

CSR Report 2011



AKTIESELSKABET

 Arbejdernes Landsbank

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CSR Report for Arbejdernes Landsbank 2011

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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 2015', which describes the Bank's vision, mission and strategic objectives, social responsibility is identified as the basis for this mission:

"To create value for Danish families, small and medium-sized enterprises, and the trade-union movement by delivering highly professional and ethical financial services".

Four focus areas

We are striving to live up to our social and economic responsibilities as 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 and associations.

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 financial 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 at all times 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 when things are good and when the climate is less favourable. This means that the Bank has held back on business transactions which might risk seriously affecting the finances of private customers, for instance, on account of unfavourable trends on the capital markets.

Transparent prices

Customers must be able to see how much they pay for the services they receive from the Bank. Therefore, the Bank has no hidden fees or charges and we are

working to ensure that the price structure is easy to understand, with fair prices. Prices and terms are available at <https://www.al-bank.dk/priser>

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. Our 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 2014.

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'. The opinions of our customers on ethics and socially responsible investment are the primary mover for the investments.

If the customer has granted us authority, we attach great importance to socially responsible investment alternatives. This applies if we make investments on our 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 take account of 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.

Realisation of 2011 objectives

Innovative products

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

In 2011 we developed a new concept for associations to meet the price and service requirements of our club and association customers. The concept has been developed to improve our competitiveness, to make it easier to be a club or association in Denmark, and ultimately to make it easier for clubs and associations to promote their local and social commitment. Part of our new concept involves offering free courses for boards on accounting and responsibilities, as well as a free handbook for clubs and associations.

Monitoring investment associations

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

In 2011 we examined the extent to which the investment associations with which the Bank cooperates screen their investment portfolios on the basis of ethical criteria. The conclusion of our investigation was that the majority of the investment associations do screen their portfolios.

Objectives for customers and products 2012

Monitoring investment associations

Objective: We will strive to influence the Bank's providers of investment associations to increase the proportion which screen their investment portfolios.

Responsibility practice*: We will enter a dialogue with investment associations which do not fully screen their investment portfolios.

Organisational adaptation*: This task is to be integrated into the daily work of employees responsible for projects.

Measurement*: Measurement is of whether there has been an increase in the proportion of investment associations with which the Bank cooperates, which screen all their investment portfolios on the basis of ethical criteria.



* 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 in 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 manage 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 courses to help them stop smoking.

- We offer employees the possibility of improving their physical fitness and social relations through various sports activities in the Bank's own fitness association ALI.
- Funds have been allocated for all branches/divisions to hold social events to encourage a sense of community and a good working environment.
- Guidelines have been drawn up on preparing healthy and low-fat food in our canteens.
- To maintain a good social and psychological working environment, employee satisfaction is measured every three years, while 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 want to give employees as much flexibility as possible, to make it easier for employees to harmonise family and working life. Therefore, we have established a flexitime scheme for all employees.

Career and development plans

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

Measurement of management

Each year, measurements of management 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).

Realisation of 2011 objectives

Career paths

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

In 2011 we established a project to define career paths within the Bank. Because of its importance, in 2012 the project became a strategic priority under 'Attractive workplace'. The final measurement will therefore be made in 2012.

Talent programme

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

The talent programme for deputy managers was established in 2011 and the first module, focussing on 'yourself as a leader', was held in accordance with the project plan. Modules 2-4 have been planned for 2012 under the headings 'daily operations', 'relations' and 'business development'.

Objectives for employees 2012

Career paths

Objective: We will describe and make visible career paths and development opportunities in the Bank, including the Bank's systematic training programmes, and we will define the content of the career concept.

Responsibility practice: This will be on the basis of the Bank's commercial challenges, aiming at promoting career development at the Bank.

Organisational adaptation: Because of its importance, in 2012 the project became a strategic priority under 'Attractive workplace'. Therefore the project will also be a CSR objective in 2012 for the HR Department.

Measurement: The career paths and development opportunities have been made visible by 1 June 2012.

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 operating 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, for whom Chief Executive, Gert R. Jonassen is an ambassador.

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

Furthermore, in 2012 we will establish collaboration with 'Børn, unge og sorg', a Danish association which helps children up to the age of 28 whose parents have either died or are seriously ill. Apart from supporting the association, the Bank will also take part in a large project called 'Hope', which is to form the foundation for broad information work on the association and its objectives.

