

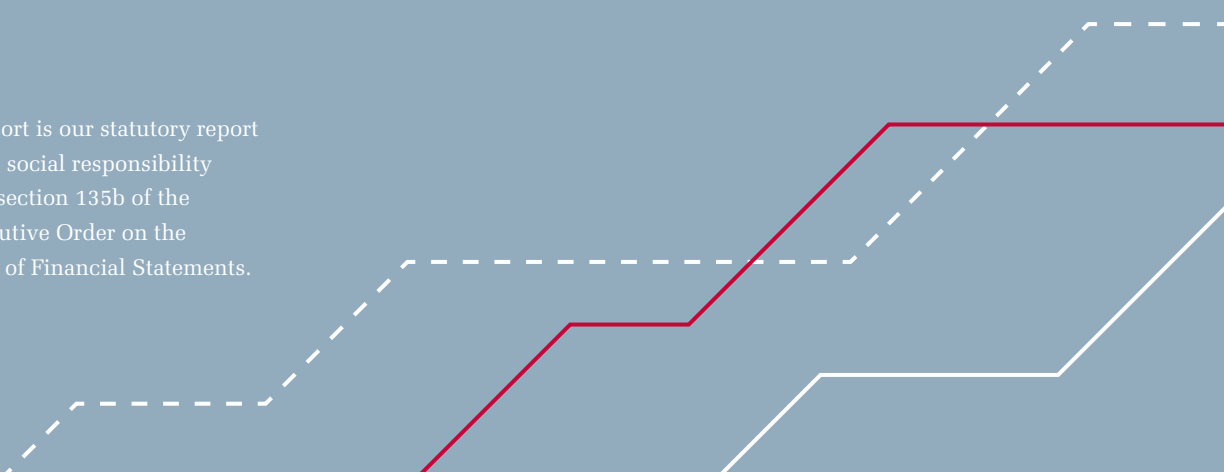
# CSR report

## 2017



# CSR report 2017 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 we're a part of

*At Arbejdernes Landsbank, we believe that businesses that create value are also businesses that have long-term responsible business practices. On this basis, we run a sound bank, with respect for the surrounding world and our clear ambition is to make a positive contribution to the society we're a part of.*

Contributing to Danish society, as a stable and responsible financial institution, has been a cornerstone of the activities of Arbejdernes Landsbank since the Bank was established back in 1919 – long before anyone had even heard of CSR. And today, almost one hundred years later, nothing has changed. Just like then, the Bank is committed to offering responsible, personal advisory services and sustainable loans – to all Danes. Through our core competencies in supplying financial services, we want to help develop Danish society in the best possible direction. This is part of our DNA, it determines how

we do banking, and our Board of Directors and group of owners have made it clear that they want us to continue to make our mark as a socially responsible bank. Therefore, we want to focus even more on our strategic CSR work in the future.

Our fundamental values and the Bank's approach to customers, employees, cooperation partners and investments are built on respect for people and an objective to leave the most positive impression possible on our surrounding world. This is one of the reasons why

we have developed a set of customer pledges defining the behaviour our employees should strive for every day. This behaviour is based on the following three values: accountable, attentive and straightforward. This behaviour will 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.

### **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 280,000 customers, for our 1,100 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. Arbejdernes Landsbank has realised solid business results and today it stands strong, ready to secure future sustainable growth.

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. On this values foundation, we operate a sound bank with solid finances and with profound respect for our customers’ time and money.

Our business model has a strong customer focus. We are convinced that better and more relevant customer experiences are the key to more customers and to more satisfied customers. Creating more value in encounters with each individual customer requires the best possible understanding of our customers. Consequently, systematic and ongoing input from customers is essential and a necessary prerequisite for the Bank to continue to design services, products, processes and concepts that support customers’ needs and wishes.

Our objective is that our customers always consider us an accountable and attentive sparring partner that succeeds in creating value and communicating clearly and comprehensibly. We want to be close to the customer and the customer’s financial situation in all phases of life – both in good times and bad times.

### **Five focus areas within CSR**

We have a number of policies and objectives within CSR, seeking to ensure and promote the wellbeing and financial security of our employees and customers, as well as our involvement in society and our environment.

We are striving to live up to our social and economic responsibilities in the following five focus areas:

- Customers and products
- Employees
- Society
- Climate and the environment
- Anti-corruption and business ethics.

