

Sydbank

Data Ethics Policy

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1. Introduction

This policy describes Sydbank's approach to sound data ethics and the principles applying to Sydbank's way of processing data in an ethical, responsible and transparent manner.

Sydbank takes its responsibility seriously. As a bank we have a great responsibility not only to our customers but also to help ensure that the entire financial sector contributes to safe and proper processing of data. As a result we constantly push developments and improve our data processing.

As a bank we wish to be perceived as a respected, competent and decent business partner that complies with legislation in force and monitors developments in good data ethics. Sydbank's data ethics policy must ensure this.

As of 1 July 2020 large companies are required to have a policy on data ethics. If a company does not have a policy on data ethics, it must explain why. The same requirement is expected to apply to financial undertakings as of 1 January 2021. As a result of the disclosure requirement the Bank must give an account of its work on and policy for data ethics. Data ethics concerns the Bank's ethical deliberations in connection with the use of new technologies and the increased volume of data, including the use of all forms of data as well as the Bank's general approach to the use of such data.

2. Background

Data is more important to companies than ever before and never before have so many people had such much personal data stored elsewhere. This places heavy demands on companies and their employees' ability to manage customer data.

For Sydbank it is essential that our customers and the surrounding world have every confidence in our ability to store their data. If this trust is not present we cannot be the relationship bank that we wish to be.

Therefore ethical use of customer data is also important when we have defined *Decency* in our strategy 'A stronger bank' as a significant element in achieving a stronger profile just as it is part of Sydbank's policy for healthy corporate culture and is included in Sydbank's CSR efforts.

Sydbank stores many types of data as well as large volumes of data. And consequently we are aware of how we prioritise our data protection efforts. Sydbank's data ethics policy makes the basis on which customer data is managed even clearer.

Sydbank is conscious that the role of data processor carries a considerable responsibility with respect to customers and the outside world. This responsibility is reflected in this policy and in the Bank's efforts to solve tasks as rationally as possible, while taking into account the Bank's values.

The ethical handling of data is a concern common to all the Bank's business areas.

3. Scope

Sydbank's data ethics policy is based on the customer data that we store and process but it also applies to all other data processed by Sydbank. The policy comprises the entire group and encompasses all employees.

4. Data ethics

The data ethics policy is based on Sydbank's customers, its internal efforts as well as the external environment.

In addition Sydbank addresses in section 6 of this policy the areas that the expert group of the Council for Data Ethics recommends that companies address – also called the data ethics compass.

Customers

Sydbank's data ethics policy rests on the premise that data provided by customers belongs to customers and is processed within the scope of the law. There must be transparency about Sydbank's storage of data with regard to the individual customer to ensure the customer's integrity.

Storage and use of customer data

Sydbank's customers must at all times be able to obtain information about which data is held about them, how it is stored and what it is used for.

In order to ensure customers' self-determination over data stored about them, Sydbank works continuously to ensure that data is processed in the most structured manner possible so that we always know which data is stored about the individual customer.

Offers to customers

Sydbank's offers to potential and existing customers depend on a number of factors, including the customer's creditworthiness, the Bank's desired risk, the customer's business transactions with the Bank and how Sydbank's product portfolio suits the customer. This is why the terms offered to customers vary. These are based on an individual assessment of the customer and his/her circumstances and not on the basis of data processing where discrimination of an individual or a group could occur.

Misuse and leaks

Sydbank's storage and processing of customer data must protect customers' dignity. This means that Sydbank does not use or process data to obtain knowledge that is against a customer's long-term interests, including discrimination of a group or an individual. Similarly Sydbank has measures in place to prevent the leakage of customer data where a third party could use the data against the customer's long-term interests.

Deletion of data

Sydbank has improved the Bank's deletion policy in recent years and works continuously to ensure that data that is no longer relevant is deleted. This is to ensure that Sydbank does not retain more information and data about its customers than is necessary.

Sydbank's efforts

Sydbank's customers and the outside world can only maintain trust in Sydbank's processing of data if all employees contribute to ethical and responsible data processing.

