

Sustainability and social responsibility

ESG report 2019

Competent
Responsive
Proper

Ringkjøbing Landbobank ESG report 2019



John Fisker, CEO
Ringkjøbing Landbobank

Ringkjøbing Landbobank is a customer-focused relationship bank which, since its inception in 1886, has always endeavoured to strike the right balance between our four most important stakeholders:

- **Customers**
- **Employees**
- **Society**
- **Shareholders**

Our sustainability work, with its Environmental (E), Social (S) and Governance (G) aspects, is part of this balance. Ringkjøbing Landbobank acknowledges the need for a green transition and a more sustainable society and all our four stakeholder groups endorse our initiatives.

Customers

Integrating sustainability with our transactions – investments as well as lending – will be a major task for Ringkjøbing Landbobank in the future.

When we grant a loan or carry out other transactions, we do so primarily to meet our customer's needs and for commercial reasons. We have successfully cultivated niches that fit well into the green transition. The distinctive feature of a niche in Ringkjøbing Landbobank is that we have studied it

in detail and are able to show competence, responsiveness and integrity in our advice also in this area. We have built relationships with national and international partners over many years, which have been essential for our capacity to participate in financing a large number of investments in renewable energy production. Initially, we financed wind turbines, which have developed into an important business area for the bank and today account for a handsome part of our total loans. Later we built up competences in financing solar cell and biogas plants and have lent extensively to them.

Another significant niche is private banking. A very large proportion of our private banking customers live outside the bank's traditional core areas, but we have geared our advice concept for customers who are based at a distance to minimise travel for ourselves and our customers.

In the area of investments, Ringkjøbing Landbobank works closely with BankInvest, which is working to visualise an impact on sustainability consisting of the UN Sustainable Development Goals, carbon emission and ESG rating. In 2019, BankInvest launched the sustainability impact for the first 15 of a total of 38 funds, corresponding to total assets of DKK 43 billion of the total of DKK 106 billion being managed. The sustainability impact creates transparency and enables Ringkjøbing Landbobank's investment customers to optimise their risk-adjusted returns.

Employees

As an employer, one of our most important contributions to social development is that we offer education. We do this in partnership with Aarhus University, Aalborg University, Finanssektorens Uddannelsescenter (Financial Sector's Training Centre), local vocational colleges and others. We also educate a large number of apprentices and trainees each year and provide a substantial number of knowledge-based jobs in our local areas.

Society

As a strong local bank in West, Central and North Jutland, we are of great importance to local communities. We have always been conscious of this responsibility and are happy to accept it. We finance investments in business development and the needs of personal customers, and we support more than 1,400 local associations, initiatives and events each year.

We also make a substantial contribution to society nationally – both as one of Denmark's major taxpayers and by solving a range of tasks assigned to us, e.g. tax reporting, monitoring of money laundering and digitalisation.

Forum for Sustainable Finance has published 20 recommendations on how the financial sector can accelerate the sustainable transition of the economy. The recommendations focus on the financial sector itself, financing of industries of particular relevance for sustainable transition and on government and authorities. Ringkjøbing Landbobank will find inspiration in and work with a number of these recommendations.

Shareholders

Finally, sustainability is common sense to our shareholders. For a business model to be accepted by society and be robust, it must be sustainable. Consequently, sustainability is a precondition for generating a satisfactory return on the shareholders' investment.

Reporting

Comparability and common key figures are a precondition for taking sustainable transition further.

Nasdaq Copenhagen, the Danish Finance Society and FSR – Danish Auditors have taken the initiative in harmonising ESG data to make them comparable across industries and sectors. The result is 15 different ESG key figures for Environment, Social aspects and Governance. Ringkjøbing Landbobank supports this initiative.

Thus, on the following pages you can read about our status on the ESG key figures and much more.

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This ESG report is also the statutory statement on corporate social responsibility for 2019. The bank's annual report for 2019 contains a reference to the ESG report, which covers the financial reporting period 1 January to 31 December 2019.

The ESG report is prepared in accordance with the provisions of Section 135 of the Executive Order on Financial Reports for Credit Institutions and Investment Firms etc. and should be seen in correlation with the bank's social responsibility policy, which is reviewed annually and approved by the bank's board of directors. The latest edition of the policy was approved by the board of directors on 18 December 2019 and is available at landbobanken.com

Ringkjøbing Landbobank merged with Nordjyske Bank on 8 June 2018. Since 2018 was not a full year of operation for the merged bank, comparative figures for the key figures have not been stated for 2018, except if figures are stated at the end of the year.

Photo on cover and back: V112-3.3 MW Vestas wind turbines erected by Nørhede-Hjortmose Vindkraft.

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.

Ringkjøbing Landbobank's business model

Ringkjøbing Landbobank's business model is based on close relations with our customers, responsible lending and a high level of expertise combined with efficient business processes. We focus both on being a local bank in West, Central and North Jutland and on being a niche bank within selected segments throughout Denmark.

The bank has a two-brand strategy with a joint logo: Faklen (a torch), and two monograms: "Nordjyske Bank" in North Jutland and "Ringkjøbing Landbobank" in the rest of Denmark.



In accordance with our social responsibility policy, we want to be a responsible and value-creating bank that shows social responsibility.