# 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 are able to live life to the full within 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.
- Train our advisors so that their competencies live up to legitimate expectations of a full-service bank.
- Offer our customers ethically screened investments.
- Offer our customers the same prices for the same type of business.

## Risks

When developing new products and services and when making investments, our processes guarantee that we actively address and try to minimise the risks of negative impacts on human rights, the environment and climate, and anti-corruption.

## Initiatives

### Responsible advisory and loans policy

At Arbejdernes Landsbank, we focus on business activities aimed at ensuring safe frameworks for customers when things are good and when the climate is less favourable. This means that we have 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 [www.al-bank.dk/priser](http://www.al-bank.dk/priser) (only available in Danish).

### Dialogue and availability

Entering into close dialogue with our customers is an important prerequisite for ensuring that they are treated professionally and with respect for their individual needs. The Bank attaches great importance to long-term customer relations, and one way of ensuring this is to offer Values Interviews, carried out every three years with a large number of customers to ensure that dialogue, advisory services and solutions are based on and adapted to customers' values, wishes and needs. Our focus on availability is reflected, for instance, in the customers having the opportunity to call us Monday to Friday between 8 a.m. and 8 p.m. Furthermore, customers can book a meeting from Monday to Thursday from 8 a.m. to 6 p.m. and on Fridays between 8 a.m. and 4 p.m.

### Customer satisfaction surveys

We regularly participate in various customer satisfaction surveys, analyses and price-comparison surveys carried out by independent suppliers. Results of these surveys are published in traditional and social media and on our website in order to create openness and transparency in the Danish banking market – to the benefit of customers and the Bank alike.

### **Bonus schemes and emoluments of the Executive Management**

No managers or employees at the Bank receive a bonus solely on account of individual performance such as personal sales activities. Our bonus schemes are regulated by collective agreements and 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.

### **Ethical investments**

Since 2003, the Bank has offered its portfolio customers an ethically 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 set by national authorities in markets where enterprises are active, and this also applies to guidelines 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 will 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. In 2017, the Bank engaged in dialogue with a cooperation partner concerning alleged violations of human rights by a number of companies in connection with establishing an oil pipeline in the US.

### **Green loans**

As part of our full product package, we offer AL-Energilån (energy loans) at favourable interest rates. 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.

### **AL-ProvinsKlar**

In 2016, we launched the AL-ProvinsKlar home loan, which makes it possible to finance a home purchase, no matter where in Denmark a dream home is located. AL-ProvinsKlar is an alternative home loan designed for purchases in areas of Denmark where mortgage-credit loans are not always an option. As a responsible bank, we would like to help people realise their purchase and buy their dream home in such areas too.

## **Results**

### **High customer satisfaction**

We continuously monitor the extent to which customers would recommend us to others after meetings, on completion of a change of bank and after agreeing a home loan. Based on customers' ratings and additional comments collected in 2017, we can ascertain that customers would recommend the Bank to others to a very high extent. This is fully consistent with the results of various benchmark tests carried out by several independent and external research institutes. We are proud to have so many competent employees who are dedicated to putting our customers first, and who listen to customers every single day so that they can be sure to meet customers' expectations. And we will continue to strive to improve our services so that they are always adapted to our customers' needs.

### **Danes' preferred bank for the ninth successive year**

We were voted "Danes' preferred bank" for the ninth successive year in January 2018 in the annual Voxmeter customer survey, which is based on interviews with more than 50,000 Danish bank customers who are asked about their satisfaction with advice, services and products from banks. In the survey, which is one of the most comprehensive of its kind, we were first among 20 of the largest banks in Denmark.

### **Dialogue and meetings with investment associations**

Our objective for 2017 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 2017, we can ascertain that all the investment associations with which we have formal collaboration 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 2018

### 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.

*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 our customers and improve customer experience

*Objective:* We have implemented at least 50 new customer improvements on the basis of feedback and input from customers, for example after meetings, on completion of a change of bank and after agreeing a home loan. Moreover, we have maintained our objective for a high level of NPS measurements (as a minimum, 74 for meetings and 60 for procedures) throughout 2018.

*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:* Measurements are based partly on the number of implemented improvements for customers and partly on our NPS score.



# Employees

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

## 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 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 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.

