



CSR
Report
2010

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CSR Report for Arbejdernes Landsbank 2010

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Arbejdernes Landsbank – built on the concept of social responsibility

Arbejdernes Landsbank has a long history of social responsibility, stretching right back to the founding of the Bank in 1919. At its establishment, the object of the Bank was to secure independence for the trade-union movement from capitalist banks in a conflict situation; to endeavour to safeguard members of the trade-union movement in a conflict situation; and to offer better and cheaper loans as alternatives to mortgage borrowers.

In 'Vision 2012', which describes the Bank's vision, mission and strategic objectives, social responsibility is identified as the basis for this mission:

'To deliver highly professional and ethical financial services to Danish families, small and medium-sized enterprises and the trade-union movement'.

Four focus areas

We are striving to live up to our social and economic responsibilities as a bank in the following four focus areas:

- Customers and products
- Employees
- Society
- Climate and the environment

Customers and products

Arbejdernes Landsbank is a bank for

- private customers,
- small and medium-sized businesses as well as
- trade-unions.

Over the years, the Bank's business has concentrated on ensuring that activities derive from customer needs.

In our capacity as financial and private-economy consultants, we undertake to provide our customers with the best terms and conditions possible, thereby enabling businesses to expand their activities and ensuring that private customers are able to live life to the full within their financial possibilities.

We strive to

- ensure that our customers understand their economic situation and the products we offer,
- treat all customers professionally, with respect and concern for their individual needs,
- offer all customers personal financial advice,
- provide advice which meets our customers' needs,
- train our consultants so that their competencies live up to the legitimate expectations of a full-service bank, and
- offer our customers ethically screened investments.

We also offer our customers the same prices for the same type of business.

Initiatives

Responsible advisory and loans policy

At Arbejdernes Landsbank we concentrate on business activities aimed at ensuring safe frameworks for customers during good and less good times. This means that the Bank has held back on business transactions which might risk seriously affecting the economy of private customers, for instance, on account of unfavourable trends on the capital markets.

Transparent prices

Customers must be able to see what they pay for the services they receive from the Bank. Therefore, the Bank has no hidden fees and we are working to ensure that the price structure is easy to understand and

accompanied by fair prices. Prices and terms are available at www.al-bank.dk.

Dialogue

Entering into close dialogue with our customers is an important element in ensuring that customers are treated professionally and with respect for their individual needs. The Bank attaches great importance to long-term customer relations.

The values interview, introduced for private customers from 1 January 2011 is to ensure that dialogue and advisory services are based on the customer's values, wishes and needs.

Bonus schemes and emoluments of the Executive Management

No managers or other employees receive a bonus solely on account of individual performance such as personal sales activities. Bonus schemes are paid out on the basis of performance by the Bank, branch/division and the individual employee, as well as the employee's observance of our values.

Emoluments of the Executive Management solely comprise a fixed salary, pension and company car; all of which are disclosed in the Bank's annual report.

Customer satisfaction measurements

Every three years, we engage an independent consultant to carry out satisfaction measurements among our customers in accordance with recognised statistical guidelines. Results of these measurements are published in the media and on our website. The next measurement will be in 2011.

Ethical investments

Since 2003, the Bank has offered its portfolio customers a screened global share portfolio through the Bank's own investment association 'AL Invest Udenlandske Aktier Etisk'. First of all our customers' approach to ethics and socially responsible investments plays a decisive role when making investments.

If the customer has granted authority to us, we attach great importance to socially responsible investment alternatives. This applies if we make investments on the customers' behalf, e.g. through pooled schemes and products requiring power of attorney, but it also applies if we invest the Bank's own portfolio.



We do not wish to invest in shares and bonds issued by enterprises which deliberately and repeatedly break the rules built on the UN principles and intentions. We also pay regard to standards set by national authorities in markets where enterprises are active, and ultimately, this also applies to standards set by international organisations, supported by Denmark.

