

CSR Report 2013



 Arbejdernes Landsbank

Aktieselskabet Arbejdernes Landsbank | CVR-no. 31 46 70 12 | Copenhagen



CSR Report 2013 for Arbejdernes Landsbank

Contents

Customers and products

Initiatives	5
Results	6
Objectives for customers and products 2014	6

Employees

Initiatives	6
Results	7
Objectives for employees 2014	8

Society

Initiatives	8
Results	9
Objectives for society 2014	9

Climate and the environment

Initiatives	10
Results	11
Objectives for climate and the environment 2014	11



Arbejdernes Landsbank

– built on the concept of social responsibility

Arbejdernes Landsbank has a long history of social responsibility, dating 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”.

The fundamental values of Arbejdernes Landsbank and the Bank’s approach to customers, employees, cooperation partners and investments is built on respect for human beings and an objective of leaving an impression on the world as positive as possible. The Bank has a number of policies and objectives seeking to ensure and promote the well-being and financial security of its employees and customers.

Four focus areas

We are striving to live up to our social and economic responsibilities 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 enterprises
- 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.

Our policy is 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
- 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> (Only available in Danish)

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 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/department and the individual employee, as well as the employee's adherence to our values. Emoluments of the Executive Management, which solely comprise a fixed salary, pension and company car are published in the Bank's annual report.

Customer satisfaction surveys

Every three years, we engage an independent consultant to carry out satisfaction surveys among our customers in accordance with recognised statistical guidelines. Results of these surveys are published in the media and on our website. The next survey 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 investments 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 invest responsibly. Therefore, when assessing specific investment assets, a responsible investment process will have a positive weighting in our choice of cooperation partners.

Green loans

As part of our full product package, we offer AL-Energilån (energy loans) at favourable interest rates as well as a number of after-work information meetings providing our customers with inspiration on how to save money on their heating bills. The green loans provide customers, and particularly homeowners, with the opportunity to borrow up to DKK 200,000 for eco-friendly home improvements. The loans may be spent on installing energy-efficient windows, solar panels, geothermal heating pumps and similar.

Results

Monitoring investment associations

Our 2013 objective was to increase the number of our providers of investment associations which screen their investment portfolios. We have fulfilled this objective; at the end of 2013, we could ascertain that all the investment associations with which we collaborate are screening their investment portfolios on the basis of a number of ethical criteria.

Objectives for customers and products 2014

Monitoring investment associations

Objective: We will ensure that the Bank's providers of investment associations continue to screen their investment portfolios on the basis of ethical criteria.

Responsibility practice¹: We will meet this objective by continuing to confer with the Bank's providers of investment associations about their policy on ethical screening of their investment portfolios.

Organisational adaptation²: This task is to be integrated into the daily work of employees responsible for projects.

Measurement³: Measurements are carried out of the Bank's providers of investment associations to determine the extent of ethical screening of their investment portfolio.



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

Our policy is 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
- care for employees who suffer from stress or sickness

Human rights and anti-corruption

In Arbejdernes Landsbank we respect human rights by complying with Danish legislation, collective agreements and labour-market practice which incorporate and specify protection of most of the basic rights. Furthermore, naturally we strongly condemn any type of corruption, and we are currently reassessing the Bank's policies and procedures in relation to the corporate governance recommendations and the Code of Conduct regulations.

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 and, if possible, we offer a lighter

¹ Responsibility practice describes the practice which leads to compliance with the objectives.

² Organisational adaptation describes how we adapt the organisation to solve the task.

³ Measurement describes how we measure whether the activity has successfully met the objective.

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 Skandia.
- All employees can have eight annual preventive treatments at Falck Health Care.
- 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 and departments 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 we measure employee satisfaction and measurements of the extent of absenteeism due to sickness are carried out quarterly.
- The Bank ensures follow-up on the physical working environment by conducting workplace assessments (ArbejdsPladsVurdering) every three years, with subsequent action plans.

Flexitime scheme

We want to give employees as much flexibility as possible, in order 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.

Management surveys

Management surveys 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-policy scheme

We offer all employees over the age of 60 a reduction in working hours if they so wish (80%, 70% or 60%, depending on age). As part of the senior-policy scheme, in 2013 we developed a senior-policy portal aimed at providing employees of the Bank over 55 years of age with an overview of the different possibilities offered, for instance, interviews for seniors and days especially arranged for this age group.