Arbejdernes Landsbanks Fond

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 <https://www.al-bank.dk/fond>

Learning and motivation

In 2009 the Bank set up a collaboration with learning expert Svend Erik Schmidt on children, learning and motivation. In 2010 the collaboration was expanded to include psychologist and coach Nicolai Moltke-Leth, who works to help parents make learning more

fun for their children. The project consists of guides for parents, free materials, workshops and lecture evenings, and it aims at promoting more attractive learning for children.

+Camp

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

Voluntary debt counselling

The Danish Ministry of Social Affairs and Integration 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.

Digital etiquette

Together with sociologist Anders Skov and Jacob Brøndum, Msc. who are both experts in behaviour and communication in the digital world, the Bank has initiated a partnership on good manners in the virtual world for children and young adults. The goal of the partnership is to provide parents with more understanding of the digital world so that they can help their children act responsibly in a world which is already a large part of their children's lives.

Trainee scheme

The Bank wants to take social responsibility for providing young people with a financial education at the Bank. Therefore we employ an average of ten new finance trainees and financial economists every year.

Realisation of 2011 objectives

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 at 500 institutions around Denmark.

During 2011 we distributed 500 tool boxes to diverse educational institutions.

Desirable learning

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

The objective has been achieved and in September 2011 we published the guide for parents entitled 'Rich on self-esteem'. We have also held 12 lecture evenings with more than 2,300 participants.

+Camp

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

The objective was only partly realised as we have not held any lecture evenings. This is because of a lack of interest (the target group was too narrow). However we have actively disseminated information about +Camp at the 'Desirable learning' lecture and we have sponsored a social football event for the children who completed their +Camp programme.

Understanding private finances

Objective: To help our customers and ninth grade (14-16 year-old) pupils gain a better understanding of their private financial situation.

In 2011 we prepared lecture and presentation materials for our branches on young people and their finances. During the year branches held lecture evenings for young people, both customers and others.



Objectives for society 2012

Motivated learning

Objective: To distribute 500 'Motivated learning' tool boxes for mathematics teaching at municipal schools throughout Denmark.

Responsibility practice: The 'Motivated learning' tool boxes have been developed in cooperation with Svend Erik Schmidt, an expert in modes of learning.

Organisational adaptation: This collaboration is to be integrated into the daily work of employees responsible for projects.

Measurement: Daily use of pages about 'Motivated learning' is measured at www.al-bank.dk.

Desirable learning

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

Responsibility practice: The objective will be realised by the Bank holding a number of lecture evenings with Nicolai Moltke-Leth, psychologist and coach, at which the parent guide 'Rich on self-esteem' is to be handed out. We expect total attendance at the lecture evenings of around 2,000.

Organisational adaptation: A person responsible for marketing as well as a local person responsible for sales 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 lectures and presentations.

Understanding private finances

Objective: To help our customers and ninth grade (14-16 year-old) pupils gain a better understanding of their private financial situation. Among other things, we will develop a 'Guide to finances' which is to be ready for delivery in autumn 2012.

Responsibility practice: As in 2011 we will again this year host a number of courses and presentations on private finances for our customers and furthermore prepare teaching material about private finances for use in ninth grades as a supplement to mathematics teaching. The guide to finances will be developed by a project manager from the Bank's Marketing Department.

Organisational adaptation: A person from Marketing has been appointed to manage this task.

Measurement: Our success will be measured on the basis of demand for our materials and our lectures and courses.

Digital etiquette

Objective: To offer teaching at schools in at least five towns in Denmark. Our objective is to teach more than 300 children and 1,000 adults.

Responsibility practice: Teaching will be at schools, partly as daytime teaching for pupils and partly as evening lectures for adults. Virtual bullying on the internet will be one of the topics addressed.

Organisational adaptation: A person from the Marketing Department will be responsible for collaboration with the Digital Dannelsel (Digital etiquette) organisation on teaching and lectures.

Measurement: Measurement will be through evaluations from school teachers and the adults taking part in the lecture evenings.

Trainee scheme

Objective: To employ ten new finance trainees and financial economists by 15 August 2012.

Responsibility practice: Recruitment of trainees through a targeted campaign on Facebook, at various educational institutions, etc.

Organisational adaptation: A person from the Bank's HR Department and the Bank's Marketing Department will be appointed as responsible for the project.

Measurement: Objective to be met by 15 August 2012.