We do this by creating good, long-term results for our shareholders and by contributing to creating a sustainable society, focusing on customers, employees, climate, the environment and society – locally as well as nationally. It is also our goal to be seen as a reliable and attentive partner among all our stakeholders.

As a relationship bank, we see it as our responsibility to provide competent and attentive advice to personal as well as business customers – irrespective of distance. Our distance customer concept is based on close relations through video, phone and email and we strive to ensure that our distance customers experience the same attentiveness and attachment to their personal adviser as local customers.

The bank bases its operations on the values:

- Competent
- Responsive
- Proper

Facts about the bank

End of 2019

27 branches 652 full-time employees

198,475 customers

End of 2019 DKK billion

Loans 35.5

Deposits including pooled schemes 38.1

Equity 7.6

Value of customer custody accounts 48.2

Mortgage loans arranged 45.4

Distance
customers
Long distance
– close relations



Katarina and Michael

Katarina and Michael live in a detached house in Farum with their two children aged 12 and 8. Katarina is a pilot and works primarily as an inspector for the Danish Transport Authority. Michael is an operative paramedic and in his spare time runs a small business with consultancy work and training on medical equipment.

- I come from Varde and already knew Ringkjøbing Landbobank, says Katarina. It was difficult to finance my pilot education, but Ringkjøbing Landbobank was prepared to lend me the money.

- Since then, the bank has financed a cooperative flat, a condominium, house and cars, continues Michael. – My business accounts are also with Ringkjøbing Landbobank, as are both of our pension funds, our children's savings accounts and even their pension plans. Our son has been issued with his first bank card.

In all those years Katarina and Michael have had the same bank adviser and they are happy to be customers in Ringkjøbing Landbobank. They have also motivated many of their friends and colleagues to choose the bank. It is no problem that the bank is so far away, since the paperless transactions are done over email and by telephone; whenever something needs to be signed, it is also done digitally.

- Ringkjøbing Landbobank is really special when it comes to meeting customer needs. Of the banks that I know, in spite of the distance, they are the one where you feel most in touch. They remember you, they listen and ask out of interest – you really get advice, and not just a sales pitch, says Michael.

Himmerland Boligforening

Himmerland Boligforening (a housing association) owns and administrates over 7,200 residences south of the Limfjord – mostly located within Aalborg Municipality.

- We use the bank for quite traditional bank business such as deposits and loans. In our experience, we have some good agreements and we know each other well. Nordjyske Bank is still our local bank, says Manager Ole Nielsen, and continues:

- We feel we have an obligation to the city's residents to act as sustainably as possible. Two years ago we won Aalborg Municipality's sustainability prize, partly because we work with green roofs, the collection of rainwater, solar panels, reuse of plastic waste in our 3D printers and not least, residents' behaviour.

- I believe that the right way to proceed lies in partnerships with more involved parties, this is where the bank plays an important financial role, states Ole Nielsen.

Himmerland Boligforening is expanding and has borrowed DKK 4½ billion over the past 10 years. The major part of this is in the form of mortgages, which are arranged by Nordjyske Bank.



Local
sustainability
– and good
agreements

Responsive
and strong
relation



Skagen Blade Technology

Skagen Blade Technology emerged in 2014 from Skagens Sandblæseri. The business works with the repair and maintenance of wind turbine blades and currently has work in England, Australia, Germany and Sweden. The company is in the process of establishing a department in USA in Portland, Oregon, where they will share premises with Vestas.

-The group has been a client of Nordjyske Bank since 2003. It works really well – we always feel welcome and experience great freedom to act, says CEO Dennis Conradsen on his way to the USA.

- The bank has faith in what we embark on. It probably means something that we are involved in the wind power business, because it is a growth sector and reasonably secure.

- On a daily basis we have a committed contact who is in close contact with his superior; this is a great advantage, as the bank can react at once whenever it is needed – and when you're in the wind business, sometimes it is, says Dennis Conradsen.

Gunnar Kildegaard Graversen

Gunnar Kildegaard Graversen is a former postmaster in Ringkøbing and has been a customer of Ringkøbing Landbobank all his life.

- I was given a Ringkøbing Landbobank piggy bank by my grandparents for my baptism, he says and continues:

- Being customers of Ringkøbing Landbobank became a tradition in my family. My children are fourth-generation customers, even though they live in Copenhagen. But tradition alone is not enough. We have always been happy with Ringkøbing Landbobank, but without strong relations and decent treatment we would have found another bank.

Gunnar Kildegaard Graversen takes care of most bank business via the on-line banking services, but over time, the bank has also helped with advice and loans to buy both a house and several holiday homes.

- When you can use the bank in bad times or when you need the bank's support to buy a house or something else, you can also use it when times are good, says Gunnar Kildegaard Graversen.



Life-long
relations
during four
generations



Ringkjøbing Landbobank and Nordjyske Bank support more than 1,400 local associations.



Investment advice is an important business area for Ringkjøbing Landbobank with customers throughout Denmark



CEO of BankInvest, Lars Bo Bertram, in front of the 17 UN Sustainable Development goals.

Investment is key to green transition and one of the areas where the financial sector can make the biggest difference for sustainable development, both with respect to the products we advise our customers to invest in and the products we invest in as part of our asset management.

