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Communication on
Progress to the UN
Global Compact

2014

January 2015

ATP's Communication on Progress to the UN Global Compact

CEO statement:

To our stakeholders:

The foundation of the ATP Group's activities relating to social responsibility is our vision of ensuring basic financial security for all of Denmark. As a part of this vision, ATP continues to support the ten principles of the Global Compact in the areas of human rights, labour, environment and anti-corruption.

In 2014, ATP as an employer continued to pursue its commitment to integrating the Global Compact and the ten principles into our business strategy, culture and daily work, which is described further in this Communication on Progress. We are also committed to sharing this information with our stakeholders via our main communications channels. ATP's work with social responsibility in relation to the Group's investments is reported in a separate report (structured according to the UN-supported Principles for Responsible Investment (PRI)).

Hilleroed, 23 January 2015.

Carsten Stendevad, CEO

Human rights

As an employer, ATP endeavours to support human rights wherever relevant and possible. ATP has chosen to focus its human rights activities as an employer on the relationship between managers and employees. This also underpins one of ATP's four core values – 'Job satisfaction' – which has been determined in a joint collaboration between ATP's management and employees.

Implementation

Employees: ATP strives to create a workplace where top performance and job satisfaction go hand in hand. In 2014, ATP has been working towards this goal by committing to supporting excellence in management and competence development activities etc. As a part of this, ATP's performance review concept has been revised. The annual perspective interview between manager and employee has been supplemented by quarterly pit stop interviews, and new interview templates have been developed. In the revised interview concept, increased focus is placed on employee motivation and job satisfaction, and plans are for the interview to include a clear alignment of expectations in terms of targets, results and development. The perspective and pit stop interviews thus contribute to maintaining a constant focus on performance, well-being and development through clear feedback.

Outcomes

In Q3 each year, ATP conducts an employee satisfaction survey for the purpose of measuring the effect of the efforts contributing to enhancing employee job satisfaction, commitment and motivation. ATP has three focus areas, and the objective is to reach index 80 (on a scale of 0-100). In 2014, ATP obtained the following scores within the three focus areas: Job satisfaction (76), Immediate superior (84) and Day-to-day work (76). There was a small decline in job satisfaction relative to 2013. Managers follow up on scores through dialogue with employees and preparation of action plans.

In the area of competence development activities, ATP regularly offers courses focused on personal and professional development. Almost 200 courses with participation of approx. 3,600

employees were held in 2014, which is more than in 2013 where around 150 courses were held.

Labour

ATP complies with current Danish legislation and collective agreements as regards labour standards. The Group has a long tradition of good relations between management and employees as well as with the trade unions. This is embedded in ATP's Human Resources Policy, Health and Safety at Work Policy and Diversity Policy, among others.

Implementation

In 2014, ATP's activities in this area were dedicated to initiatives relating to social responsibility and working environment. Moreover, ATP has an ongoing focus on creating a diversified workplace – including increasing the share of women in ATP's management.

Vulnerable groups:

FASE+ is a department at ATP for vulnerable labour market groups. The aim is to help vulnerable groups become self-supporting and thus able to manage a job or education on normal or special conditions. FASE+ is established in collaboration with the local community, e.g. job centres or production colleges.

As part of ATP's efforts to create an inclusive workplace, ATP continued its collaboration with Specialists in 2014, a consultancy company specialising in employing people diagnosed with autism.

Gender distribution of ATP's senior management:

ATP's Supervisory Board defined a target figure for the gender distribution of its senior management. The target is to have at least one-third of each gender on ATP's Board of Representatives (at least 11) and ATP's Supervisory Board (at least five). The target must be met by 1 April 2016.

Women in management

ATP is constantly striving to increase the share of women in management. The targets have been laid down in ATP's Diversity Policy. ATP's target is to have minimum 45 per cent female managers and minimum 30 per cent female executives. Efforts are being made to meet these targets through focus and emphasis on diversity in connection with recruitment of new employees as well as dedicated efforts to recruit and develop internal talents in ATP's talent programme.

Working environment:

As part of the endeavours to ensure high productivity and well-being, the ATP centres in Hilleroed and Alleroed have obtained OHSAS 18001 Occupational Health and Safety Management Certification. Internal and external audits are performed every year to ensure that ATP complies with the health and safety certification requirements.

Outcomes

In 2014, FASE+ had a staff of 51 consisting of women and men of non-Danish ethnicity, persons with mental illness and vulnerable young people under 30. ATP continued its efforts to develop FASE+ across all centres in 2014, among other things by establishing an internal temp scheme at the Hilleroed and Alleroed centres, where FASE+ enters into agreements with the company on performing temporary tasks. And ATP Frederikshavn has collaborated with the production school in Frederikshavn and had trainees from the basic vocational education and training programme (EGU). The trainees have handled tasks in the centre secretariat, service department and in the canteen.

In regards to ATP's partnership with Specialists, a total of five consultants were assigned to ATP in 2014. The consultants typically work with data processing and tests and help perform core tasks for various departments. This frees up resources from other employees in ATP, allowing them to

focus more on their own core competences.

