


# CSR report

## 2019

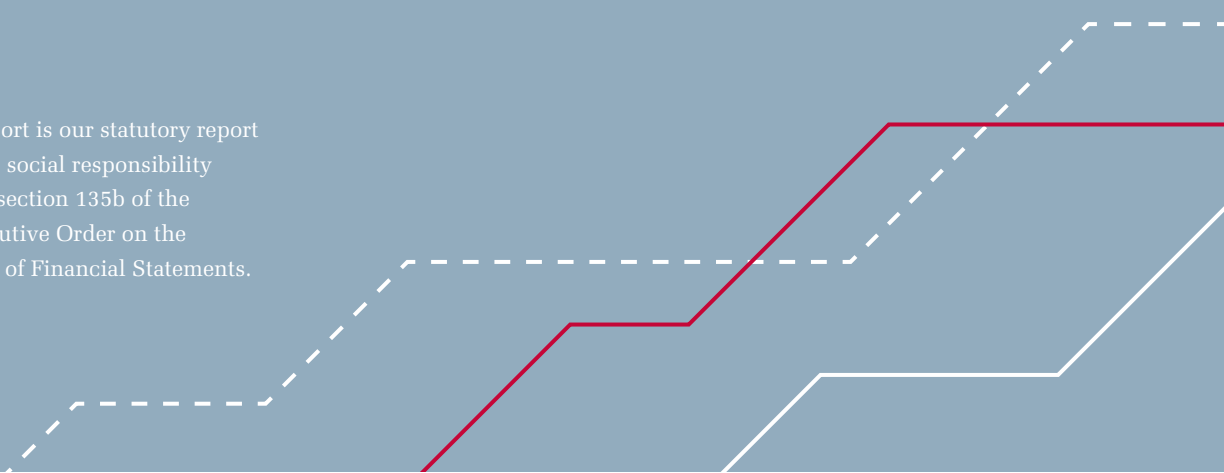


KLIMALÅN

 Arbejdernes Landsbank

# CSR report 2019 for Arbejdernes Landsbank

The CSR report is our statutory report on corporate social responsibility pursuant to section 135b of the Danish Executive Order on the Presentation of Financial Statements.



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# Arbejdernes Landsbank and the society and world around us

Ever since Arbejdernes Landsbank was established 100 years ago, responsibility and accountability have been at the core of how we run the bank. Accountability to individual customers, and responsibility towards society. Today, accountability and responsibility remain high on our strategic agenda: Because we believe that commercial value creation and responsibility go hand in hand, and because we believe that business development and sustainability will be interdependent in the future.

Today, Arbejdernes Landsbank has more than 318,000 customers, we lend approx. DKK 23 bn. to private individuals and companies, and we manage substantial assets on behalf of our owners and customers. This means we have a special responsibility. We are very much aware of this responsibility, and we're happy to take it on. Accountability is one of our three rules of conduct, and it permeates everything we do. Both when it comes to meeting our customers on a day-to-day basis, treating them fairly and giving them qualified recommendations in relation to their financial situation, and when it comes to developing new products and launching new initiatives.

Our fundamental values and our approach to customers, employees, cooperation partners and investment are built on respect for people and an objective to leave the most positive impression possible on the world and on the climate. Through our core competencies in supplying financial services, we want to help move Denmark and the rest of the world in the best possible direction. Our Board of Directors and owners have made it clear that they want us to continue to make our mark as a socially responsible bank.

## Business model "building on sound values"

At Arbejdernes Landsbank, we have built our business on sound values such as accountability, attentiveness and a straightforward approach: for our 318,000 customers, for our 1,060 employees, and for all the initiatives we launch. We offer relevant and competitive financial products and services combined with competent advisory services for

private individuals, associations and small and medium-sized enterprises. We realise solid business results, and today we stand strong, ready to secure future sustainable growth.

Our business model has a customer focus. We are convinced that better and more relevant customer experiences are the key to more customers and to more satisfied customers. Therefore, we make every effort to understand our customers. Systematic and ongoing input from customers is essential and a necessary prerequisite for us to continue to design services, products, processes and concepts that support customers' needs and wishes. This will also ensure that the Bank is not abused for money laundering or financing of terrorism.

We want to ensure that our advisory services create value for our customers, and that our level of service is one of the highest in Denmark. With these core values, we operate a sound bank with solid finances and with profound respect for our customers' time and money.

## Pledges to customers

To ensure that we meet our ambitions and goals, we have developed a set of customer pledges defining the behaviour our employees should strive for every day. This behaviour is based on our values: accountable, attentive and straightforward. With this behaviour, we aim to ensure the best possible customer experience for customers, ensure the best possible workplace for fellow employees, and ensure the best possible conditions for society and the environment.