BankInvest

Ringkjøbing Landbobank has worked with BankInvest for many years. BankInvest is owned by 39 Danish financial institutions and manages more than DKK 106 billion, with the majority coming from around 210,000 private investors. With an ownership interest of more than 21%, Ringkjøbing Landbobank is the biggest shareholder.

BankInvest offers secure, simple investment products where investors share the risk and costs with others in the investment fund. It is up to the investor to decide how to assess the safety of an investment and the need for a good return. With 38 available funds, almost any request for diversifying across asset classes, geography and industries can be accommodated.

BankInvest signed the UN principles for responsible investment, UN PRI, as early as 2008 and has subsequently incorporated ESG factors into the investment process. Potential investment objects are also screened for possible violation of the principles of the UN Global Compact, which covers human and employee rights, environment and anti-corruption.

Most recently, BankInvest has worked systematically to increase transparency about sustainability and in October 2019 launched the overview “Bæredygtigt Aftryk” (sustainability impact) which shows the sustainability of a range of BankInvest’s funds. The data is provided by the international data provider MSCI ESG, which analyses enterprises based on their:

- position in relation to the UN Sustainable Development Goals
- carbon footprint
- actions in relation to ESG

The impact is made up of a score for these three aspects, measured against a comparable benchmark. The impact is published at bankinvest.dk and may for example be used by advisers in Ringkjøbing Landbobank when they talk to customers about their choice of investment fund.

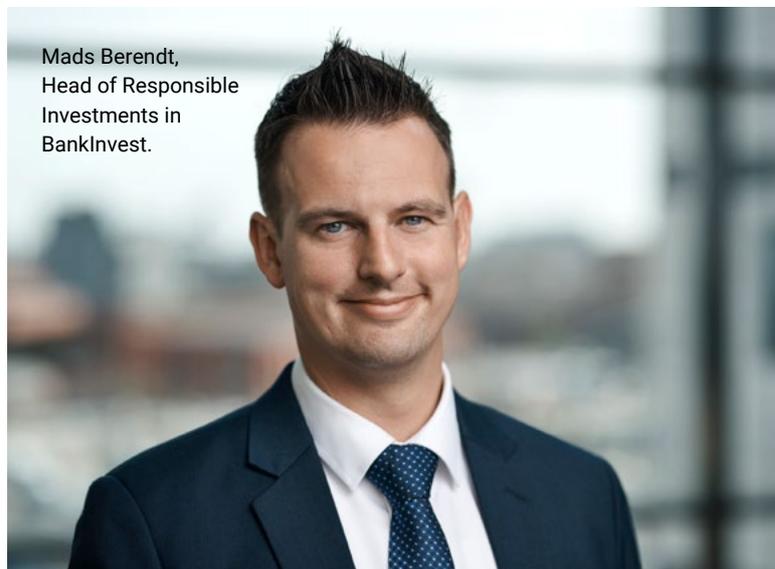
- Investing sustainably has proved to have far greater effect than changing one's own personal habits, says Mads Berendt, Head of Responsible Investments in BankInvest.

- The ambition is that the sustainable footprint will give advisers a tool to help them answer the customer's questions about sustainability and possibly advise them on making more sustainable investments, says Mads Berendt.

- The fundamental motive for BankInvest is to optimise the risk-adjusted return for the customers. If the enterprises we invest in are not sufficiently sustainable, we perceive it as an investment risk. In contrast, it is a sign of a robust business model when the enterprises have sustainability well in hand.

A sustainability impact is published if MSCI ESG has data for at least 65% of a fund's assets. At the end of 2019, this was the case for 15 funds under which DKK 43 billion was under management. The plan is to eventually publish the sustainability impact for all of BankInvest's funds.

Mads Berendt,
Head of Responsible
Investments in
BankInvest.



The sustainability impact is presented as a two-page overview in Danish for each fund. Great emphasis has been placed on making the overview as specific and clear as possible.

Bæredygtigt aftryk for Danske Aktier Akk.

4. kvartal 2019

BANKINVEST Handler med omtanke

Opsummering

1. Bidrag til FN's verdensmål



Andel af omsætning relateret til FN's verdensmål

2. CO₂-udledning



Tons CO₂-udledning i forhold til 1 mio. USD-omsætning i selskaberne

3. ESG-rating

MSCI
ESG RATING

AA



Bæredygtigt aftryk

BankInvest har i mere end ti år arbejdet systematisk med ansvarlige investeringer.

oversigt over alle de

investeringssikkerhedens portefølje under ét.

Ringkjøbing Landbobank seeks to minimise its environmental impact as much as possible

In accordance with our social responsibility policy, we strive to reduce our own negative effect on the environment, increasing our employees' environmental awareness and not least continuing to grant loans to climate-friendly and sustainable energy.

In house this includes major and minor activities to ensure that everyone can help make a difference.



