

# CSR Report 2012



AKTIESELSKABET

 Arbejdernes Landsbank

CVR-no. 31 46 70 12, Copenhagen



# CSR Report 2012 for Arbejdernes Landsbank

## CONTENTS

### **Customers and products – page 4**

Initiatives

Realisation of 2012 objectives

Objectives for 2013

### **Employees – page 6**

Initiatives

Realisation of 2012 objectives

Objectives for 2013

### **Society – page 7**

Initiatives

Realisation of 2012 objectives

Objectives for 2013

### **Climate and the environment – page 10**

Initiatives

Realisation of 2012 objectives

Objectives for 2013

# 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 purpose 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 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.

## 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
- 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 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

In 2012, the Bank launched an entirely new product package containing 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 new 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.

## REALISATION OF 2012 OBJECTIVES

### 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.

The number of collaboration partners incorporating social responsibility into their investment process did not increase in 2012. Incorporating social responsibility into the investment process is a long-term process. However, based on our dialogue with collaboration partners in 2012, we expect an increase in 2013.

## OBJECTIVES FOR CUSTOMERS AND PRODUCTS 2013

### 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<sup>1</sup>:* We will enter a dialogue with investment associations which do not fully screen their investment portfolios.

*Organisational adaptation<sup>2</sup>:* This task is to be integrated into the daily work of employees responsible for projects.

*Measurement<sup>3</sup>:* 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.

<sup>1</sup> Responsibility practice describes the practice which leads up to compliance with the objectives. Responsibility practice describes the practice which leads up to compliance with the objectives.

<sup>2</sup> Organisational adaptation describes how we adapt the organisation to solve the task.

<sup>3</sup> 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
- 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 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 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 scheme

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

## REALISATION OF 2012 OBJECTIVES

### 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.

In 2012 we established a project to define career paths within the Bank. In 2013 we want to fully implement this project, e.g. by creating a career portal for all employees and managers. Therefore, the project will also be a focus area for the Bank in 2013.

## OBJECTIVES FOR EMPLOYEES 2013

### Follow-up on health profiles

*Objective:* We will follow-up on the health profiles created in 2012 and provide all employees with opportunity to have a health check.

*Responsibility practice:* In collaboration with an external provider, a plan for the follow-up will be prepared.

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

*Measurement:* From 31 December 2013 all employees will be offered a health check.

### Setting up the health portal

*Objective:* We will collect all our health information in a health portal.

*Responsibility practice:* The health portal will include the offers and possibilities provided by the Bank, as well as general information about health.

*Organisational adaptation:* A person from the HR Department responsible for safety and health will be responsible for setting up the portal.

*Measurement:* The health portal will be set up by 31 December 2013 at the latest.

## Society

We at Arbejdernes Landsbank want to support and get involved in good causes locally, nationally and internationally (see [www.godesager.org](http://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 ASF Dansk Folkehjælp (Danish People's Aid), for whom Chief Executive, Gert 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. In 2012 we also supported Julemærkehjem (charity home for children) and the association "Børn, Unge & Sorg" (grief support organisation for children and young persons).

### Arbejdernes Landsbanks Fond

Arbejdernes Landsbank 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>

### 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 sociologist 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 counseling**

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.

### **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, a memory wall on Facebook as well as three nationwide campaign films which were shown on TV in December. The collaboration and campaign will continue in 2013 and aims at promoting the association and its work, ensuring that children and young persons suddenly falling victim to a difficult situation know where to get help.

### **7. A at Rugvængets skole (elementary school)**

In 2012, the Bank chose to adopt the class of 7. A at Rugvængets skole in Ballerup, providing the class the opportunity to "follow" the Bank 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 two-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.

## **REALISATION OF 2012 OBJECTIVES**

### **Motivated learning**

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

In 2012, we distributed tool boxes to the schools interested, though not as many as we wanted.

### **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.

We held ten lectures with Nicolai Moltke-Leth in 2012. Around 1,500 people participated.

### **Understanding private finances**

*Objective:* To help our customers and ninth grade 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.

Instead of developing a "Guide to finances" to hand out, we have created presentation material specifically directed at young persons from 16-29 years old. During the year, we held a wide range of lectures for young persons; at educational institutions and at events in the branches.