## UN Sustainable Development Goals

Our work on corporate social responsibility is based on a number of internationally recognised principles for human rights, employees' rights, the environment and anti-corruption:

- The 17 UN Sustainable Development Goals for 2030
- The UN Global Compact
- The UN Guiding Principles on Business and Human Rights



## THE GLOBAL GOALS

As a bank and a financial undertaking, an important part of our responsibility is to contribute to achieving the 17 UN Sustainable Development Goals (SDGs) that set out to solve some of the greatest global challenges by 2030. We have selected five strategic areas which are key to our work and our business areas, and on which we will focus to make the best contribution we can to achieving the SDGs. Of course, this does not mean that we will not work to achieve the other goals as well, but we have chosen to focus our efforts in areas where we believe we can make the greatest positive difference, considering the size of the Bank, our position in society, our customer base and our general resources. Below are more detailed descriptions of how, in 2019, we have been striving to achieve five of the UN Sustainable Development Goals. Note that our selection of these five focus areas is based on our own interpretation of some very general and global goals.



### Quality education

Many people in Denmark, including young people, find it difficult to make the right decisions regarding their financial situation, and making the wrong decision can have serious consequences. The person concerned may have to live with these consequences for many years, and so may their relatives after they pass away. Therefore, a strategic focus area for us has been to promote financial and legal understanding, not least of young people, through knowledge, education and specific tools to help them gain an overview of their financial situation and make important legal decisions.



### Decent work and economic growth

SDG 8 is crucial for our business in many ways, because, as a bank, we play a key role in securing sustainable economic growth and stability in society. Based on responsible customer and credit policies, we provide deposits and lending, enabling companies and individuals to borrow money for investment, housing and consumption, or enabling them to save up. This helps to create growth and economic development in society. Moreover, we work actively to ensure the best possible conditions for our employees and to offer a workplace with high job satisfaction, development opportunities and equal rights for everyone.



### Responsible consumption and production

Growing overconsumption worldwide is putting ever more pressure on our planet's resources. This is a global challenge that calls for solutions by companies, citizens and politicians for how to consume more sustainably. As a bank, we have made a choice to systematically reduce our own use of resources, make environmentally responsible purchases, recycle and think green when we renovate and build new facilities.



### Climate action

Climate change is a global challenge with massive environmental, economic and social consequences, but we can curb climate change if we all work together and contribute to the green transition of society. We want to provide products and solutions that help Danes and our customers make easy, financially viable green choices. We also make demands on our suppliers, and we focus on reducing our own consumption of energy and utilities.



### Peace, justice and strong institutions

It has been estimated that billions of Danish kroner are being laundered in Denmark every year, and the scope of money laundering is likely to grow in the future, partly because new ways of generating illegal profits are constantly being devised, for example on the internet. We have a special responsibility to ensure that the Bank is not being abused for money laundering, financing of terrorism or to breach financial sanctions. Therefore, we invest extensive resources and efforts in systematically monitoring transactions, knowing our customers well, and reporting any suspicious behaviour to the authorities.

### The new UN Principles for Responsible Banking

There is no doubt that our customers and the outside world have ever greater expectations for our social responsibility. We welcome this, and we strive constantly to ensure that we live up to the authorities', our customers' and our own high demands and expectations to be a responsible bank, now and in the future.

However, we are also aware that customer satisfaction takes more than just complying with certain rules and guidelines. We also need to contribute even more actively to sustainable development, while exploiting the business potentials offered by a sustainable transition.

The Bank's new climate loans and green car loans are examples of how business development and sustainability can easily go hand in hand. We want to put much more focus on this type of initiative in the future, as a natural extension of our commitment to running a responsible bank.

Therefore, in 2019, we decided to take our work on sustainable business development to an even higher strategic level with even more ambitious objectives. Based on input from EY (Ernst & Young), in 2020 the Bank will:

1. Draw up a new ambitious CSR strategy with clearly defined goals in line with the UN Sustainable Development Goals and the Paris Agreement on climate change.
2. Sign up to the new UN Principles for Responsible Banking and establish a clear governance structure for the area.
3. Identify a number of strategic sustainable initiatives that the Bank will continue to work on in 2020, and in the years to come.

### Five focus areas in 2019

In accordance with our business model and pledges to customers, in 2019 we defined five priority areas in which we want to safeguard and promote the financial security of our customers, the well-being of our employees, as well as our involvement in the world, the society and the environment around us.

1. Customers and products
2. Employees
3. Society
4. Climate and the environment
5. Business ethics, anti-corruption and combating money laundering

On the following pages, we will describe the specific objectives, initiatives and results achieved in 2019 in each of these areas.

# Customers and products

Arbejdernes Landsbank is a bank for

- Private individuals
- Small and medium-sized enterprises
- Trade unions and associations

All the Bank's business activities emanate from the needs of our customers, and as financial and economic advisors, we undertake to provide our customers with the best terms and conditions possible. We do this to enable businesses to expand their activities and to ensure that private customers can make the most of their financial means.

## Our policy is to:

- Treat all customers professionally, with respect and concern for their individual needs.
- Ensure that our customers understand their financial situation and the products we offer.
- Ensure in particular that no customer leaves a meeting without having understood our advice.
- Offer all our customers personal advisory services adapted to the individual customer's needs.
- Ensure that our advisory services always create value for our customers, and that our level of service is one of highest in Denmark.
- Offer our customers ethically screened investments.
- Offer our customers the same prices for the same type of business.
- Ensure that, in connection with transactions conducted by the Bank, the Bank's customers are not being abused for money laundering, financing of terrorism and breaches of financial sanctions.