Focus

- Continuous focus on reducing our use of resources
- Regular assessment and prioritisation of the possibilities of alternative and energy-saving initiatives in the bank
- Increasing our employees' environmental awareness
- Continuing to develop our loans for climate-friendly and green energy – including wind turbines and other environmentally friendly technologies
- Reducing our customers' environmental impact through relevant home ownership advice and loans to improve energy efficiency

Activities

- Ringkjøbing Landbobank makes a big effort to encourage both personal and business customers to sign documents digitally, which has reduced the use of hardcopy documents to the lowest ever
- The bank continuously focuses on optimising its case handling procedures and processes through digitalisation and the use of robots
- A new work station concept has been introduced where hardware has been replaced and video is used
- The bank only buys green electricity
- LED lighting and motion sensors have been installed in many of the bank's rooms to reduce energy consumption
- The bank carries out waste sorting
- The bank continuously replaces ventilation and cooling systems to recover heat where possible
- The bank gives high priority to holding video meetings. They reduce the bank's use of passenger cars and flights and are used in particular for:
 - internal meetings – including between the main office in Ringkjøbing and the regional office in Nørresundby
 - meetings with close partners – e.g. Bankdata and BankInvest
 - meetings with the bank's many distance customers
- The bank encourages its employees to share cars to the extent possible when travelling for training, meetings etc.
- The bank has participated actively in Finance Denmark's Advisory Forum for a Sustainable Transformation, which submitted its recommendations to Finance Denmark's board of directors in December 2019

Partnership with Bankdata

Ringkjøbing Landbobank works with Bankdata on IT development and operation. This partnership results in indirect electricity consumption for the bank which is not included in the key figures in this report. IT operation causes a large amount of waste heat at Bankdata's supplier, JN Data. The waste heat is used in the local heating station and corresponds to approximately one-third of the electricity consumption.

“
 When we grant a loan or carry out other transactions, we do so primarily to meet our customer’s needs and for commercial reasons. We have successfully cultivated niches that fit well into the green transition.
 John Fisker, CEO
 Ringkjøbing Landbobank



Principal activity

Loans for renewable energy production and reduction of energy consumption

Since 1995 Ringkjøbing Landbobank has worked with loans for wind turbines as a niche, and this is now one of the bank’s important business areas. Loans for solar cell plants, biogas plants and other energy projects have since been added. The bank is also positive towards personal customers’ applications for loans to improve energy efficiency in their homes.

Over the years Ringkjøbing Landbobank has built close relationships with Danish, Scandinavian and European partners on loans for green investments. These relationships have given access to competitive financing which we make available to our customers. Our collaboration with these partners strengthens our business case and supports society’s transition to being more sustainable.

Objectives

Financing the production of climate-friendly energy and minimising the bank’s own environmental impact are also high priorities looking forward. Our focus includes:

- continued financing of investments in wind, solar and biogas projects etc.
- perceiving the green transition as an opportunity for continued growth in the bank’s lending
- reducing the energy consumption in the individual branches – including by installing LED lighting and motion sensors in more rooms
- identifying and carrying out profitable insulation projects in the bank’s older buildings
- optimising case handling procedures through digitalisation and the use of robots
- holding as many meetings as possible using video

Our partners include:



Collaboration on loans for biogas plants, ÆrøXpressen and other green investments.



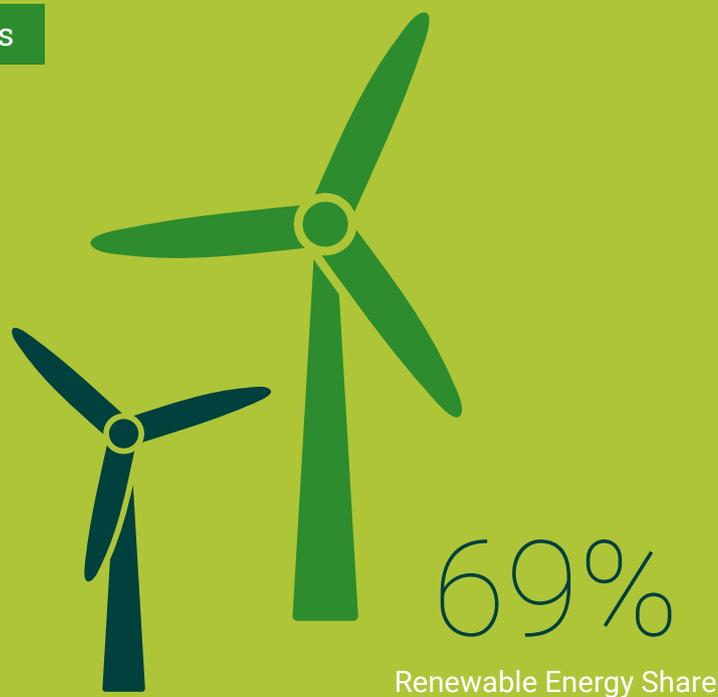
Collaboration on loans for wind energy projects etc.



Collaboration on back-to-back financing of loans for renewable energy projects.



Collaboration on investments in renewable energy production etc.



ESG key figures

	2019
CO ₂ e Scope 1	29.2 tonnes
CO ₂ e Scope 2	165.5 tonnes
Energy Consumption	19,583 GJ
Renewable Energy Share	69.0%
Water Consumption	5,098 m ³

Other key figures

	2019	
Documents digitally signed by personal customers – % of all documents for personal customers	80%	
Documents digitally signed by business customers – % of all documents for business customers	57%	
	End of 2019	End of 2018
Loans for renewable energy (wind, solar and biogas) – % of net loans and guarantees	6.7%	6.8%

Green transition
at sea



ÆrøXpressen

In collaboration with The Danish Green Investment Fund, Ringkjøbing Landbobank has provided a loan to ÆrøXpressen, which operates a hybrid ferry that gets 20% of its power from batteries. The batteries are recharged with renewable energy, and when finances allow, more batteries will be installed.