### **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.

The teaching reached four schools, 300 pupils and 300 parents. This was partly due to time pressure at schools, and partly, due to major coordination work and longer planning horizons than expected. However, at the schools where the event was held we received very positive feedback.



**Trainee scheme**

*Objective:* To employ ten new financial students and financial economists by 15 August 2012.

As of 15 August 2012 we had employed ten financial students and two financial trainees.

**Defibrillators at all branches and departments**

*Objective:* To install 45 defibrillators at all branches and departments in the first half year of 2012. Defibrillators will be installed at the remaining branches and departments in early 2013.

In 2012, we installed defibrillators in all our branches and departments in Glostrup and Panoptikon, respectively. We have installed a total of 81 defibrillators.

**OBJECTIVES FOR SOCIETY 2013****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, sociologist and coach, at which the parent guide "Rich on motivation" is to be handed out. We expect to hold nine lecture evenings with total attendance of around 1,500.

*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.

**Digital Etiquette**

*Objective:* To offer teaching at schools in at least nine towns in Denmark. Our objective is to teach more than 600 children and 1,500 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 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 2012 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 10 new financial students and 6 financial economists by 15 August 2013.

*Responsibility practice:* Recruitment of trainees through a targeted campaign on Facebook and various 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 2013.

# 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 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. In day-to-day operations, all paper waste is collected and sent for recycle.

### Low-energy light sources

We switched to LED lighting in all outdoor illuminated signs and thus are saving the environment 72 tonnes of CO<sub>2</sub> 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.

## REALISATION OF 2012 OBJECTIVES

### 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.

In 2012 the Bank developed a digital "signature room", in which it is possible for customers to sign certain card and credit agreements. During the five months in which the system has been in use, documents have been signed in an amount corresponding to a saving of about 70,000 pieces of paper.

### 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 2012, the Bank's primary suppliers of fixtures and equipment as well as products have documented that they satisfy the Bank's CSR requirements.

### Reduction in energy consumption

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

In 2012, the Bank's technical staff worked on improving the way we use energy in relation to activities and work routines throughout the organisation. Through monitoring and screening we wanted to create an overview of the Bank's energy consumption in a form which can be used to measure changes in behaviour.

### Environmentally friendly building projects

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

Four of the Bank's properties were renovated in 2012. In all cases energy-saving and environmentally friendly solutions were applied such as air-conditioning with heat recovery and LED lighting. Furthermore, at the Bank's property in Glostrup, solar panels have been installed expected to produce 36,000 kWh. This will reduce our consumption of gas by about 4,500 cubic metres annually. The overall CO<sub>2</sub> reduction is about 22 tonnes.

## OBJECTIVES FOR CLIMATE AND THE ENVIRONMENT 2013

### Digital signatures

*Objective:* To continue the development of digital signature rooms so that more and more documents can be signed digitally.

*Responsibility practice:* The Bank participates in development collaboration under the auspices of Bankernes EDB Central. The aim is for all communication and contracts to be digitalised as technology and legislation render this possible.

*Organisational adaptation:* A work group dedicated to the task has been set up.

*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.

### Purchase of IT equipment

*Objective:* To consider the environment in purchase, operations and disposal of electronic equipment.

*Responsibility practice:* In all major purchases, suppliers are asked to document appropriate production conditions, operational specifications and the possibility of appropriate disposal of discarded components. Appropriate means compliance with climate and environmental regulations applicable in the countries in which production, operations or disposal take place.

*Organisational adaptation:* Employees in the Bank's IT department responsible for purchasing are each responsible for collecting the required documentation.

*Measurement:* Documentation for disposal of IT equipment will be stored.

### New Energy Management System

*Objective:* To install a new Energy Management System to measure energy consumption in all the Bank's branches and departments.

*Responsibility practice:* As a preliminary work process, meters are being registered in all the Bank's properties in order to use these in the system.

*Organisational adaptation:* An employee has been appointed to manage the task.

*Measurement:* The system will be fully installed by 31 December 2013. Branches and departments will then be able to see their own consumption and decide whether they should change their behaviour.

### Environmentally friendly building projects

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

*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 light bulbs, 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 managing the task concerning environmentally friendly building projects.

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

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