## UN SDGs in the area of "Customers and products"



### Decent work and economic growth

As a bank, we have a special responsibility to ensure sustainable economic growth and a stable society. We strive to live up to this responsibility, for example by granting loans and credits on the basis of a responsible credit assessment.

We assess customers' current and future ability to repay their loans, and we make sure that customers understand the consequences of taking out a loan. When we grant corporate loans, it is particularly important for us that we understand our customers' business and business model, so that we can act as a responsible cooperation partner at all times, and help customers create sustainable growth and development in their business – to the benefit of the customers themselves and society at large.



### Climate action

As a bank, we want to contribute to the green transition, and in 2019, we launched a special climate loan to finance climate-friendly improvements in owner-occupied properties, as well as green car loans to finance electric cars and plug-in hybrid cars. Both of these types of loan illustrate that sustainable solutions and business development can easily go hand in hand.

## Risks

When we develop new products and services and make investments, our processes guarantee that we actively address, and try to minimise, the risks of negative impacts on human rights, the environment, the climate, money laundering and corruption.

## Initiatives

### Climate loan

In the autumn of 2019, we launched a new cost-free and interest-free climate loan that will make it simpler and even more attractive for Danish homeowners to be climate-friendly. The initiative means Danes can borrow up to DKK 50,000 for five years without having to pay interest and costs. The loan is earmarked for climate-friendly home improvements and is perfectly suited for minor, but highly energy-efficient home improvements that people often fail to make if they don't have the money readily available.

### Green car loan

In addition to the climate loan, in the autumn of 2019, we launched a green car loan for electric cars and plug-in hybrid cars; the types of cars with the smallest climate footprint. With this loan, we want to make it cheaper and more attractive for people to opt for a green and eco-friendly car rather than a car running only on fossil fuels. In this way we can help make a difference and push the green transition forward.

The loan is offered in cooperation with AL Finans A/S and the Danish Society for Nature Conservation, and it addresses the demand for eco-friendly cars which has increased substantially in recent years.

### Energy loan

As part of our green product package, we offer an energy loan at favourable interest rates. This green loan provides 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.

### 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". If the customer has granted us authority, we attach great importance to socially responsible investment alternatives. This applies when we make investments on behalf of our customers, e.g. through pooled schemes and products requiring power of attorney.

We do not want to invest in shares and bonds issued by enterprises, which deliberately and repeatedly break the UN's principles and guidelines, or which involve violations of human rights. We also take account of guidelines issued by national authorities in markets where enterprises are active, and this also applies to guidelines issued by international organisations supported by Denmark. Furthermore, "AL Invest Udenlandske Aktier Etisk" does not invest in companies generating more than 5% of their income from fossil fuels.

We do not currently work with a formalised screening process for single issuers, but if we are informed about possible conflicts, we will dispose of a given position. We will 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.

### ProvinsKlar

As a responsible bank, we would like to help people realise their purchase and buy their dream home, even in the areas where mortgage-credit loans are not always possible. Therefore, we offer an alternative home loan, "AL-ProvinsKlar", which makes it possible to finance a home purchase, no matter where in Denmark your dream home is located.

## Results

### Our green loans have got off to a good start

Both our climate loans and green car loans have got off to a good start, and we have received positive feedback from existing and potential customers as well as positive publicity in the media. At the end of 2019, we had granted 130 climate loans, totalling DKK 5 mill. Since the launch in October 2019 and up to the end of the year, we had granted 179 green car loans, totalling DKK 61 mill. So far in 2020, another 48 loans have been granted, which means that by 22 January 2020 total lending amounted to DKK 76 mill.

### Dialogue and meetings with investment associations

Our objective for 2019 was to ensure that the Bank's investment-association providers continue to screen their investment portfolios on the basis of ethical criteria. Based on dialogue and a number of meetings in 2019, we can ascertain that all the investment associations with which we have formal collaboration systematically screen the enterprises invested in. The screenings ensure that the enterprises comply with international guidelines for protection of the environment, human rights, labour standards and business ethics.



## Objectives for 2020

### Monitoring investment associations

*Objective:* We will continue to ensure that the investment associations with which we cooperate screen the enterprises they invest in to guarantee their compliance with international guidelines for protection of the environment, human rights, labour standards and business ethics. During 2020, we expect that a screening procedure with a more sustainable approach will be included in the “AL Invest Udenlandske Aktier Etisk” strategy. Consequently, screening of companies will include an ESG score and a measure of impacts on UN Sustainable Development Goals.

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

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

### We must learn from customers’ feedback

*Objective:* We use feedback from customers to improve our products and value services. An objective for 2020 is to maintain very high customer satisfaction with NPS scores of at least 80 for meetings and 70 after completing a procedure. The NPS scale goes from -100 to +100.

*Responsibility practice:* We will meet our objective by continuing to listen to our customers and learn from them. We will take their constructive criticism and feedback seriously, and we will respond to their wishes and needs whenever possible.

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

*Measurement:* We carry out questionnaire surveys and interviews with our customers.