Defibrillators at all branches and staff functions

Objective: We will instal 45 defibrillators at our branches/departments during the first six months of 2012. Defibrillators will be installed at the remaining branches/departments in early 2013.

Responsibility practice: The safety officer at HR will be responsible for completion of the project.

Organisational adaptation: None.

Measurement: On 1 June 2012 there will be a measurement to check whether 45 defibrillators have been installed at our branches and departments.

Climate and the environment

The Bank believes it has a responsibility 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

Since 2010, the IT department has been working on virtualisation of the Bank's server. This has reduced IT waste by an annual 300kg, reduced energy consumption by servers by 75 per cent and reduced energy consumption for cooling.

Virtualisation of IT workplaces

In 2010 the IT Department commenced virtualisation of the IT work stations at the Bank. The first 800 work stations were established in the Bank's branches in December 2010. The IT equipment installed with employees has a longer expected operational life than PCs, and much lower electricity consumption. The activities in 2010 have reduced CO2 emissions by 50 tonnes per annum and decreased 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 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 high-insulation materials.

Green loans and subsidies for thermography

In order 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 when granting loans for environmental and energy improvements.

Realisation of 2011 objectives

Reduction of server rooms

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

The number of server rooms was reduced in 2011. A cooling plant has been removed and a second plant has been replaced by more environmentally friendly fresh-air cooling. Furthermore a number of printers have been replaced by more efficient printers with lower energy consumption.

Virtualisation of IT workplaces

Objective: To continue establishment of FDI work stations in staff functions.

During 2011 we installed an additional 400 FDI work stations, which have reduced energy consumption by 80 per cent and CO2 emissions by about 25 tonnes. Moreover the annual amount of IT scrap has been reduced by about 1 tonne.

Environmental requirements for fixtures and equipment as well as products

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

During 2011, the Bank's primary suppliers of fixtures and equipment as well as products have documented that they satisfy the Bank's CSR requirements. With regard to impacting the environment as little as possible through its transport activity, in 2011 the Bank ordered new vans with environmentally friendly motors and particle filters.

Energy-efficient building projects

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



Solar panels on branch roof in Seden

In 2011 the Bank completed total renovation of four branches. In all cases energy-saving and environmentally friendly solutions were applied such as air-conditioning with heat recovery, LED lighting and high-insulation windows. Moreover, in 2011 detailed energy reports were drawn up on the technical installations in several of the Bank's branches and properties and these have led to a large number of energy-saving initiatives.

Energy-saving behaviour

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

In 2011 it was possible to obtain an overall picture of the Bank's energy consumption in a form which can be used to measure changes in behaviour. In addition a study has been initiated on how the 'CO2 Guide' IT system can be used in campaigns for Bank employees.

Objectives for climate and the environment 2012

Environmental requirements for fixtures and equipment as well as products

Objective: To ensure that the materials, products as well as fixtures and equipment purchased by the Bank 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 for various product supplies, environmental requirements will be an extremely important factor in the decision-making process.

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

Reduction in energy consumption

Objective: To incorporate energy savings as part of work routines and daily behaviour.

Responsibility practice: Energy-labelling reports used to plan savings initiatives.

Organisational adaptation: An employee has been appointed as responsible for tasks related to energy savings.

Measurement: Measurement is on the basis of an overview of energy consumption by the individual branch.

Environmentally friendly building projects

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



The branch in Seden is listed as an energy and environmentally friendly building

Responsibility practice: Requirements will be set during planning on taking recommendations in energy labelling into account in budgets, and incorporating them in projects. For example there will be requirements to use automatic on/off switches, energy-saving lightbulbs, heat management, and recovery of heat from air-conditioning installations.

Organisational adaptation: The Bank has employees who are trained in construction and have knowledge about energy-saving measures. An employee has been appointed as responsible for environmentally friendly building projects.

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

Digital signatures

Objective: To reduce paper consumption by offering the Bank's customers the possibility to receive paper-demanding agreements and contracts in digital form for digital signature on AL-NetBank.

Responsibility practice: The Bank has set up a working group which is to develop a digital 'signature room' in 2012 in which, initially, it will be possible for customers to sign certain credit agreements. The task is the first phase in realising a more long-term goal of 100 per cent digitalisation.

Organisational adaptation: The working group is composed of a handful of employees from across the organisation.

Measurement: Measurement will be on the number of our customers who use the possibility, and, as a result of this, how much paper is ultimately saved.



Building on sound values