- ÆrøXpressen immediately had a positive response when we contacted the bank, says Manager Søren Vestergaard, and he continues:

- The bank certainly emphasises the importance of making money, but is also excited by the environmental aspects, and proved to have a solid grasp of marine financing. The bank was therefore chosen as a financial partner and the collaboration has been exemplary throughout the whole process – the bank has been very professional.

The ferry sails between Marstal and Rudkøbing, and came into service in December 2019.

Nørhede-Hjortmose Vindkraft and Nørhede-Hjortmose Solenergi

Nørhede-Hjortmose Vindkraft is one of Denmark’s largest land-based wind energy farms. It consists of 22 V112-3.3 MW Vestas turbines. The wind farm is owned by a number of private investors.

- The bank has a number of people who know how to succeed with such a project, and they can also help you to do so, says Karsten Sandal, who is chairman of the company.

- As a condition for being involved, Ringkjøbing Landbobank insisted amongst other things that all rights, registrations etc. be checked by an independent legal firm. So Ringkjøbing Landbobank made heavy demands, but it meant greater security for the project. It also meant that nearly all of the owners decided to make an agreement with Ringkjøbing Landbobank, even though some of them had originally envisaged another solution.

Ringkjøbing Landbobank financed over 90% of the turbines in the company. The bank also financed Nørhede Solenergi’s 15 MWp solar cell plant (27 ha) situated next to the wind farm.



Financing
of wind turbines
and solar cells

Ringkjøbing Landbobank wants to contribute positively to the development of Denmark and Danish society

The bank's impact is most significant locally. Although we now have activities throughout Denmark, we remain a local bank with strong roots in West, Central and North Jutland, where we are represented under our two brands Ringkjøbing Landbobank and Nordjyske Bank. Financial advice, financing, supporting local development, jobs, training and education are a big responsibility for us in these regions – and we are happy to accept it.

You can see more about how we contribute to society in the sections "The local community" and "The Danish society" in our social responsibility policy at landbobanken.dk/csr

Focus

- Competent advice and financing of local business and private individuals
- Contributing to the development of society through responsible granting of credit and payment of direct and indirect taxes imposed on us
- Supporting local initiatives – including local sporting and cultural life
- Contributing to continuous training and competence development – in partnership with relevant educational institutions and others
- Contributing to developing financial understanding in children and young people

Activities

- Maintaining local presence to ensure thorough local knowledge as the basis for competent advice and competitive financing of businesses and individuals
- Collaboration with The Danish Green Investment Fund, Vækstfonden (Growth Fund), EKF – Denmark's Export Credit Agency, the Nordic Investment Bank, the European Investment Bank and others to ensure financing of profitable and sustainable projects
- Distributions for charitable purposes from:
 - Ringkjøbing Landbobank's own profit distribution
 - Sdr. Lem Andelskasses Fond
 - Ulfborg Sparekasses Fond
 - Sulsted-Ajstrups Sognes Spare- og Lånekasses Mindelegat
 - Øster Brønderslev Sparekasses Fond
- Distribution of the award "En Gjæv Vestjyde" (a plucky West Jutlander) and in North Jutland the awards "Årets Forening" (association of the year) and "Årets Villavej" (residential street of the year)

“
As a strong local bank
we are of great importance to West,
Central and North Jutland. We have
always been conscious of this
responsibility and are happy to
accept it.

John Fisker, CEO
Ringkjøbing Landbobank



Principal activity

Competence development and training

- Intensive in-service training of employees in home ownership advice and private banking in particular. This includes statutory certification and recertification of the employees' competences
- Annual job appraisal reviews with all employees
- The bank works with a number of educational institutions including Finanssektorens Uddannelsescenter (Financial Sector's Training Centre), Aarhus University and Aalborg University
- Training of apprentices and trainees
- The bank contributes to the extra course in Economy and Finance offered by Gymnasiet HHX Ringkjøbing (Higher Commercial Examination College)
- Developing financial understanding by providing teaching staff and educational materials to lower secondary and post-secondary educational institutions as requested

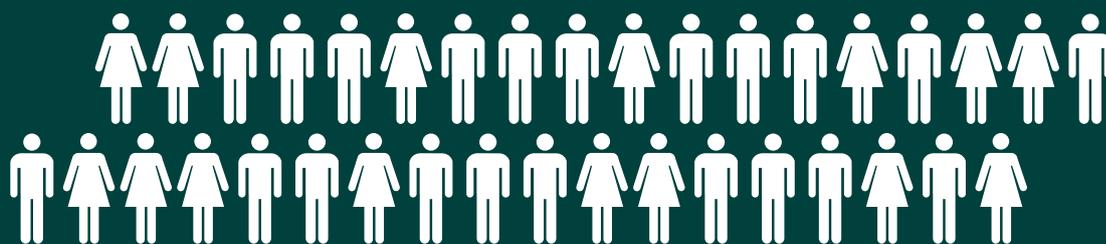
Objectives

The work of contributing positively to developing Denmark and Danish society will continue. Our focus includes:

- working with relevant educational institutions on in-service training of employees, certification of the bank's advisers and introducing children and young people to financial subjects and financial understanding
- continued strong local presence, both as a business and by supporting local initiatives – including sporting and cultural life in West, Central and North Jutland
- further expansion of our relationships with national and international partners for the financing of profitable and sustainable projects for the benefit of our customers and society

One of Denmark's major taxpayers

In 2019, Ringkjøbing Landbobank paid DKK 251 million in corporate tax and DKK 53 million in payroll tax. In 2018, the total amount was DKK 191 million. To this should be added income tax and dividend tax paid by the bank's employees and shareholders.



