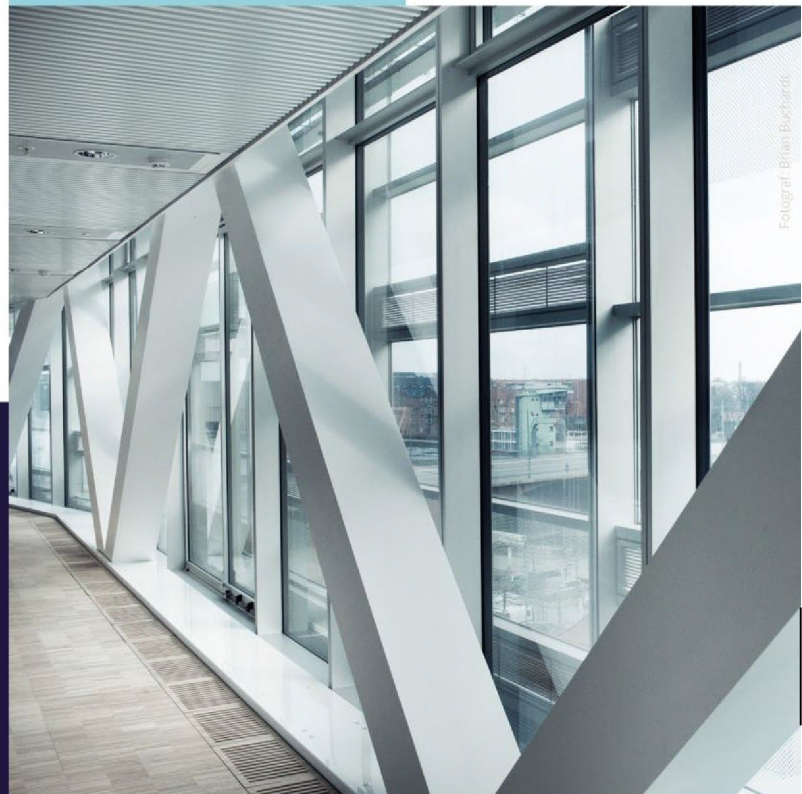
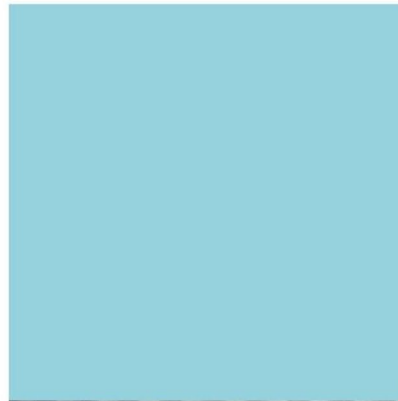


Nykredit

X Totalkredit



Data Ethics Policy

April 2025

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Approved by the Boards of Directors of

- Nykredit Realkredit A/S on 7 May 2025
- Nykredit Bank A/S on 5 May 2025
- Totalkredit A/S on 5 May 2025
- Nykredit Portefølje Administration A/S on 2 May 2025
- Nykredit Mægler A/S on 1 May 2025
- Nykredit Leasing A/S on 30 April 2025

Document owner: Annett Sestoft (ASES), Digital, Change & IT, Data Enablement

1. BACKGROUND AND PURPOSE

In its capacity as a financial undertaking Nykredit handles large customer data volumes, not least to comply with legislative requirements, but also to be able to service and provide relevant products to our customers and to automate and enhance the efficiency of business model processes in collaboration with a number of suppliers and business partners.

We live in a time of lightning-speed technological advances, which allow businesses to drive innovation through the use of data and to offer new services and products to their customers. Therefore, companies like Nykredit must ensure that data usage, for example in models and technologies such as artificial intelligence and machine learning, is not only in compliance with legislation but also in accordance with Nykredit's data ethical principles. In overall terms it is important to Nykredit that data usage meets Nykredit's high standards of responsibility.

This Data Ethics Policy aims to set a clear framework for all Nykredit staff, describing how to demonstrate ethically responsible conduct in their data usage and how to ensure the trust of our customers, staff, business partners and other stakeholders. The Policy is to be considered a set of markers guiding Nykredit's handling of data.

1.1 In the context of a sound corporate culture

This Data Ethics Policy is one element in ensuring responsible business practices at Nykredit. The Policy should be read in the context of Nykredit's Corporate Culture Policy, which describes the overall framework for promoting a sound corporate culture as well as the ethical and professional standards for which Nykredit wants to be known.

Responsible business practices and a safe and open culture are the two main principles applied to ensure and promote a sound corporate culture at Nykredit. The principles are supported by four behavioural skills that will be the main focus of Nykredit's continuous people development. We call it Nykredit behaviour, and one of those skills is responsibility. In particular, the Data Ethics Policy describes the implementation of Nykredit's behavioural principle of responsibility, from which it follows that we must be able to explain and justify our choices and actions, both at the business strategic level and in our day-to-day work performance. In addition, it is expected that all staff understand and assist in managing and monitoring the risks related to their day-to-day work and in complying with current legislation, market standards and internal rules in all areas in which Nykredit conducts business or is represented, see also section 5.

2. DATA ETHICAL PRINCIPLES

Nykredit uses data in support of our vision to be customers' preferred bank. This provides increased insights into our customers' needs and the possibility of offering more relevant advice, products and services as well as improved processes to the benefit of the customers.

Nykredit's Data Ethics Policy is based on four key principles. Nykredit wants to ensure that any data usage for business purposes is in accordance with those principles – and, naturally, in compliance with applicable legislation.