## 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.

## 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 wellbeing

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 wellbeing of our employees:

- All the Group's employees are covered by joint health insurance and dental insurance.
- All employees can have eight annual preventive treatments from Falck Healthcare.
- 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-assessment dialogues (ArbejdsPladsVurdering – APV) 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 (PU) are carried out, focusing on future career wishes and development opportunities. Every six months, the staff-development interview is followed up with a development plan and a job target for the individual employee.

### Wellbeing and management surveys

Every year, a wellbeing and management survey is conducted to ensure cohesion between the expectations of the Bank, managers and employees. The results of the survey provide a snapshot of employee wellbeing and management, and they indicate the areas requiring special attention to create an even better workplace. In consultation with their employees, all managers with staff responsibilities are responsible for deciding on actions that could improve wellbeing. Furthermore, in order to maintain focus on these actions, managers can conduct progress measurements of selected actions every six months.

### 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

### Health at the Bank

One of our objectives for 2017 was to create increased focus on the whole person – physically as well as mentally – through a number of initiatives in areas such as ergonomics, diet, sleep and exercise.

The aim was for the initiatives to have a preventive effect. We saw a positive development, with increased awareness of the importance of recognising and exploiting one's own possibilities to take preventive action. Furthermore, in September 2017, the Bank launched the project "Værdifuld sundhed" (Valuable Health), which covers a number of initiatives in the areas of ergonomics, sleep, diet and exercise.

### Ensuring employee wellbeing and good management

Another objective for 2017 was to conduct a combined wellbeing and management survey, aimed at increasing focus on matters affecting our wellbeing and our ability to perform our best. With an impressive response rate of 94%, we accomplished our objective of a response rate of at least 90%. For the parameters "Job satisfaction" (objective: 75%) and "Loyalty" (objective: 83%), we also achieved our goal, with scores of 75% and 83%, respectively. On both parameters, the Bank scores among the top 25% of financial enterprises participating in the survey. All managers have engaged in dialogue with their employees about the result, and have decided on actions to improve wellbeing and strengthen leadership.

## Objectives for 2018

### Focus on the whole person

*Objective:* To create increased focus on the whole person – physically as well as mentally – through a number of initiatives in areas such as ergonomics, diet, sleep and exercise.

*Responsibility practice:* Initiatives will be implemented through the "Værdifuld Sundhed" (Valuable Health) project, which includes thematic features/focus weeks concerning diet, ergonomics, sleep, energy and exercise. Channels: availability of information on the intranet, involvement of focus persons and visits from the Health and Safety Consultant to all branches and departments of the Bank.

*Organisational adaptation:* The Bank's Health and Safety Consultant is responsible for planning and maintaining the project and the initiatives.

*Measurement:* We expect the initiatives to have a preventive effect, and that they will thus contribute to reducing absenteeism due to sickness and that they will support our objective of high job satisfaction. Our objective is that, at the measurement in September 2018, employees will feel that the "Værdifuld Sundhed" initiative contributes to a healthier worklife (objective: score of 75%).

### Ensuring employee wellbeing and good management

*Objective:* At the Bank, we believe that wellbeing and good management go hand in hand with realising ambitious results. Therefore, we are conducting a combined wellbeing and management survey, aimed at

increasing focus on matters affecting our wellbeing and our ability to perform.

*Responsibility practice:* A wellbeing and management survey will be carried out among all managers and employees at the Bank once annually, with the possibility to conduct a half-yearly follow-up on the actions that were decided.

*Organisational adaptation:* The Bank's HR Department is responsible for planning and carrying out the 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:* All managers with staff responsibilities are responsible for preparing an action plan with specific actions to improve wellbeing and strengthen leadership. We aim for a response rate of at least 90%, and for a position among the top 25% enterprises in the financial sector on the parameters of "Job satisfaction" (objective: score of 75%) and "Loyalty" (objective: score of 85%).

# Society

At Arbejdernes Landsbank, we 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.
- Contribute to giving young people, in particular, a better understanding of their personal finances.

## 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

### Humanitarian aid for children

Each year, we contribute to relief work for children. We have chosen to support Dansk Folkehjælp (Danish People's Aid), for whom CEO 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. Furthermore, in 2017 we supported MOT, an organisation working with young

people in the 7th to 9th grades, helping them become more independent, take care of each other and show courage.

### Other humanitarian aid

In addition to humanitarian aid for children, in 2017 we also supported the Danish Cancer Society's "Knæk Cancer" campaign, the nationwide charity collection: Danmarks Indsamling, and the organisations LEV, Diakonissehuset Sankt Lukas Stiftelsen, the Danish Heart Foundation, and Misbrugsportalen.

