specify that the bank and its employees may neither accept nor offer any bribes, and employees may neither offer nor accept gifts of more than token value. Any violation of the rules will be dealt with internally and if necessary reported to the relevant authorities. The bank has no recorded cases of violation of the anti-corruption and bribery provisions in 2023.	Continually keep track of and monitor employee compliance with the bank’s provisions on avoiding any form of corruption and bribery. Continually keep track of whether customers, suppliers and other partners comply with the bank’s provisions on avoiding any form of corruption and bribery.
Governance – Diversity in the bank’s management		Achieving diversity in the bank’s management organs. It has been a goal for the bank to ensure by the end of 2023 that the percentage of board members of the under-represented gender elected by the shareholders’ committee should be at least 30%. This goal is now met.	The percentage of board members of the under-represented gender elected by the shareholders’ committee increased from 25.0 at the end of 2022 to 33.3 at the end of 2023. The bank has thus achieved the minimum target of 30% set for the under-represented gender and thus complies with the Danish Business Authority’s definition of equal gender distribution.	
Governance – Board member commitment		Conducting the bank’s board meetings with a very high attendance ratio.	The attendance ratio at the bank’s board meetings in 2023 was 97.1%, which is considered satisfactory. The ratio has been more than 95.0% every year since 2020.	Maintain a high attendance ratio at the bank’s board meetings.



Report on **Governance**

Area of initiative	Contributes to	Objectives	Completed 2023	Expected initiatives 2024
Governance – Societal tasks		Focusing on carrying out our societal tasks competently and efficiently.	<p>The bank carried out a range of tasks essential to society:</p> <ul style="list-style-type: none"> • Giving customers access to a NemKonto (EasyAccount) • Giving customers access to a basic deposit account if they want one • Mandatory reporting to the tax authorities of our customers’ interest, bank balances and debts as well as value and return on custody account holdings • Mandatory disclosure of the bank’s prices and terms and conditions by means of pension information, price portals, good practice legislation, MiFID etc. • Combating money laundering and financing of terrorism, notifications on suspicious matters and checking that the bank’s customers comply with sanctions against e.g. Russia 	Continue to carry out our societal tasks as competently and efficiently as possible.
		Contributing to reducing society’s money laundering and terrorist financing challenges.	<p>The bank’s board of directors has endorsed the 25 recommendations made in the report issued in November 2019 by the Anti-Money Laundering Task Force, which was appointed by Finance Denmark. The 25 recommendations for anti-money laundering and counter-terrorist financing measures are aimed at various stakeholders including authorities, the banking sector in general and the individual banks.</p> <p>One of the 25 recommendations is that the banks dedicate a page on their websites to targeted and publicly available information about their anti-money laundering and counter-terrorist financing efforts. The bank has complied with this recommendation by creating the web page: landbobanken.dk/en/ir-english/policies/antimoneylaundering</p>	Continue the focused efforts to combat money laundering and financing of terrorism through monitoring and risk analysis and by maintaining and continually enhancing our employees’ competences in the area.



Report on **Governance**

Area of initiative	Contributes to	Objectives	Completed 2023	Expected initiatives 2024
<p>Governance – Societal tasks – continued</p>	<p>Contributing to reducing society's challenges in relation to IT and data security and cyber crime.</p>	<p>Another of the 25 recommendations is that the individual banks undertake to outline their commitment to action against money laundering and terrorist financing, including their anti-money laundering policy, in the management's review section of their annual reports. The bank also complies with this recommendation. Please see the management's review in the annual report: landbobanken.dk/en/ir-english/reportsaccounts/accounts</p> <p>Finance Denmark's 25 recommendations on combating money laundering and financing of terrorism: https://finansdanmark.dk/aktuelle-emner/forebyggelse-af-hvidvask-og-terrorfinansiering/</p>	<p>Ringkjøbing Landbobank has continually followed up on and adapted its systems and routines to keep data secure and prevent cyber crime.</p> <p>During 2023, the bank has reorganised its IT security work to ISO standards. This is in preparation for the Digital Operational Resilience Act (DORA), which will be implemented in stages until 17 January 2025. Over time, this reorganisation will ensure full transparency between the bank's efforts and those of Bankdata and JN Data and will thus make control and follow-up easier and more efficient.</p> <p>The bank has contributed to secure and efficient digitalisation of society – including the implementation of MitID and the final phase-out of NemID on 31 October 2023.</p> <p>The bank has informed its customers of potential IT and data security issues. This includes actively supporting the campaign of the Danish Agency for Digital Government, KL – Local Government Denmark, and Danish Regions. The campaign stars Danish actress Bodil Jørgensen and helped Danish citizens avoid identity theft and abuse.</p>	<p>Continued focus on secure systems and data in partnership with the bank's suppliers – primarily Bankdata and JN Data.</p> <p>Continued focus on informing the customers of all relevant contact points for IT and data security, including known fraud attempts and other crime.</p>



Report on **Governance**

Area of initiative	Contributes to	Objectives	Completed 2023	Expected initiatives 2024
Governance – Societal tasks – continued			<p>The bank gives high priority to in-house training and education in IT awareness:</p> <ul style="list-style-type: none"> • Six times during 2023, we collaborated with an external provider on education and training of all the bank’s employees on a specific topic • Four times during 2023, we carried out in-house tests to check that the bank’s employees live up to the IT awareness requirements 	Continued focus on secure digital conduct among employees to protect customers, employees and the bank against data abuse and cyber crime.
Governance – Remuneration policy for the bank’s management		Awarding the bank’s board of directors and general management transparent and competitive remuneration.	In accordance with the remuneration policy, the bank awards no incentive or variable pay – including share-based pay or share options – to the board of directors or general management.	Continue to award the bank’s management transparent and competitive remuneration.
Governance – Returns for the shareholders		Creating competitive and transparent returns for the bank’s shareholders.	<p>The bank reserves no advantages for its shareholders.</p> <p>A dividend of DKK 7 per share was paid for 2022.</p> <p>The return on the bank’s share in 2023 was 5% including dividend. In 2022, the return on the bank’s share was 9% including dividend.</p> <p>A share buyback programme totalling DKK 770 million was completed in the period February 2023 to January 2024.</p>	The board of directors has recommended to the general meeting that a dividend of DKK 10 per share be paid for the 2023 financial year and has initiated a share buyback programme totalling DKK 1,525 million.



Competent
Responsive
Proper

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