Results

Follow-up on health profiles

In 2013 we followed up on the employee health profiles we drew up in 2012. All the Bank's employees have been offered mini health checks, and in 2013, 688 mini health checks were made; meaning that 66% of all employees have taken up the offer. The results of the health checks performed have now been included in a report. All the employees who were checked are now in better health than at their first health check. For instance, 24% of employees had high cholesterol levels in 2012 compared with 21% in 2013. Today 80% have normal blood pressure against 71% in 2012, and the number of employees with high blood pressure has also fallen from 25% to 16%.

New health portal

As a result of our work on creating a healthy workplace, in 2013 we gathered all general health information in a new health portal such that employees now have easier access and a greater overview of the different health offers available in the Bank. The portal includes information about the Bank's preventive and therapeutic health insurance policies, defibrillators in all branches as well as healthy diet and exercise. The objective has been to emphasise Arbejdernes Landsbank as a healthy workplace, and in 2014, we want to make additional efforts concentrating on health at Arbejdernes Landsbank.

Objectives for employees 2014

Implementation of senior policy

Objective: To ensure implementation of a senior policy at the Bank.

Responsibility practice: We will incorporate a senior-policy interview in the 2014/2015 staff-development process, ensuring that employees in the target group are invited for an interview about wishes for the future and the best possible condition for their continued work.

Organisational adaptation: A person from the HR Department has been appointed to manage this task.

Measurement: Senior-policy interviews are part of the 2014/2015 staff-development process, and 50% of employees in the target group of 55-60 year-olds have accepted the offer of an interview.

Implementation of health portal

Objective: To ensure use of the Bank's health portal by employees.

Responsibility practice: We want to incorporate efforts focusing on the health portal to ensure that employees actively use the Bank's health offers.

Organisational adaptation: A health and safety consultant from the HR Department will be responsible for ensuring focus on the health portal in 2014.

Measurement: A minimum of two initiatives will be prepared to actively encourage employees to use the health portal.



We at Arbejdernes Landsbank want to support and get involved in good causes locally, nationally and internationally.

Our policy is to:

- support information campaigns through recognised organisations
- establish sponsorship collaboration with sports clubs and non-profit organisations

- get involved in the local community and contribute to developing culture and recreational activities
- support humanitarian work through Danish and international relief organisations

Initiatives

Humanitarian aid for children

Each year, we contribute to relief work for children. We have chosen to support ASF Dansk Folkehjælp (Danish People's Aid), for whom the Bank's Chief Executive, Gert Jonassen is an ambassador. Since 2012 Arbejdernes Landsbank has supported the association Børn, Unge & Sorg which helps children and young persons who witness their parents or siblings falling seriously ill or dying. In 2013 we also supported danske hospitalsklovne (Danish hospital clowns) and Børnelungefonden (childrens' lung cancer foundation).

Arbejdernes Landsbanks Fond

Arbejdernes Landsbanks Fond 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> (Only available in Danish)

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 learning.

Voluntary debt counselling

The Danish Ministry of Social Affairs, Children 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.

Give Hope

In 2012 Arbejdernes Landsbank started working with the association Børn, Unge & Sorg which helps children and young persons who witness their parents or siblings falling seriously ill or dying. During the year, the Bank has sponsored the campaign “Give Hope” which includes selling bracelets in the Bank’s branches. Moreover, the Bank was the main sponsor for the “Give Hope” cycling team, which in the 2013 summer holiday, cycled around Denmark collecting funds for the association.

8. A at Rugvængets Skole (elementary school)

In 2012 the Bank adopted what was then called 7.A at Rugvængets Skole in Ballerup. The adoption continued in 2013, and the plan is to continue following the class until the end of ninth grade. With this adoption we want to prepare children for the financial aspects of life after school and help them enter into a better future. In the next one-and-a-half-years we will teach the children about economics and budgeting, tutor them about personal competences, invite them into the Bank and give them a perspective of everyday life in the business community.

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 financial students and financial economists every year.

Results

Desirable learning

Our work on disseminating the message on how parents can make learning fun for their children, while also strengthening the child’s social and personal skills culminated in 2013 with nine lectures presented by Nicolai Moltke Leth. Around 1,800 people participated.

Digital Etiquette

Our 2013 objective to offer teaching at schools in at least nine towns in Denmark for 600 children and 1,500 adults was partly realised, as in 2013, teaching reached seven schools with teaching for 550 pupils and 500 parents. The objective was not 100 per cent realised due to time pressure at schools. We have received very positive feedback from the event.

Understanding private finances

Our objective to help our customers and others; old as well as young persons, to gain a better understanding of their private finances was realised in the course of the year through a number of lectures for young and old persons at educational institutions and at events in the branches.