7.9% 

Employee Turnover Ratio

ESG key figures

	2019	
Full-Time Workforce	657.2 FTE	
Gender Diversity	41.4%	
	End of 2019	End of 2018
Gender Diversity, other Management levels	23.2%	25.7%
	2019	
Gender Pay Ratio	The bank does not publish a gender pay ratio. The bank gives equal pay for equal work. Therefore, differences in the average pay for men and women are due to differences in gender representation in different types of jobs – including as managers.	
Employee Turnover Ratio	7.9%	
Sickness Absence	3.5 days/FTE	
Customer Retention Ratio	The bank does not publish a customer retention ratio. The bank considers the result of the largest survey of customer satisfaction etc. in Danish financial institutions to be an adequate assessment of customer satisfaction in the bank. The survey is carried out by Voxmeter and has more than 50,000 respondents. In the surveys from January 2019 and January 2020, the bank is placed in the top half of this scale.	

Other key figures

	End of 2019	End of 2018
Apprentices – number	17	13
Trainees – number	5	4

Competence
development
and training



Henny Bank

Henny Bank is an adviser to personal customers at the head office in Ringkøbing. She became an apprentice in 2016 and an adviser in 2018. She underwent her general secondary education in Ringkøbing, where she accepted a voluntary offer of extra education for the final two years. She could choose between Leadership, Economy and Finance and Entrepreneurship.

- I started with the Leadership programme and then took Economy and Finance. The acceptance procedure is the equivalent of a job application, and is thus character building and very true to life, says Henny Bank, and continues:

- Among other things, Economy and Finance gave a really good insight into personal finances and a good introduction to the work of a bank adviser. For example, we learned how to prepare a budget. You don't usually get to do that in school, so when I sit down to give personal banking advice I often find that customers can't because they were never taught how to.

Economy and Finance is offered in collaboration with Ringkjøbing Landbobank. The bank typically offers employment to pupils from each team, and Henny was encouraged to apply. Henny is currently studying two subjects at the business academy. After the summer holiday in 2020 she will start on the second part of her graduate diploma.

Gymnasiet HHX Ringkøbing

Gymnasiet HHX Ringkøbing (The Higher Commercial Examination College) offers three concurrent courses to students in the final two years who have the ability and ambition to do better than average. One of these courses is called Economy and Finance and is run in collaboration with Ringkjøbing Landbobank.

- Economy and Finance is split into four modules, where the finance module gives a taste of economy, financing and investment, and is held at the bank's head office in Ringkøbing in collaboration with the bank's staff, says Jens Præstegaard, who is the rector for Gymnasiet HHX Ringkøbing.

The other modules are also run in collaboration with staff from Ringkjøbing Landbobank, teachers from Aarhus University in Herning and the college's own teachers. The bank is also responsible for a 'mix and mingle' boot camp for each new intake.

- With this collaboration the school gets the chance to provide some fantastic offers to students who can and want to achieve a bit more. It's exciting for the students, good for own learning, career-enhancing and entertaining at the same time.

- There are talent programmes for nearly all higher secondary school subjects. But there are only a few examples of such an integrated collaboration between school and business, concludes Jens Præstegaard.

Sponsorship
gives more
activities



Aalborg KFUM

Nordjyske Bank is the main sponsor for Aalborg KFUM, a football club with 1,000 members of both sexes and all ages from two years old and up. The club's membership is growing, and according to Tom Nygaard, who is the club's sales and events manager, this is partly due to the collaboration with Nordjyske Bank.

- We would like to think of ourselves as a community centre. We offer such different activities as football training for men, fitness football for women, communal dining, collaboration with local schools, a 64+ club that meets every other Tuesday, the opportunity for daycare child minders to join in morning exercises on Wednesday etc. And then we have more than 400 members aged between 6 and 12, so we are the biggest children's club in North Jutland, says Tom Nygaard, and continues:

- The collaboration with Nordjyske Bank as our main sponsor has helped to create fertile conditions for all of these activities. Nordjyske Bank's support gives the club time to make the activities self-supporting with only a little or no participation fee payment in the start-up phase.

Nordjyske Bank derives good visibility from the sponsorship. The grounds are called Nordjyske Bank Arena, the logo is displayed on the player's jerseys, and two annual parents' meetings with 500 participants are held where the bank also takes part and is allowed to present itself. Finally, the bank is given the opportunity to speak to the other sponsors; the latest subject for discussion was private banking.

Lucas Jensen

In 2019, 22 were engaged in an education at Ringkjøbing Landbobank compared to 17 in 2018. One of these is Lucas Jensen, who started in 2018.

- I've always wanted to work in finance. It's something of a family tradition, says Lucas.

- I took my Higher Commercial Examination in Fjerritslev, but couldn't get an apprenticeship in North Jutland. So I moved to Ringkjøbing when I was given a apprenticeship there.