We do not currently work with a formalised screening process for single issuers, but if we are informed about possible conflicts, we take initiative to dispose of a given position. We also work to ensure that the Bank's cooperation partners make investments responsibly. Therefore, when assessing specific investment assets, a responsible investment process will have a positive weighting in our choice of cooperation partners.

Objectives for customers and products 2011

Innovative products

Objective: As part of developing new products and concepts, social responsibility is to be a strong factor.

Responsibility practice*: Cost/benefit analyses on products will be prepared regularly to ensure that the products help us achieve a profitable CSR policy.

Organisational adaptation*: The Business Development Division is responsible for developing new products and implementing them in the Bank.

Measurement*: Products launched are measured to establish whether these help increase operating profit and strengthen social responsibility.

Monitoring investment associations

Objective: To incorporate social responsibility in monitoring investment associations, which the Bank is cooperating with, now and in future.

Responsibility practice: We will examine and, if necessary, contact our cooperation partners in investment associations to clarify whether social responsibility has been incorporated in their investment processes.

Organisational adaptation: This activity is incorporated into the day-to-day work routines of the Treasury Division.

Measurement: Measurements are conducted to establish the number of the Bank's cooperation partners in investment associations, which have wholly or partly integrated social responsibility into their investment processes.



* *Responsibility practice describes the practice which leads up to compliance with the objectives. Organisational adaptation describes how we adapt the organisation to solve the task. Measurement describes how we measure whether the activity has successfully met the objective.*

Employees

As an employer, we consider it our responsibility to create the framework for a healthy, safe and motivational working environment.

We strive to

- provide working conditions which motivate and inspire our employees,
- offer flexible working hours which allow individual employees to create a better balance between their private life and life at work,
- create career and development opportunities for employees at all levels of the Bank,
- ensure a healthy physical and psychological working climate, and
- care for employees who suffer unfortunate social circumstances, including stress or sickness. .

Initiatives

Policy on absenteeism due to sickness

We have clear guidelines for managers and employees to follow in the event of sickness. For instance, we hold care and sickness interviews after 2-4 weeks' absence and, if possible, we offer a lighter job at the Bank to employees who are no longer able to take on a full-time job.

Policy on stress

Stress may be part of everyday life, but we believe that engaging in an open and honest dialogue on the subject ultimately helps prevent stress. Accordingly, we have drawn up a policy on stress, which describes how we prevent and handle stress.

Health and well-being

We consider our employees to be our most important resource and therefore we have launched a number of initiatives focusing particularly on promoting their general health and well-being:

- All the Group's employees are covered by joint health insurance with LifelinePlus Scandia.
- All employees can have ten annual preventive treatments at Falck Health Care and can join first-aid courses and stop-smoking courses.
- Funds have been allocated for all branches/divisions to hold social events to encourage a sense of community and a good working environment.

- We offer employees the possibility of improving their physical fitness and social relations through various sports activities in the Bank's own sports association ALI.
- Guidelines have been drawn up on preparing healthy and low-fat food in the canteens.
- To maintain a good social and psychological working environment, a measurement of employee satisfaction is carried out every three years, whereas measurements of the extent of absenteeism due to sickness are carried out quarterly. The next employee satisfaction measurement will take place in 2013.
- The Bank ensures follow-up on the physical working environment by conducting workplace assessments (ArbejdsPladsVurdering) every three years with subsequent action plans. The next workplace assessment will be carried out in 2012.

Flexitime scheme

We wish to give employees as much flexibility as possible, to make it easier for employees to unite family and working life. Therefore, we have established a flexitime scheme for all employ.

Career and development plans

In order to realise the Bank's objective of being an attractive workplace, we work systematically with competency development.

Each year, mandatory personal and professional development plans are prepared for all employees. Annual staff-development interviews are carried out, focusing on future career wishes and development opportunities. Every six months, the staff-development interview is followed up with the development plan and the job target for the individual employee.