ATP's target for the gender distribution of its senior management was met in respect of the Board of Representatives with 12 women in 2014 (41.4 per cent), while the Supervisory Board continues to work towards the target and had four female members in 2014 (30,8 per cent). A slight increase in the share of women was thus seen relative to 2013, where there were 11 women on the Supervisory Board and three women on the Board of Representatives, respectively.

In 2014, the percentage of female managers was 51 per cent, while the percentage of female executives was 34 per cent, the same as in 2013. Both targets were thus met once more in 2014. As part of ATP's diversity efforts, it has also been discussed whether there might be a potential in working on creating a new diversity discourse internally in the organisation going forward. Rather than setting targets for non-discrimination and representation, it is being considered whether focus should be placed on avoiding the homogeneity of a dominant group. This would query majority instead of minority, and diversity would be seen as a resource rather than a challenge.

In connection with an external audit visit in 2014, an audit report was prepared which substantiates ATP Hilleroed's and ATP Alleroed's compliance with the OHSAS 18001 requirements. ATP has an objective for its centres in Vordingborg, Haderslev, Holstebro and Frederikshavn also obtaining the OHSAS 18001 Occupational Health and Safety Management Certification in the course of 2015.

Environment

Based on the Global Compact environmental principles, ATP has an ongoing commitment to reducing the company's energy consumption and carbon footprint where possible. Efforts to that end are naturally focused on building operation, procurement and transport behaviour.

Implementation

ATP did not launch any additional initiatives in this area in 2014. Focus has remained on starting up the operation of five buildings taken over by ATP in autumn 2012.

Outcomes

ATP monitors the development in the company's energy consumption for electricity, heat and transport. Following the start-up of operations in five new buildings in 2012, 2013 thus constitutes the baseline when ATP monitors the development in the consumption going forward.

The company's total consumption in 2014 was as follows:

Trend in electricity consumption 2013-2014:		
	2014	2013
Electricity consumption, total (MWh)	3,638	3,893
Total CO ₂ emissions (tons)	1,285	1,376

Electricity consumption in 2014 was lower than in 2013. ATP is working to maintain the lower energy consumption in future.

Trend in heat consumption 2013-2014:		
	2014	2013
Heat consumption, total (MWh)	5,012	5,482
Total CO ₂ emissions (tons)	746	816
Average temperature	6.6	4.5
Heating degree days (HDD)*	216	266

(* HDD indicates the likely consumption of energy for space heating; the higher the number of HDDs, the greater the

consumption.)

Heat consumption has declined, fluctuating in step with average temperatures and heating degree days. Moreover, optimisation of the heating system on ATP's premises in Hilleroed has contributed positively towards lower heat consumption.

Trend in transport 2013-2014:		
	2014	2013
Flight kilometres (1,000 km)	2,131	1,952
CO ₂ emissions from air travel (tons)	280	259
Commercial road transport (1,000 km)	882	635
CO ₂ emissions from commercial road transport (tons)	156	112
Total CO ₂ emissions from transport (tons)	436	371

The total transport distance for air travel and commercial road transport increased in 2014. CO₂ emissions from transport thus increased by 65 tons relative to 2013.

Anti-corruption

ATP is committed to counteracting corruption in all its forms and has adopted guidelines on confidentiality, gifts and conflicts of interest, personal relations and insider information as well as a whistleblower policy. The guidelines and policies apply to all employees. A Code of Conduct has been drawn up in accordance with Danish legislation, containing guidelines on gifts, lunches/dinners and courses/events. The guidelines on personal relations comprise close relations as well as other relations.

In addition, ATP has drawn up guidelines on insider information, securities trading, share price manipulation and speculation etc., just as all employees have a strict duty of confidentiality in accordance with the ATP Act (ATP-loven).

Implementation

ATP implemented a whistleblower scheme in 2014 which ensures that ATP's employees and members of the Supervisory Board can report any suspicion or evidence of criticisable or unlawful conduct within the organisation in full anonymity. Through an amendment of the ATP Act, which entered into force on 1 September 2014, the whistleblower scheme was expanded such that it also covers minor violations or suspected violations of the financial legislation. Reporting may take place via a link on ATP's website www.atp.dk. All reported incidents will be received and monitored by an external lawyer.

Outcomes

ATP conducts compliance surveys every year in relevant business areas with a view to monitoring compliance with the Group's policies and guidelines. The ATP Group's legal department ensures quality and manages the process, and reports on any errors, risks and compliance with the rules. Based on the investigations conducted by the ATP Group's legal department, no cases of non-compliance with ATP's policies and guidelines within the area have been found. Going forward, ATP will continue to ensure that all employees are provided with information about applicable policies and guidelines on an ongoing basis.

ATP's Audit Committee ensures that a report on the use of the whistleblower scheme is forwarded to ATP's Supervisory Board on an annual basis. The annual reporting will also be discussed by ATP's group-wide committee. The whistleblower scheme was tested in 2014, and the agreed business procedure has proved appropriate for processing the cases reported.