### 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. is available on the Bank's website [www.al-bank.dk/fond](http://www.al-bank.dk/fond).

### +Camp

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

### 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, where 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, our CEO Gert Jonassen, along with a number of our financial advisors, took part in the event as guest teachers in March 2017. In March 2018, Gert Jonassen and a number of our financial advisors will again participate as guest teachers in the event.

- **Teaching students in the TAMU programme:** In 2016, we established collaboration 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 in this way enhance their chances of getting a job. The collaboration was ongoing throughout 2017 and will continue in 2018.

### Give Hope

In 2012, Arbejdernes Landsbank started working with the “Børn, Unge & Sorg” association, which helps children and young persons who witness their parents or siblings falling seriously ill or dying. In 2017, the Bank has supported “Børn, Unge og Sorg”, and moreover, the Bank was the main sponsor for the “Give Hope” cycling team, which in the summer holiday cycled around Denmark collecting funds for the association.

### Collaboration with Rugvængets Skole (elementary school)

Since 2012, we have worked closely with a class at Rugvængets Skole in Ballerup. On 1 August 2015, we adopted class 7.E, which became 9.E in 2017. The purpose of the adoption is to prepare the children for the financial aspects of life after school and help them enter into a better future. We will continue teaching the children about economics and budgeting, tutor them about personal competences, discuss topics such as motivation and bullying and we will give them a perspective of everyday life in the business community by e.g. inviting them to the Bank.

## Results

### Lectures

During 2017, we hosted nine lectures with total attendance of more than 2,000 people.

One of the lectures was given by Arne Nielsson, a coach and former sprint canoer, and it addressed the issue of identifying factors which are motivating, and can help you motivate others. Four lectures focussed on diet and exercise/children: two by Christian Bitz, a nutrition expert; one by Lindy Aldahl, known from a reality show on life-style changes; and one by Kristoffer Schou, a dietician. Lars Christiansen, a famous handball player, gave two lectures about turning defeat into victory; Nicolai Moltke Leth, an ex-soldier, gave a talk focussing on what parents can do to strengthen their children's

social skills; and finally, learning expert Svend Erik Schmidt gave a lecture on learning styles.

### Understanding personal finances

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

### Donations

In 2017, we donated money to the Danish Cancer Society's “Knæk Cancer” campaign, the nationwide charity collection: Danmarks Indsamling, and the organisations LEV, Diakonissehuset Sankt Lukas Stiftelsen, the Danish Heart Foundation and Misbrugsportalen. Furthermore, in 2017 we also supported a number of charitable projects focussing on children, for example, “Børn, Unge og Sorg”, +Camp and MOT.

## Objectives for 2018

### Lectures

*Objective:* To disseminate messages which can help create a richer life. Focus is particularly on topics related to children, young people and lifestyle. We expect to hold at least ten lecture evenings with total attendance by more than 1,000 people. The lectures will focus on the following themes:

- How to strengthen community and personal self-esteem.
- How to make the most of one's own potential and that of others.
- How to teach ourselves and our children healthier eating habits.

*Responsibility practice:* The objective will be realised by the Bank holding a number of lecture evenings with knowledgeable lecturers selected by our Marketing Department.

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

*Measurement:* Reports will be made to the Marketing Department on how many people have attended 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 private financial situation.

*Responsibility practice:* As in 2017, we will again this year host a number of meetings on personal finances for our customers of all age groups.

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

*Measurement:* Our success will be measured on the basis of demand for our meetings, and any subsequent feedback from participants.

### **Trainee schemes and employment of financial trainees**

*Objective:* To employ six new financial students and 30 financial trainees by 1 August 2018.

*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 and the Bank's Marketing Department will be appointed as responsible for the project.

*Measurement:* Objective to be met by 1 August 2018.

# 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 by performing source separation and recycling our waste.

## Risks

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

## Initiatives

### Reduction in energy consumption

We develop building projects using energy-labelled products which impact the environment as little as possible. The environment was a high priority in connection with total renovation of branches in 2017, e.g. the use of low-consumption technologies. There was a requirement to use energy-saving light bulbs, LED lighting, low-energy windows and heat management. To further reduce our energy consumption, our future goal is to use electricity produced by offshore wind turbines,

and we will use bio-natural gas and eco-friendly district heating. In 2017, we increased our focus on purchasing environmentally responsible energy. This resulted in a significant reduction in our CO<sub>2</sub> emissions.