# Employees

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

## Our policy is to:

- Provide working conditions which motivate and inspire our employees in their daily work.
- Offer flexible working hours which allow individual employees to create a good 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 environment.
- Care for employees who suffer from stress or sickness.
- Prevent and establish clear guidelines for handling serious situations such as robbery, violence and threats.
- Ensure that no managers or other employees receive a bonus solely on account of individual performance such as personal sales activities.

## 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 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.

## Guidelines for threats against employees

Robbery, violence and threatening customers can be traumatic experiences, and the Bank invests a great deal of effort on prevention. In line with other banks, the Bank follows recommendations from Finance Denmark with regard to protecting values and branches. The measures implemented take account of employee security. In the case of robbery, violence or threats, the Bank has clear guidelines for how to handle such situations, and the employees will be offered psychological help as a routine part of the follow-up.

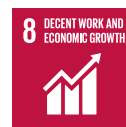
## Pay difference between the CEO and the employees

The pay difference between average employees and chief executives in Danish listed companies is growing – and in some companies this growth is steep. Arbejdernes Landsbank has always focused on paying its management a good salary, while at the same time making sure that their total remuneration is not too far removed from other employees' salaries. In 2019, the pay difference between the CEO of the Bank and the Bank's employees was 6.7. This figure shows how much the CEO earns relative to the average salary of the other employees, and the ratio is significantly lower than the benchmark for the largest Danish banks.

## 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 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.

## UN SDGs in the area of "Employees"



### Decent work and economic growth

We work actively to ensure the best possible conditions for our employees and to offer a workplace with high job satisfaction and well-being, development opportunities and equal rights for everyone. We do this through the initiatives we launch internally at the Bank, and the opportunities and benefits we offer to our employees. In 2019, we carried out a comprehensive corporate culture analysis to better understand what it takes to attract and retain employees, also in the future. Based on the analysis, we will identify a number of focus areas to help us realise our ambitions in this area.

## Risks

We are implementing preventive measures to ensure that work does not entail a risk of health impairment as a result of bullying, stress, threatening customers or poor indoor climate, for example.

## Initiatives

### 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 the general health and well-being of our employees:

- All the Group's employees are covered by joint health insurance and dental insurance.
- All employees are offered preventive musculoskeletal treatment.
- All employees are offered health checks.
- We have a special programme for employees to help with work-related challenges and issues.
- We offer employees the possibility of improving their physical fitness and social relations through various sports activities in the Bank's own fitness association ALL.
- 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 food in our canteens.
- Every quarter, we measure and follow up on the extent of absenteeism due to sickness.
- We ensure follow-up on the physical and psychological working environment by conducting workplace-assessment dialogues (ArbejdsPladsVurdering – APV) every three years, with subsequent action plans.

### High employee satisfaction and well-being

We carry out a combined well-being and management survey to ensure cohesion between the expectations and demands of the Bank, the management and the employees. The results of the survey illustrate current well-being at the Bank and highlight the areas in which we should focus to make Arbejdernes Landsbank an even better workplace. The response rate in these surveys is generally high, and moreover, the Bank ranks at the top of the list of financial undertakings taking part in the survey. As a point of departure, we conduct the well-being and management survey every year, but in 2019, we carried out a corporate culture analysis instead.

### Corporate culture analysis

Our corporate culture is crucial in retaining and developing our unique position – both in relation to our customers and in relation to being an attractive workplace. Furthermore, our corporate culture is key to realising our strategy in the years to come. Therefore, the Bank carried a comprehensive corporate culture analysis of a representative cross section of the organisation (around 25%). The analysis involved focus groups, in-depth interviews and questionnaires. As part of our work on the Bank's strategy towards 2025, the corporate culture analysis will be a launchpad for identifying a number of focus areas to help realise the Bank's ambitions.

### Employing students and financial trainees

Arbejdernes Landsbank has a long history of hiring financial students and financial trainees, because we want to promote an inclusive labour market and demonstrate social responsibility, and because we are convinced that young people can contribute new inspiration and alternative ways of thinking and working; something from which the Bank can benefit greatly.

### Flexitime scheme

We want to give employees as much flexibility as possible, in order to make it easier for them to balance family and working life. Therefore, we have established a flexitime scheme for all employees.

### Competence development through daily work

We believe that a strong business performance builds on motivated and competent teams and employees. Therefore, in 2019, we developed and implemented "FOKUS", a new concept that makes the performance and development of individual employees a more integral part of their daily work activities. Put briefly, the idea of the concept is to maintain FOKUS on what is required to produce solid results, while at the same time supporting individual employees in their development. FOKUS facilitates ongoing dialogue between a manager and an employee, and the employee receives feedback on the tasks/projects in focus. This will give the employee the best possible conditions to develop the competences needed for success at work – now and in the future.

### 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 we have 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

### Focus on the whole person

One of our objectives for 2019 was to create increased focus on the whole person – physically as well as mentally – through a number of initiatives in areas such as prevention of stress, ergonomics, and exercise. The aim was for the initiatives to have a preventive effect. We are pleased to ascertain that generally there seems to be an even greater awareness of preventive health initiatives than previously.

Focus persons, information on the intranet and visits from the health and safety consultant, for example, honed our focus on implementation of our health ambition, the “Værdifuld sundhed” (Valuable Health) project, in 2019.