Trainee scheme

For 2013 we set an objective on employing ten new financial students and six financial economists. As at 15 August 2013 we have employed ten students and four financial trainees.

Objectives for society 2014

Bullying and social responsibility

Objective: To disseminate the message that if we strengthen community and personal self-esteem, the risk of bullying occurring will become very small.

Responsibility practice: This objective is realised by the Bank holding a number of lecture evenings with the Danish lecturer, actor and entertainer Peter Mygind. We expect 11 lecture evenings with total attendance of more than 2,000 persons.

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

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

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 lectures with Nicolai Moltke-Leth, psychologist and coach, at which the parent guide “Rich on motivation” is to be handed out. We expect to hold two lecture evenings with total attendance of around 300.

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

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

More work-life-balance for families

Objective: To help families with children save time and establish a better work-life-balance.

Responsibility practice: This objective will be realised by the Bank holding lecture evenings with the Danish lecturer, author and mother of two, Trine Kolding. We expect to hold three lecture evenings with total attendance of 500 persons.

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

Measurement: Reports will be made to the Marketing Department on how many people have attended the individual lectures.

Digital Etiquette

Objective: To offer teaching at schools in at least two towns in Denmark. Our objective is to teach more than 100 children and 200 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 Bank's Marketing Department will be responsible for collaboration with the Digital Dannelses (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.

Understanding private finances

Objective: To help our customers and others – young persons as well as the elderly – gain a better understanding of their private financial situation.

Responsibility practice: As in 2013 we will again this year host a number of courses and lectures on private finances for our customers of all age groups.

Organisational adaptation: A person from Marketing Department 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, as well as any subsequent feedback from participants.

Trainee scheme

Objective: To employ ten new financial students and financial trainees by 15 August 2014.

Responsibility practice: Recruitment of trainees through a targeted campaign on Facebook and other online media.

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 2014.



The Bank believes it has a responsibility to avoid unnecessary negative impacts on the environment.

Our policy is 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 our 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. The Bank has, for instance, developed a digital "signature room", in which it is possible for customers to sign certain card and credit agreements. In day-to-day operations, all paper waste is collected and sent for recycle.

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.

Environmental requirements for fixtures and equipment as well as products

We demand that our suppliers account for their CSR policy and the origin of their materials. One requirement is 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.

Results

Digital signature room

One of our 2013 objectives was 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. In the course of the year in which the system has been in use, documents have been signed in an amount corresponding to a saving of about 280,000 pieces of paper.

Purchase and disposal of IT equipment

To meet our objective to take environmental consideration in connection with purchasing, operating and disposing of electronic equipment, in 2013, we entered into an agreement with an external company on disposal and destruction of the Bank's IT equipment responsibly.

Reduction in energy consumption

Our objective to install a new Energy Management System in 2013 was not realised. However, during the year, the Bank's technical staff worked on improving the way we use energy in activities and work routines throughout the organisation. As a result of these efforts, an overall view of energy consumption was drawn up for all the Bank's branches and staff, and metres to register eco-friendly behaviour were installed.

Environmentally friendly building projects

Our objective to exclusively use low-consumption technologies and high-insulating materials in new construction was realised during 2013 in various renovations of the Bank's properties. In all cases energy-saving and environmentally friendly solutions were applied such as low-energy windows, insulated facades and installation of LED lighting instead of halogen lighting. Furthermore, solar panels have been installed at the Bank's

property in Glostrup; expected to produce 36,000 kWh. In the period from April to December, 22,000 kWh were generated, corresponding to CO₂ savings of 15.5 tonnes or the electricity consumption of about five single-family houses.

Objectives for climate and the environment 2014

Digital signature room

Objective: To continue the development of digital signature rooms so that more documents can be signed digitally. Better use of the system means saving 500,000 pieces of paper in 2014.

Responsibility practice: The Bank's employees will to a greater extent be required to use the digital signature room in day-to-day customer interaction.

Organisational adaptation: The IT department will make extra efforts to increase use of digital agreements.

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

Environmentally friendly building projects

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

Responsibility practice: A requirement will be made that recommendations on energy labels be included in budget planning and incorporated in projects. For instance, a requirement will be made on the use of energy-saving light bulbs, LED lighting, low-energy windows and heat management.

Organisational adaptation: The Bank has employees who are trained in construction and have knowledge about energy-saving measures.

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

AKTIESELSKABET

 **Arbejdernes Landsbank**

CVR-no. 31 46 70 12, Copenhagen

Vesterbrogade 5 · DK-1502 Copenhagen V
Phone +45 38 48 48 48 · www.al-bank.dk