Lucas was pleased to learn what a good, solid position it was.

- But in connection with the merger with Nordjyske Bank, I asked to return to North Jutland, which was readily agreed to.

Lucas is currently continuing his apprenticeship in Hjallerup, and is in his final year. In the process of his education, Lucas attends bank school. Like any other apprentice he has also started on a business academy education.



In 2019
22 were engaged
in an education
in the bank

More culture
for the money



Ringkøbing Biograf

Ringkøbing Landbobank is main sponsor for Ringkøbing Biograf (cinema), which is owned by an association and is run on a voluntary basis with Bjarne From as the day to day manager and only full-time employee.

- The cinema could probably survive without the support, but then it would be necessary to drastically reduce the costs, says Bjarne From.

For example, the bank has donated and loaned funds for the cinema's relocation and the conversion from analogue to digital film format. The loan came with favourable repayment terms.

According to Bjarne From, however, the bank gets something in return:

- socially: Ringkøbing Landbobank's employee association holds an annual closed event in the cinema
- visibility to the cinema-goers: Ringkøbing Landbobank has an advertisement before each film (like many other local advertisers)
- visibility in the local area: Ringkøbing Landbobank is given credit as being the cinema's sponsor in the cinema's weekly newspaper advertisement



The bank provides support to grass roots sport and local culture institutions and events.

Societal tasks, integrity and responsible management

Our governance work is based on our social responsibility policy and our code of conduct under the headings of integrity and responsible management. We work closely with the Danish authorities to ensure financial stability, create transparency and facilitate public tasks within tax reporting, monitoring of money-laundering and digitalisation.

Ringkjøbing Landbobank will work with the Forum for Sustainable Finance's 20 recommendations for the sustainable transition of society.

The bank is managed on principles of diversity, independence, equal opportunities for all employees and transparency in our remuneration policy and the return to our shareholders.

Our social responsibility policy and our code of conduct are available at www.landbobanken.dk/policies

Focus

- Carrying out our societal tasks competently and efficiently
- Avoiding any form of corruption and bribery
- Keeping the data of our customers, employees and others safe
- Ensuring that our suppliers conform to the bank's values in terms of ESG
- Diversity and independence in the bank's management organs
- A feeling among the bank's employees that equal career and management opportunities are open to them, irrespective of gender
- The bank does not allow discrimination on account of gender, age, ethnic origin, sexual orientation or religion, and no harassment or bullying is tolerated
- A market-compatible and transparent remuneration policy for the bank's board of directors and general management
- Creating competitive and transparent returns for our shareholders
- Forum for Sustainable Finance's 20 recommendations for sustainable transition of society

Activities

- Mandatory reporting of our customer's interest, bank balances, debts and custody account holdings
- Mandatory disclosure of the bank's prices and terms and conditions based on pension information, price portals, good practice legislation, MiFID etc.
- Supporting secure and efficient digitalisation of society – including NemID
- Preparing and continuously adjusting systems and procedures to keep data safe
- The employees may neither offer nor accept gifts of more than token value
- The bank is working to achieve a more equal gender distribution on the board of directors and at other management levels
- Health and wellbeing at the workplace are facilitated by a range of social events, health insurance, stress and alcohol policies, schemes for older employees, access to consultation with a business psychologist, guidance on optimal handling of the bank's IT tools and review and optimisation of the physical workstations
- The bank offers no form of incentive pay or variable pay to the board of directors or general management
- The bank offers no advantages reserved for its shareholders
- The bank publishes an ESG report for the 2019 financial year



Principal activity

Combating money laundering

- Combating money laundering is the responsibility of all employees in Ringkjøbing Landbobank – in particular reporting any unusual and/or suspicious activity or transaction to the bank’s anti-money laundering department
- Procedures for combating money laundering are available on the bank’s intranet and all employees have been trained and tested in them. Training follows a two-year cycle to keep the employees up to date on new methods and tools implemented by the bank and to familiarise new employees with the subject
- The bank has set up a central department in charge of the work of combating money laundering and to support the employees in their efforts. The department is also responsible for reducing operational risk

Objectives

Ringkjøbing Landbobank is facing a major governance task also in the years to come. We will focus in particular on:

- doing our bit to reduce society’s money laundering challenge
- continuing to ensure our employees are alert to data protection
- achieving greater diversity in the bank’s management organs
- health and wellbeing at the workplace
- ensuring that shareholders, employees and society profit from the bank’s activities
- translating Forum for Sustainable Finance’s 20 recommendations on how the financial sector can accelerate the sustainable transition of the economy into action