### Employing financial students and financial trainees

For 2019 we set the objective of employing 8 new financial students and 25 financial trainees. By August 2019, we had met our objective and had employed 33 financial students and financial trainees.

### Ensuring employee well-being and good management

Another objective for 2019 was to conduct a combined well-being and management survey. As part of our strategy work, we carried out a corporate culture analysis in 2019. Because the corporate culture analysis overlaps with the well-being and management survey on many parameters, it was decided to move the well-being and management survey to 2020.

## Objectives for 2020

### Focus on the whole person

*Objective:* We carry further our ambition to create increased focus on the whole person – physically as well as mentally – through a number of initiatives in areas such as the musculoskeletal system, prevention of stress, sickness absence, and well-being.

*Responsibility practice:* Initiatives will be implemented through our health ambition, the “Værdifuld Sundhed” (Valuable Health) project, which includes thematic features concerning prevention of stress, ergonomics, exercise and well-being. For example, we will make information available on the intranet, involve focus persons and organise visits from the health and safety consultant to all branches and departments of the Bank.

*Organisational adaptation:* The Bank’s health and safety committee will be responsible for planning and maintaining the project and the initiatives.

*Measurement:* We expect that the initiatives will have a preventive effect and will contribute to reducing absenteeism due to sickness, increase well-being and thus prevent stress.

### Initiatives for and measurement of the Bank’s corporate culture

*Objective:* We believe that corporate culture and strategy go hand in hand. Therefore, on the basis of the corporate culture analysis carried out in 2019, we will decide on initiatives that will help us realise the Bank’s ambitions, and we will also decide on a methodology to follow up on the areas that define the Bank’s corporate culture.

*Responsibility practice:* A corporate culture survey will be carried out of all managers and employees at the Bank.

*Organisational adaptation:* The Bank’s HR Department is responsible for planning and carrying out corporate-culture initiatives, as well as for carrying out a survey in collaboration with an external partner. Furthermore, HR is responsible for ensuring follow-up on the results of the survey, both locally and at group level, and for assessing which activities need to be launched.

*Measurement:* We aim for a response rate of at least 90% and hope to be able to document that the initiatives set in motion have had the desired effect.

### Trainee schemes and employment of financial trainees

*Objective:* To employ nine new financial students and 19 financial trainees by 1 August 2020.

*Responsibility practice:* Trainees will be recruited through a targeted campaign on Facebook and other social media.

*Organisational adaptation:* A person from the Bank’s HR Department will be appointed as responsible for the project.

*Measurement:* The objective is to be met by 1 August 2020.

# Society

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

## Our policy is to:

- Help give the public, and young people in particular, a better understanding of their personal finances.
- Help encourage more people to make important financial decisions that will strengthen their position today and throughout life.
- Get involved in the local community and contribute to developing cultural and recreational activities.
- Support humanitarian work through Danish and international relief organisations.
- Establish sponsorship collaboration with sports clubs and non-profit organisations.

## UN SDGs in the area of "Society"



### Quality education

Many people in Denmark, including young people, find it difficult to manage their finances and make the right decisions regarding their financial situation, and making the wrong decision can have serious consequences. In 2019, we continued our work to provide tools, etc. to children and young people to help them gain a better understanding of their personal finances, budgeting, pocket money, etc. In 2019, through our collaboration with, and now also co-ownership of, the TestaViva online platform, we gave our customers the possibility to draw up a will and other important legal documents, as well as to get legal advice from TestaViva – easily, securely and free of charge.

## Risks

There is always a risk that the money we donate is not paid in full to the specific project we want to support. In spite of this, we believe it is essential that we take social responsibility, for example by supporting humanitarian work and by setting up partnerships with non-profit

organisations fighting for a good cause. Furthermore, there is a risk that children and young adults grow up without a sound understanding of their personal finances. We want to help minimise this risk, for example by offering courses and events on personal finances at schools and educational institutions in Denmark.

## Initiatives

### Teaching young people about finance

We want to help young people gain a better understanding of their personal finances, and consequently, we have entered into collaboration with various educational institutions, where we teach finance.

- **Money Week:** Every year, Finance Denmark runs Denmark's official Money Week, when students at many Danish schools put focus on personal finances through classes, games and group work for an entire week. We want to support this initiative, and therefore, Svend Randers, Deputy Bank Director, along with a number of our financial advisors, took part in the event as guest teachers in March 2019. Guest teachers from the Bank will join the event again in 2020.
- **Teaching students in the TAMU programme:** Since 2016, we have been working with TAMU, a training programme with a practical focus targeted at young people with no real attachment to the labour market. The purpose of this collaboration is to give students in the programme a better financial understanding, and thus enhance their chances of getting a job. The collaboration will continue in 2020.
- **Teaching apprentices under the Danish Metalworkers' Union:** In cooperation with the youth department at the Danish Metalworkers' Union, we have held a course for apprentices to give them a better understanding of finances. Our collaboration with the Danish Metalworkers' Union will continue in 2020 and it will be expanded with a similar programme for students from the Danish office workers' union, HK.