Managerial measurements

Each year, managerial measurements are made to ensure cohesion between the expectations of the Bank, the managers and the employees. The goal is to ensure visionary managers who know how to create sustainable results and inspire employees in everyday life.

Senior scheme

We offer all employees over the age of 60 years a reduction in working hours if they so wish (80, 70 or 60 per cent depending on age).



Objectives for employees 2011

Career paths

Objective: To define and make the Bank's career paths visible.

Responsibility practice: A project which is to define career paths will be set up in 2011.

Organisational adaptation: A person responsible for HR will be appointed to ensure actual implementation of the project.

Measurement: By the end of 2011, career paths at the Bank will have been defined and made visible.

Talent programmes

Objective: To set up a talent programme for potential branch managers and heads of division.

Responsibility practice: Talent programmes targeted at deputy managers are to be developed.

Organisational adaptation: HR will have this project as primary focus area in 2011.

Measurement: The proportion of participants who have become branch managers or heads of division within three years after completion of the talent programme will be measured. The goal is 40 per cent.



Society

We at Arbejdernes Landsbank want to support and get involved in good causes locally, nationally and internationally (see www.godesager.org). This is being realised in different ways. For example we grant local sponsorships to sports clubs and charitable organisations, we subsidise employees by giving them paid time off to take part in voluntary work, and we support aid organisations in the Third World.

We strive to

- support information campaigns and humanitarian aid work through recognised organisations.

Initiatives

Humanitarian aid for children

Each year, we contribute to relief work for children. We have chosen to support Save the Children Denmark and ASF Dansk Folkehjælp, where Chief Executive, Gert Jonassen is ambassador.

We also work together with '100% to the Children' – a non-profit organisation supporting development projects for African dump site children.

Arbejdernes Landsbank Fund

The Arbejdernes Landsbank Fund aims at strengthening Danish society through education and knowledge. The fund was established in 1957 and is operated as an independent institution. Information about dates for applications etc. are provided on the Bank's website: www.al-bank.dk under 'About the Bank'.

Motivated learning

In 2010 we cooperated on learning styles with learning expert, Svend Erik Schmidt. The project consists of free materials, workshops and presentation nights aimed at motivating children to learn.

+Camp

In 2009 and 2010 we sponsored the project +Camp which, based on learning styles, various motivation techniques and with scheduled fitness exercises, aims at eliminating social isolation, preventing overweight in children and encouraging the desire to learn.

Voluntary debt counselling

The Danish Ministry of the Interior and Social Affairs has allocated pooled funds to help a number of relief

organisations set up debt counselling in major Danish towns. The aim is to help people with debt problems recover control of their financial situation.

The counselling service is manned by volunteers working in the Danish banking sector.

Arbejdernes Landsbank is supporting the initiative by reimbursing part of the hours spent by our employees on working as voluntary debt advisors.

Objectives for society 2011

Motivated learning

Objective: To expand cooperation on development of “Motivated learning” tool boxes for use in mathematics classes at municipal schools. The objective is to distribute tool boxes for 500 institutions around Denmark.

Responsibility practice: The “Motivated learning” tool boxes will be developed in cooperation with Svend Erik Schmidt.

Organisational adaptation: A person responsible for marketing activities as well as a person responsible for sales locally have been appointed in connection with each presentation.

Measurement: Reports are made to the Marketing Department on how many people have participated in the individual presentations. At www.al-bank.dk the daily use of pages about “Motivated learning” is measured.

Desire to learn

Objective: To disseminate the message on how parents can make learning fun for their children, whilst also strengthening the child’s social and personal skills.

Responsibility practice: The Bank will hold a number of presentations with psychologist and coach, Nicolai Moltke-Leth and together with him develop a parents’ guide on motivation and development of healthy social competencies in children. The parents’ guide is expected to be completed in autumn 2011. The aim is to gather 1,500 people at the presentations.