### Environmental requirements for fixtures and equipment as well as products

In close dialogue with our cooperation partners and suppliers, in 2017 we ensured that all materials, products, fixtures and equipment purchased by the Bank were produced and used so as to impact the environment as little as possible. For example, we purchased cleaning agents carrying the Nordic Ecolabel, as well as ecolabelled stationery, furniture, fixtures and equipment, and our window cleaners now carry the Nordic Ecolabel. Furthermore, we emphasise the importance of collaborating with suppliers who use recycled materials in their production.

### Healthy food and respect for nature

Our canteens serve nutritious and healthy meals, prepared with consideration for ecology and animal welfare whenever possible. Today, 30-60% of all ingredients used by our canteens are organic. All our canteens are part of the Organic Cuisine Label scheme under the Danish Veterinary and Food Administration. Members of the scheme strive to protect nature, the environment and animals by using organic products that contain no residues of pesticides and inappropriate additives.

## Results

### Reduction in CO<sub>2</sub> emissions

In 2017, by purchasing environmentally responsible energy, we reduced our CO<sub>2</sub> emissions by a total of 2,437 tonnes, corresponding to a 90% reduction.

### Member of the year of

#### “Netværk for Miljømærket indkøb”

In 2017, we started using cleaners and window cleaners carrying the Nordic Ecolabel. The percentage of

eco-labelled purchases of stationery, furniture, fixtures and equipment increased to 40%. Due to this targeted effort, we were the member of the year of the ecolabelling network “Netværk for Miljømærket indkøb”.

#### **Awarded bronze certification of the Organic Cuisine Label**

In 2017, all our canteens achieved bronze certification of the Organic Cuisine Label (30-60% organic). The Organic Cuisine Label is a certification scheme run by the Danish state, and the ecolabel can be awarded in a gold, silver or bronze standard, indicating the amount of organic products used at a given restaurant/canteen etc.

## **Objectives for 2018/2019**

- Reduction in electricity consumption by 5% in 2019.
- Continued focus targeting environmentally responsible purchasing and minimisation of our total consumption of materials. Our objective is that ecolabelled products are to constitute 50% of total purchases for our day-to-day operations by 2019.
- Improvement of waste separation so that source-separation of waste amounts to 50% at the end of 2019.
- Our objective is to continue reducing CO<sub>2</sub> emissions so that, at the end of 2019, we will have reduced emissions further through a reduction in our energy consumption.



# Anti-corruption and business ethics

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

## Our policy is to:

- Ensure that our employees do not give or receive gifts that have more than symbolic value.
- Identify suspicious financial behaviour and report it to the authorities if we suspect money laundering or financing of terrorism, with a view to combatting this.

## Risks

Arbejdernes Landsbank is a Danish bank domiciled only in Denmark and primarily targeting Danish customers. Denmark ranks as one of least corrupt countries in the world according to the corruption index, but even though the risk of corruption is relatively low, it is essential that we maintain a constant focus on this area. Corruption often starts on a small scale with gifts, dinners, favours among friends and small amounts, but this may result in customers, suppliers and cooperation partners not being treated equally.

## Initiatives

### Whistleblowing

At Arbejdernes Landsbank, we place great emphasis 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 due to the notification.

Our Compliance Department updated the Bank's whistleblower policy in 2017 in order to make it even more accessible. For example, the policy was supplemented with specific examples of situations in which the whistleblower scheme may 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 the employees must conform to. The rules contain guidelines for the conduct that 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.

In 2017, the Compliance Department developed a training programme, focusing on our Code of Conduct, among other things. Training will be provided in selected branches and departments in the course of 2018 in order to enhance employees' knowledge and awareness of the Bank's Code of Conduct.

## Results

As this is the first year in which the Bank reports specifically about anti-corruption and business ethics, there is no quantitative reporting of results from last year. A qualitative result achieved in this area in 2017 is the development of a training programme focussing on our Code of Conduct, among other things. The training programme will help increase employees' awareness of the Bank's social responsibility with regard to compliance and will be provided in selected branches and departments in the course of 2018.

Another qualitative result achieved in 2017 is that the Bank's whistleblower scheme has been updated.

## Objectives for 2018

### 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 carry out compliance training in selected departments and branches 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 pay special attention.

*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.

AKTIESELSKABET

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