- **Teaching for journeymen under the Danish Metalworkers' Union who are considering becoming self-employed:** A new initiative we developed in 2019 in collaboration with the youth department at the Danish Metalworkers' Union is a course on entrepreneurship and start-ups to provide participants with knowledge and advice about how they can draw up a simple business plan and realistic budgets that may help persuade a bank or investor to co-finance their dreams. This collaboration will also continue in 2020.
- **Other collaboration projects focusing on education and learning:** Moreover, we have a collaboration project with students at the IT University of Copenhagen (ITU). We have made cases available and given feedback on exam projects, with benefits and inspiration for both the students and the Bank.

### AL pocket money app

We have launched a free AL app to make it fun for children between 7 and 14 years to learn about the value of money, and to make it easy for parents to give them pocket money. In addition to serving as a practical tool to manage pocket money, the app is also a good opportunity for parents to sit down and talk to their children about money and the importance of saving up. The app can help give your child a better understanding of digital money.

### TestaViva

In 2017 we made it simple and free of charge for Danes and our customers to draw up a will, marriage contract and other legal documents via the online platform, TestaViva. Since then, more than 35,000 Danes and our customers have taken the opportunity to draw up legal documents for free. In 2019, we decided to build further on the positive development, with new and even better options for our customers, and we have bought a share in TestaViva. We hope that this new ownership will mean that knowledge about TestaViva can be even more widespread, and that TestaViva can become a more integral part of our business.

### Arbejdernes Landsbanks Fond

Arbejdernes Landsbanks Fond is a foundation aiming at strengthening Danish society through education and knowledge. Specifically, the foundation funds further education and continuing training, primarily for schools, education institutions and other institutions with links to education in general. In a few cases, the foundation provides support for individuals under education or training. The foundation was established in 1957 and is operated as an independent institution.

### Supporting aid organisations

Every year, we support a range of aid organisations and charitable projects. We have decided to support "Dansk Folkehjælp" (a charity for marginalised groups in Denmark and abroad), for which CEO Gert Jonassen is an ambassador. In addition, in 2019 we also supported the Danish Cancer Society, the Danish Heart Foundation, Danmarks Indsamling, MisbrugsPortalen, the Workers Museum and Headspace.

### +Camp

Since 2009 we have supported the project +Camp which, with learning styles, various motivation techniques and fitness exercises on the timetable, aims at eliminating social isolation, preventing children from becoming overweight, and encouraging learning.

### Team Give Hope

The Bank is the main sponsor for the "Team Give Hope" cycling team, which, every year, collects funds for children and young people who witness their parents or siblings falling seriously ill or dying. The cycling team started as a voluntary initiative taken by a former employee at the Bank, and it is part of the "Børn, Unge og Sorg" association, which provides free help and counselling to grieving children and young adults.

## Results

### Understanding personal finances

Our objective to help our customers and others – young people as well as the elderly – to gain a better understanding of their personal finances was realised during the year through a number of lectures at educational institutions and at events at our branches.

### MotorikMagi

In 2019, we once more joined forces with the magazine and online universe Vores Børn (Our Children) to increase focus on motor skills in Danish families. In collaboration with Vores Børn, in the autumn we opened the doors to the MotorikMagi event, where there were good ideas for children aged 1-6 years, and their parents, about how to bring more play and physical activity into their lives. The MotorikMagi event ran from 5 October to 10 November in the cities of Aalborg, Aarhus, Odense and Copenhagen. Over the seven days, the event had 5,028 visitors: 1,676 children and 3,352 parents.

### Open events at AL<sup>2</sup> in Copenhagen

During 2019, we hosted almost 60 different events at our AL<sup>2</sup> project and customer universe at Nørreport in Copenhagen. The events were open to everyone, and focussed on the following themes, for example:

- Personal finances for young people – planning a budget and investing
- Podcast – free advice on how to make your own podcast
- Preparations for first-time home buyers – cooperative housing, life in the countryside and advice on getting more space
- Weekly morning assemblies with singing for everyone
- Used goods market – focus on sustainability and resource use
- Healthy and cheap food on a student's budget

## Objectives for 2020

### Lectures

*Objective:* To disseminate messages which can help enrich life. Focus is particularly on topics related to lifestyle and sound values for ourselves and our children. We expect to host around ten lecture evenings with total attendance by more than 1,500 people. The lectures will focus on the following themes:

- How to enhance our self-knowledge and strengthen our personal self-esteem.
- How to make the most of our own potential and that of others.
- How to prepare ourselves and our children for the digital future.

*Responsibility practice:* The objective will be realised by the Bank holding a number of lecture evenings with external lecturers.

*Organisational adaptation:* A project worker as well as a local person responsible for the event have been appointed for each lecture.

*Measurement:* The realisation of this objective will be measured as the number of people attending each lecture.

### Understanding personal finances

*Objective:* To help our customers and others – young people as well as the elderly – gain a better understanding of their personal finances.

*Responsibility practice:* As in 2019, again in 2020, we will host a number of meetings and lectures on personal finances for our customers of all age groups.

*Organisational adaptation:* A project worker has been appointed to manage this task.