Consequently Sydbank has also strengthened the organisation in this area in recent years.

Strengthened GDPR and data security efforts

Sydbank takes responsibility for its data processing. This is also why Sydbank invests time and resources on an ongoing basis to be in control of customer data. In connection with the EU's General Data Protection Regulation (GDPR) Sydbank has established a special GDPR unit and employed a Data Protection Officer (DPO).

The same applies to Sydbank's data security efforts and in 2019 Sydbank employed a Chief Information Security Officer (CISO) in charge of Sydbank's data protection.

This has already resulted in a strengthening of the entire data area and will also ensure that it will remain a priority going forward.

Employee obligations

All employees at Sydbank are responsible for ensuring that Sydbank processes data in an ethically correct manner. This applies in particular to employees whose daily work involves customer data and in connection with advisory services.

At Sydbank constant focus is on ensuring that customer data is processed in the most structured manner possible and that data is deleted when no longer relevant.

Sydbank continuously works on training and education to ensure the correct processing of data by employees.

This also applies to Sydbank's advisers where their knowledge of customer data is limited to that data which is relevant to their job. Consequently advisers are not allowed to obtain information from a customer's accounts about the customer's actual spending without prior agreement with the customer.

External environment

In addition to its customer relationships, Sydbank has a broad interface with the surrounding world. Consequently we are conscious of our wider responsibility also with regard to ethical data processing.

Third party requirements

In its collaboration with third parties, for instance data processing centres, Sydbank ensures that customer data is afforded the same level of protection as that afforded by Sydbank.

Sydbank enters into data processing agreements with relevant third parties and follows up and checks that third parties comply with the Bank's requirements, including the data ethics policy.

In addition Sydbank has deliberately chosen not to ask its customers about the possibility of selling their customer data to a third party. This would be unethical in our opinion.

Data – also a social responsibility

At Sydbank we are aware of our corporate social responsibility, also when it comes to data ethics and data processing. This is why we collaborate with the authorities and fulfil our obligations to make data available when requested to do so.

This is also the case in terms of money laundering and other criminal activity where Sydbank reports relevant information if in our dealings with customers activities are recorded of which the authorities should be aware.

5. Responsibility and follow-up

The Board of Directors is responsible for preparing and updating this policy. On a regular basis and at least once a year the Board of Directors considers whether the policy should be updated.

The day-to-day activities concerning data ethics are carried out in the Bank's business units.

The Group's reporting on data ethics is the responsibility of a number of functions at the Bank, including Compliance, Risk and the Bank's DPO and CISO, which report significant risks to the Bank's Group Executive Management.

6. Data ethics compass

In connection with its final report in November 2018 the expert group of the Council for Data Ethics introduced the data ethics value compass which organisations are encouraged to use in their efforts to pursue an ethical data policy.

Sydbank's data ethics policy is summarised using the data ethics compass and is operationalised through internal policies and business procedures.

<p>Self-determination The starting point of Sydbank's work with ethical processing of data will always be that data belongs to the customers. This ensures the best self-determination for customers.</p>	<p>Equality and fairness Sydbank will at all times refrain from using data in a manner which discriminates between groups of people.</p>
<p>Dignity Sydbank will always ensure the dignity of customers by not using data against customers' interests and when working to ensure that customer data does not end up in the wrong places.</p>	<p>Progressiveness Sydbank's data processing must promote a positive development in society. Therefore we also collaborate with relevant authorities regarding data information to ensure a positive development in society and to fight crime.</p>
<p>Responsibility Everyone at Sydbank must work to ensure responsible and ethical processing of data. As a result systematic efforts are made with regard to data processing so that it takes place in a responsible manner and Sydbank's customers can have confidence in the Bank.</p>	<p>Diversity At Sydbank active efforts are made in connection with data system design to ensure that all population groups can safely use Sydbank's systems, internal as well as customer-focused, in their everyday life, thereby creating an equal and dignified basis for everyone.</p>