Gender Diversity, Board of Directors

ESG key figures

	End of 2019	End of 2018
Gender Diversity, Board of Directors	16.7%	16.7%

	2019
Board Meeting Attendance Ratio	98%
CEO Pay Ratio	10.1 times

Environment

Key figure / unit	Explanation and definition of the key figure	Reason for the key figure
CO ₂ e Scope 1 Metric tonnes	Scope 1 emissions: direct emissions resulting from the company's own combustion of fuels and materials. Calculation: see footnote 1.	The development in CO ₂ e emissions compared with the quantities produced or revenue is useful to identify the companies that have been able to change to an economy less based on fossil fuels – either over time or compared with their competitors.
CO ₂ e Scope 2 Metric tonnes	Scope 2 emissions: indirect emissions resulting from the energy used to produce electricity, district heating and district cooling, which the company has purchased for its use from a third party. Scope 2 emissions are in principle calculated like scope 1 emissions but typically do not cover all seven Kyoto-gases/GHGs. Calculation: see footnote 1.	The development in CO ₂ e emissions compared with the quantities produced or revenue is useful to identify the companies that have been able to change to an economy less based on fossil fuels – either over time or compared with their competitors.
Energy Consumption GJ	Energy, like emissions, is typically calculated based on fuel consumption multiplied by conversion factors. The energy consumed includes scope 1 and scope 2 sources as well as renewable energy sources. Calculation: see footnote 1.	The development in energy consumption compared with the quantities produced or revenue is useful to identify the companies that have been able to change to an economy based on less energy-consuming processes/assets – either over time or compared with their competitors.
Renewable Energy Share %	The share of total energy consumption coming from renewable energy sources. Calculation: (Renewable energy / total energy consumption) * 100	The ratio can be used to identify companies that have transformed their company and energy consumption to renewable sources.
Water Consumption m ³	The sum of all water from all sources including surface water, groundwater, rainwater and municipal water supply. Calculation: sum of all water consumed gross	Water consumption illustrates the risk relating to disruption of the water supply and/or changes in water cost.

Social aspects

Key figure / unit	Explanation and definition of the key figure	Reason for the key figure
Full-Time Workforce Full-Time Equivalents (FTEs)	Computed as a measure of the full-time workforce required to perform the work that has generated the financial ratios. Calculation: full-time employees + FTE-calculated hourly workers and FTE-calculated temporary workers. Please note that the bank has not taken compensated overtime into account in its key figure.	Indirectly important as the full-time workforce is the base for a range of other social indicators (see the following key figures).
Gender Diversity %	Gender diversity is calculated for FTEs. Calculation: female FTEs / full-time workforce. Please note that the bank has calculated its key figure at FTE level since the number of temporary employees in the bank is very low. In addition, the key figure is calculated at the end of the year.	Several surveys show that gender diversity correlates with better financial performance.
Gender Diversity, other Management levels %	The bank's other management levels are computed using the same method as in the "Target figures and policy to increase the percentage of the under-represented gender in the bank's management". Calculation: number of female managers at end of year / total number of managers at end of year * 100. Please note that the key figure is calculated at the end of the year.	Several surveys show that gender diversity correlates with better financial performance. An unequal gender distribution may also indicate the risk of workplace inequality of a more general nature and resulting inability to attract female talent.
Gender Pay Ratio Times	Not disclosed in the ESG report. 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.	Several surveys show that gender diversity correlates with better financial performance. An unequal gender distribution may also indicate the risk of workplace inequality of a more general nature and resulting inability to attract female talent.
Employee Turnover Ratio %	The employee turnover ratio is calculated both for voluntary and involuntary leavers. Retirees are included as involuntary leavers. Calculation: ((voluntary + involuntary FTE leavers) / FTEs) * 100	The voluntary turnover ratio in particular is interesting as it shows how successful the company is in retaining its employees and consequently knowledge and skills.
Sickness Absence Days / FTE	The number of full days employees are off sick compared to the total number of FTEs. Maternity/paternity leave is not included. Calculation: number of sick days for all own FTEs for the period / total FTEs.	If the company has a disproportionate amount of sick days per FTE, this may indicate lower employee satisfaction and/or safety issues. This is costly and could also lead to inability to attract talent.
Customer Retention Ratio %	Not disclosed in the ESG report. The bank considers the result of the largest survey of customer satisfaction etc. in Danish financial institutions to be an adequate assessment of customer satisfaction in the bank. The survey is carried out by Voxmeter and has more than 50,000 respondents. In the surveys from January 2019 and January 2020, the bank is placed in the top half of this scale.	This ratio can be seen as a proxy for customer satisfaction measurements, which are often incomparable across companies. A declining or low customer retention ratio may indicate that maintaining revenue in the future may be more costly or more problematic.

Governance

Key figure / unit	Explanation and definition of the key figure	Reason for the key figure
Gender Diversity, Board of Directors %	Gender diversity for the full board of directors. Calculation: (number of women board members / total number of board members) * 100.	Several surveys show that gender diversity correlates with better financial performance.
Board Meeting Attendance Ratio %	Measures the activity level of the board members. Calculation: ((Σnumber of board meetings attended) per board member / (total number of board meetings * number of board members)) * 100.	A relatively low or declining attendance ratio may indicate lack of attention to the board work. This may indicate a governance culture at risk.
CEO Pay Ratio Times	How many times the median employee pay can be covered by the compensation paid to the CEO as a proxy for social equality. Calculation: CEO compensation / median employee pay (payroll and pension). Please note that the bank has used an average instead of a median for employee pay to calculate the key figure.	A relatively high or increasing CEO pay ratio can express the company's valuation of the CEO compared to the regular employee. The key figure may be compared to the company's financial performance – and if the latter is relatively low or declining, it could be questioned whether the remuneration package is socially appropriate. It may even indicate a governance culture at risk.

¹ For detailed explanations and reasons, please see the publication "ESG key figures in the annual report" published by the Danish Finance Society, FSR – Danish Auditors and Nasdaq Copenhagen, 2019.



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