*Measurement:* Our success will be measured in terms of demands for our meetings, and any subsequent feedback from participants.

# Climate and the environment

Our objective is that Arbejdernes Landsbank is recognised as a climate-conscious and environmentally responsible enterprise. We are conscious of our responsibility for the environment, and we therefore focus on reducing our energy consumption and CO<sub>2</sub> emissions and on achieving efficient and sustainable utilisation of our common resources.

## Our policy is to:

- Reduce our CO<sub>2</sub> emissions by purchasing climate-friendly electricity and heating, and through energy optimisation of electricity, water and heating installations in our buildings and rental properties.
- Make environmentally responsible purchases from our suppliers whenever possible.
- Minimise our environmental footprint, for example through source separation and recycling waste.

## UN SDGs in the area of “Climate and the environment”



### Responsible consumption and production

At Arbejdernes Landsbank we work to support sustainable development through targeted efforts to minimise our own environmental footprint. For example, we make sustainable (ecolabel) procurements, implement energy saving measures at our properties and separate and recycle our waste.



### Climate action

We want to contribute to the green transition by placing demands on our suppliers and by reducing our own consumption of energy and other utilities. To reduce our CO<sub>2</sub> emissions, we exclusively use electricity produced by offshore wind turbines, and we use renewable natural gas and ecofriendly district heating whenever possible.

## Risks

The most significant risks relate to our energy consumption, purchases and consumption of materials. Therefore, we will continue our focus on implementing energy saving measures at our locations, making environmentally responsible purchases and minimising our consumption of materials in selected areas.

## Initiatives

### We will reduce our water consumption and eliminate any undesirable chemicals in our wastewater

- We will accelerate our ongoing initiatives to fit energy saving components in our installations.
- Our ecolabelled cleaning service and our daily use of products labelled with the Nordic Ecolabel ensure that we only discharge minimal amounts of undesirable chemicals with our sewage and wastewater.
- To optimise resource consumption, we demand ecolabeling in all our procurement of materials, furniture, equipment and products.
- Furthermore, we focus on collaborating with suppliers who use recycled materials in their production.

### We will act to reduce our total energy consumption and limit our use of fossil fuels

- We develop building and renovation projects using ecolabelled products which impact the environment as little as possible. The environment was a high priority in refurbishment and renovation of branches and buildings in 2019, e.g. the use of low-consumption technologies, LED lighting, low-energy windows and heat management.
- To reduce our CO<sub>2</sub> emissions, we exclusively use electricity produced by offshore wind turbines, and we use renewable natural gas and ecofriendly district heating whenever possible.
- We have fitted all our owner-occupied properties with solar PV installations which contribute to increased local energy production.
- We will launch investigations into the potential for behavioural changes with regard to our use of electricity, water, cooling and heating.



### Healthy food and respect for nature

Our canteens serve nutritious and healthy meals, prepared with consideration for ecology and animal welfare whenever possible. All our canteens have the bronze version of the Organic Cuisine Label (Det Økologiske Spisemærke), a government-controlled certification scheme indicating that 30-60% of all ingredients used in our canteens are organic. In 2019, we reached a share of about 55%. The Organic Cuisine Label is managed by the Danish Veterinary and Food Administration and the label indicates where a kitchen is striving to protect nature, the environment and animals by using organic products free of pesticides residues and inappropriate additives.

### Networks and partnerships

- We are a member of the **Network for Sustainable Procurement** to bolster the development of more ecolabelled products.
- We are a member of the **Copenhagen Energy Leap** partnership to reduce the energy consumption of our buildings and thus help realise the City of Copenhagen's ambition for carbon neutrality.
- We have established a **climate partnership** with Ørsted to reduce our energy consumption.

## Results

Ecolabel procurements in 2019 (the Nordic Ecolabel or corresponding EU ecolabelling):

Product group	Ecolabelled share
Cleaning	100%
Hotels and conference facilities	100%
Textiles	90%
Furniture	85%
Office supplies	29%

We reduced our electricity consumption by an additional 3% in 2019.

In 2019 we moreover achieved a waste source-separation rate of 48.5%.

At our owner-occupied properties, we installed six charging stations for electric cars and we introduced new climate requirements in our car policy, including phase-out of cars that run on fossil fuels by 2030.

## Objectives for 2020

To further the positive developments and our ambitions in the area of climate and the environment, we will continue with all our existing initiatives in 2020:

- Our consumption of electricity, water, heating and cooling will be reduced by 3% by the end of 2020.
- Ecolabelled procurement will account for 50% of our total purchases by 2025.
- The rate of source-separated waste will be 50% by the end of 2020.
- Our canteens already have the bronze version of the Organic Cuisine Label, which is awarded when 30-60% of all raw materials used are organic. In 2019, we reached a share of about 55%. In 2020, we will launch efforts to obtain the silver version of the Organic Cuisine Label, which is awarded when 60-90% of all raw materials used are organic.

# Business ethics, anti-corruption and combating money laundering

At Arbejdernes Landsbank, we oppose and condemn any type of corruption. We have a social responsibility to combat corruption and bribery, and as a bank we have a special social responsibility to contribute to combatting money laundering, financing of terrorism or breaches of financial sanctions.