Organisational adaptation: A person responsible for marketing activities as well as a person responsible for sales locally have been appointed in connection with each presentation.

Measurement: Reports will be made to the Marketing Department on how many people have participated in the individual presentations.



+Camp

Objective: To further extend the cooperation to also cover a number of presentations around Denmark, as well as development and distribution of diverse information material.

Responsibility practice: We will actively share information about +Camp and its activities by distributing materials about it in connection with various presentations around Denmark.

Organisational adaptation: The expansion of the cooperation will be integrated into the daily work of employees responsible for projects.

Measurement: Employees/teachers at +Camp will report back if they sense renewed interest.

Understanding private economics

Objective: To help our customers and ninth grade pupils gain a better understanding of their private economy.

Responsibility practice: We will host a number of courses and presentations on private economics for our customers and furthermore, prepare teaching material about private economics for use in ninth grades as supplement to mathematics teaching.

Organisational adaptation: A person responsible for marketing will manage this task.

Measurement: Reports are to be made to the Marketing Department on how many people have participated in the individual courses and presentations. The extent of our success with the teaching material for use in ninth grades will be measured through pupils’ own evaluation of the material.

Climate and the environment

The Bank strives to avoid unnecessary negative impacts on the environment.

We strive to

- only use suppliers, IT products, processes and infrastructure which can contribute to reducing energy consumption and impacts on the environment,
- reassess regularly our procedures in order to find possibilities to minimise resource consumption,
- avoid taking part in financing activities which we deem to have an unnecessarily negative effect on the environment.

Initiatives

Reduction of paper consumption

At Arbejdernes Landsbank we strive to develop electronic solutions that can help reduce paper consumption. In day-to-day operations, all paper waste is collected and sent for reuse.

Reduction of servers and consumption of electricity

During 2010 the IT department has been working on virtualisation of the Bank's servers. This will reduce IT waste by 300 kg annually, reduce energy consumption on servers by 75 per cent and reduce energy consumption for cooling.

Virtualisation of IT workplaces

In 2010 the IT department started its virtualisation of IT workplaces in the Bank. The first 800 workplaces were established in the Bank's branches in December 2010. The IT equipment installed with employees, has an expected longer operational life than PCs and electricity consumption is greatly reduced. The activities in 2010 are expected to reduce CO₂ emissions by 50 tonnes per annum and also decrease the amount of IT waste by 2 tonnes per annum.

Low-energy light sources

We switched to LED lighting in all outdoor illuminated signs and thus are saving the environment 72 tonnes of CO₂ annually. In addition, we use low-energy light sources in the Bank's other existing lighting.

Energy-efficient building projects

We develop building projects using energy-labelled products which impact the environment as little as possible. In connection with new construction and total renovation of branches, we take extensive environmental consideration and will continue this approach in future by e.g. using low-consumption technologies and highly insulating materials.

Environmentally friendly advisory services and green loans

The Bank has entered into cooperation with Totalcredit and Dong Energy Cleantech to offer customers an energy analysis of their houses. This is done to motivate environmental and energy improvements for the benefit of customers individually and for society as a whole.

We also provide cash funding to pay for thermography of our customers' houses by granting loans for environmental and energy improvements.

Objectives for climate and the environment 2011

Reduction of server rooms

Objective: To remove a number of energy-consuming installations and simplify systems.

Responsibility practice: As equipment is moved away, we will monitor stability.

Organisational adaptation: Attachment of an IT project manager.

Measurement: At the turn of the year, cooling from one server room as a minimum must be discontinued and removed.

Virtualisation of IT workplaces

Objective: To continue establishment of FDI workplaces in staff functions. An additional 400 FDI workplaces will reduce energy consumption by 80 per cent and thus CO₂ emissions by 25 tonnes. At the same time, the annual volume of IT waste will be reduced by 1 tonne.