Transparency

Nykredit should be transparent and able to explain where data is used in customer services and how the results of such usage are integrated in Nykredit's business processes.

Responsibility

Nykredit takes responsibility for ensuring that data is used in the interests of our customers so as to increase the quality of the services and products provided and to optimise internal processes. Established internal processes ensure compliance with Nykredit's data ethical principles.

Equality

Nykredit strives to always interact with customers objectively and on an equal footing, also in situations where data usage supports customer services. As a main principle, areas such as ethnicity, cultural background, religion, sexual orientation, political affiliation, disabilities etc may not be used in the customer service design, be it directly or indirectly via deliberate selection of data that indirectly captures such areas.

Security

Customers of Nykredit can trust that data is used securely and responsibly. By providing a high level of IT security, robust platforms and standardised processes, Nykredit creates a secure environment.

3. DATA USAGE AND THIRD PARTIES

Nykredit's customer data is used in many internal Nykredit processes, not least to comply with legislative requirements, but also to enable Nykredit to service and provide relevant advice and products to our customers. Data on our customers is collected by Nykredit or Nykredit's direct business partners and suppliers.

In terms of third-party collaboration, Nykredit wants to collaborate with parties which, like Nykredit, take their corporate responsibility seriously, including responsibility for ethical usage and handling of data. Any doubt as to whether the usage and handling of data by a third party is in alignment with Nykredit's Data Ethics Policy may be addressed by Nykredit's Data Governance Committee.

3.1 Artificial intelligence

Nykredit believes that putting technologies such as artificial intelligence ("AI") to use is a natural part of our continued business development. This enables Nykredit to provide advisory services of higher relevance and ensure more efficient operations – to the benefit of owners and customers alike. It is critical to Nykredit that artificial intelligence etc is applied in accordance with Nykredit's data ethical principles. In cases where a technology is applied for automated decision-making in specific customer cases, Nykredit will, in accordance with Article 22 of the General Data Protection Regulation, make available to the customer information about the decision-making process and its consequences as well as the possibility of manual processing.

3.2 Training of algorithms and bias risk

Where Nykredit uses data for automated decision-making in specific customer cases, the development process should ensure that the model is based on data that is representative of the group of people to whom Nykredit provides services. The aim is to counter the risk of bias in model recommendations. Considerations of bias avoidance must also appear from the solution documentation, and models should be validated at appropriate intervals.

3.3 Personalisation of products and services

Nykredit uses data for segmentation and personalisation of Nykredit's products and services with a view to targeting services and products at customers.

3.4 Credit models, including property value models

Nykredit's capital calculations are performed using internal credit models governed by special and specific legislation. The models are designed to allow for the best possible prediction of, for example, probabilities of default and losses using objective inputs. We will, however, refrain from using data on ethnicity, cultural background, religion, sexual orientation, political affiliation, disabilities etc in our model development, as well as for the purpose of indirect selection.

4. RESPONSIBILITY AND SKILLS TRAINING

The individual business unit managements undertake to inform their staff of this Data Ethics Policy. Nykredit's staff are obliged to ensure that data is used in accordance with the data ethical principles. Staff working with data in the profiling and segmentation of existing and potential customers are particularly responsible for acquainting themselves and complying with Nykredit's data ethical principles.

Nykredit is continually working to create awareness and an understanding of the data ethical principles, ensuring compliance with these principles at Nykredit.

5. IMPLEMENTATION IN THE ORGANISATION

It is fundamental to Nykredit that our use of data in the provision of advice, services and products is responsible, both from a societal perspective and in terms of compliance with Nykredit's data ethical principles. This calls for a corporate culture where we can openly discuss and act on the data ethical dilemmas that may arise even when existing rules and regulations are complied with, to ensure that we, as a business, can explain and defend our conduct.

All managers and staff are expected to actively contribute to discussing Nykredit's business practices in a broad sense and to making any necessary business and conduct adjustments where required.

All Nykredit managers have special responsibility for promoting behaviour that encourages staff to openly share assessments of, or concerns about, the use of data in Nykredit's business practices, and responsible business practices are an overall focus point in Nykredit's management training programmes.

Also, all staff are required to maintain a strong awareness in performing their own duties, as individual staff members are often able to detect inappropriate business practices in their own field of work before anyone else.

Overall responsibility for compliance with this Data Ethics Policy is vested in the Group Risk Committee. Reporting directly to the Group Risk Committee, the Data Governance Committee is responsible, on behalf of the Group Risk Committee, for the regular evaluation of Nykredit's efforts in the area and for regularly addressing any data ethical dilemmas.

The Data Governance Committee will give an account of the management of data ethical responsibilities as part of its reporting to the Group Risk Committee.

6. PROCEDURE FOR DEVIATION FROM OR NON-COMPLIANCE WITH THE POLICY

This Policy comprises a set of data ethical principles for the promotion of a sound data usage and handling culture at Nykredit. Any material non-compliance with this Policy must be reported to the Board of Directors without undue delay.

7. OVERSIGHT AND REPORTING

The Board of Directors oversees that the Policy is implemented, complied with and has the intended effect. The Board of Directors must regularly and at least once a year assess whether the Policy is satisfactory considering Nykredit's business activities, organisation and resources as well as the market conditions for Nykredit's operations.

The Executive Board must ensure that the Board of Directors is able to fulfil its duties by providing regular reporting and written evaluations of the organisational implementation of this Policy. The Executive Board reports on the implementation of and compliance with the Policy at least once a year.

8. COMMENCEMENT

This Policy is revised annually or when decisions, assessments etc are made that necessitate an update.

The Policy enters into force at the time of approval by the Board of Directors.