## Our policy is to:

- Ensure that our employees do not give or receive gifts that exceed a value of DKK 800.
- Ensure that the Bank is not abused for money laundering, financing of terrorism or breaches of financial sanctions.
- Notify the authorities of any suspicious transactions or behaviour.

## UN SDGs in the area of “Business ethics, anti-corruption and combating money laundering”



### Peace, justice and strong institutions

We have a special responsibility as a bank to ensure that our bank is not abused for money laundering, financing of terrorism or breaches of financial sanctions. In 2019, we prepared a policy for a sound corporate culture and we have strong focus on a good working environment that encourages openness. For this reason, we have developed a training programme including a Code of Conduct, and in 2019 several departments completed this programme.

## Risks

Arbejdernes Landsbank is a Danish bank that only has branches in Denmark and primarily targets customers

residing in Denmark. Denmark ranks as one of least corrupt countries in the world according to the corruption index. However, even though the risk of corruption is relatively low, it is essential that we maintain a constant focus on this area. Because corruption and bribery often start on a small scale with gifts, dinners, favours among friends and small amounts, which could result in not all customers, suppliers and cooperation partners being treated equally.

Arbejdernes Landsbank offers all types of financial services, advisory services and products. However, the Bank does not offer complex and individually designed products of a speculative nature. The Bank provides long-term personal advisory services to customers, and this gives us in-depth knowledge of our customers and their business with the Bank. Nevertheless, money laundering, including tax evasion, is taking place in all parts of society, both on a small and a large scale, and the Bank needs to have constant focus in this.

## Initiatives

### Combating money laundering

Arbejdernes Landsbank works intensively to prevent breaches of financial sanctions via the Bank, and to prevent abuse of the Bank for money laundering and financing of terrorism. Consequently, all employees have completed training to ensure adequate attention and focus in this area.

The Bank only wants to establish and maintain customer relationships that we understand, and that we consider transparent and safe. We always notify the authorities of any suspicious transactions or behaviour.

### A sound corporate culture

In 2019, Arbejdernes Landsbank prepared a policy for a sound corporate culture. This was against the backdrop of

scandals, e.g. involving money laundering and dividend tax fraud, which led the general public to feel that banks had not met their social responsibility. We are happy about the new initiative and consider it a natural step in our ongoing endeavours at the Bank.

### Whistleblowing

At Arbejdernes Landsbank, we have strong focus on ensuring a working environment that promotes openness. To prevent important information from being withheld, the Bank has set up a whistleblower scheme to enable employees to notify unacceptable circumstances or transactions so as to ensure that any violations of financial legislation are brought to light. The Bank wants to ensure that an employee making such notification is not subjected to unfavourable treatment or consequences.

The Bank's whistleblower policy is designed with accessibility in mind, for example by including specific examples of where the whistleblower scheme can be used.

### Code of Conduct

The Bank's Code of Conduct is a set of rules reflecting attitudes and guidelines that will help employees in their daily work, and that employees must conform to. The rules contain guidelines for the conduct the Bank expects from employees in their dealings with customers, suppliers and the authorities. Each individual manager is responsible for ensuring that employees know and conform to the rules, and the manager is furthermore responsible for assessing whether the rules need to be explained further.

The Bank's Compliance Department has developed a training programme covering the Code of Conduct. In 2019, the training programme was completed by several departments. It also forms part of the introduction programme for new employees, and it is in the finance trainee education programme. The purpose is to enhance employees' knowledge and awareness of the Code of Conduct.

## Results

The money laundering training activities described above are mandatory for all relevant new employees and for existing employees at fixed intervals. Furthermore, specific departments and employees are given targeted training, and we are working closely with relevant authorities.

In 2019, the compliance training referred to above was carried out as four meetings with some of the Bank's departments. Furthermore, the training formed part of all introduction courses for new employees. Compliance training aims to increase employees' awareness of the Bank's social responsibility with regard to compliance.

## Objectives for 2020

### Combating money laundering

*Objective:* To raise individual employees' awareness and understanding of situations in which the Bank is at risk of being abused for money laundering, financing of terrorism or breaches of financial sanctions.

*Responsibility practice:* The Bank strives for continued strong focus on combating money laundering, financing of terrorism and breaches of financial sanctions, but criminals constantly find new ways to launder money or finance terrorism. This requires constant upgrading of knowledge and competences in this area.

*Organisational adaptation:* The Bank's AML Department is responsible for ensuring targeted training programmes for employees across the Bank, and for departments with special training needs.

*Measurement:* Measurement will focus on whether the AML Department carries out training according to plan.

### Compliance training programme in departments and branches

*Objective:* To increase awareness among individual employees of the Bank's social responsibility with regard to compliance, including anti-corruption and business ethics.

*Responsibility practice:* We will continue to carry out compliance training in selected departments and branches and in relation to new employees and finance trainees according to a prioritised plan. The training will increase employees' awareness in this area and give each employee a better understanding of situations in which employees have to be particularly careful.

*Organisational adaptation:* The Bank's Compliance Department is responsible for planning and carrying out the training.

*Measurement:* The measurement will focus on whether the Compliance Department carries out training according to the plan.

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