Responsibility practice: We will continually influence producers to virtualise their software as this is a necessary prerequisite for completion of the project.

Organisational adaptation: Attachment of an IT project manager in the Bank and at Bankernes EDB Central (BEC).

Measurement: Measurements are to be made of the number of standard IT workplaces with uncomplicated extra programmes which have been converted.

Environmental requirements for fixtures and equipment as well as products

Objective: To ensure that materials, products as well as fixtures and equipment purchased are produced and transported so as to impact the environment as little as possible.

Responsibility practice: Suppliers are required to account for their CSR policy and the manufacture of their products. A number of requirements have been published in "Environmental requirements for fixtures and equipment as well as products".

Organisational adaptation: In connection with tendering procedures of various product supplies, environmental requirements will be an extremely important factor in the decision-making process.

Measurement: Suppliers will have to deliver a report on how they comply with environmental requirements.

Energy-efficient building projects

Objective: To exclusively use low-consumption technologies and highly insulating materials in new construction and total renovations.

Responsibility practice: In connection with planning, energy labelling recommendations must be included in budget planning and incorporated into projects. For instance, lighting which automatically switches on and off, energy-saving light bulbs, LED lighting, energy-efficient glazing, heating control and heat recovery through ventilation facilities.

Organisational adaptation: The Bank has employees who are trained in construction and have knowledge about energy-saving measures. One person will be responsible for tasks concerning energy savings. A new employee may be recruited for this and similar jobs.

Measurement: Information about energy consumption will be collected in the Bank's branches and staff functions.

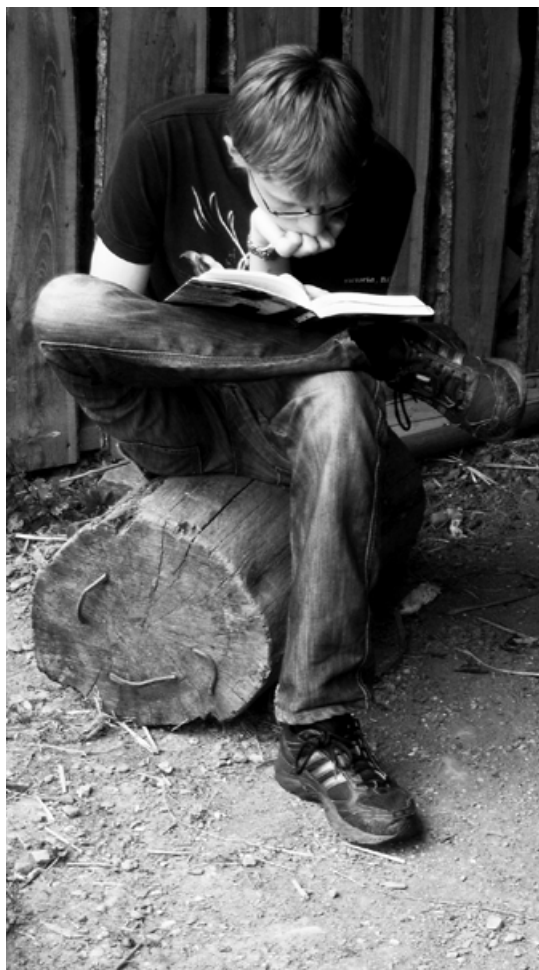
Energy-saving behaviour

Objective: To encourage all employees in the Bank to consider energy savings as part of their work routines and daily behaviour.

Responsibility practice: Energy-labelling reports will be used to plan savings initiatives. Employees will be encouraged to increase their focus on energy-saving behaviour through the Bank's internal communication systems. We are contemplating organising a competition to encourage employees to actively consider their energy consumption.

Organisational adaptation: One person will be responsible for tasks concerning energy savings. A new employee may be recruited for this and similar jobs.

Measurement: Information about energy consumption in the Bank's branches and staffing departments will be collected.





Building on sound values