

Report on The BANK of Greenland's CSR in 2015



Pakkussineq

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Foreword

The BANK of Greenland's motivation to work with corporate social responsibility (CSR) is related to our prominent role in the Greenlandic society, our influence on Greenland's economy. In particular we are interested in the added value we can create for society as an element of and in addition to our day-to-day operations.

"The basis for The BANK of Greenland's CSR activities is to create value for both society and the company. Via the bank's commercial activities and CSR initiatives, we will support sustainable development in Greenland and contribute to Greenland achieving the new global development goals (Sustainable Development Goals), for the benefit of society and The BANK of Greenland.

(Extract from The BANK of Greenland's CSR policy).

On the basis of our stakeholders' requirements and expectations, and our strategic goals, we have chosen an overall focus area for our CSR initiatives, which is to create financial understanding among our customers and the citizens of Greenland.

Financial understanding provides opportunities to act and insights so that you are able to make the best financial choices. This principle is the basis for our banking activities and for our day-to-day advisory services. Our CSR initiatives especially focus on children and young people and the socially vulnerable – in order to contribute positively to preventing social problems. The aim is to ensure the citizens of Greenland a viable standard of life and to contribute to economic growth.

Where possible and relevant we will enter into partnerships with the public sector, companies, organisations and associations with the same interests. To support our efforts to create financial understanding, we will also work to make our advisory services and credit financing more accessible outside our primary market area. We also wish to continue to involve all employees in these initiatives, and also support other CSR-related projects. The bank's employees are therefore still able to use the opportunity to work with CSR both during and outside working hours.

On our endorsement of the UN Global Compact in the spring of 2013, The BANK of Greenland pledged to implement the UN's ten Global Compact principles within the areas of the environment, human rights, labour rights and anti-corruption. The bank continues to support these ten principles and we will also work with voluntary initiatives which contribute to promoting the UN's sustainable development objective.

Besides reporting on the bank's progress in relation to the UN Global Compact's ten principles, this report is also prepared in accordance with Sections 135 and 135a of the Danish Accounting Order.

Nuuk, 23 February 2016

Martin Kviesgaard, Managing Director

1. Corporate Social Responsibility Policy

In December 2015 The BANK of Greenland's Board of Directors adopted a [new CSR policy](#). The policy is a further development of the bank's original CSR policy from 2010 and has been prepared on the basis of interviews with representatives of the bank's principle stakeholders:

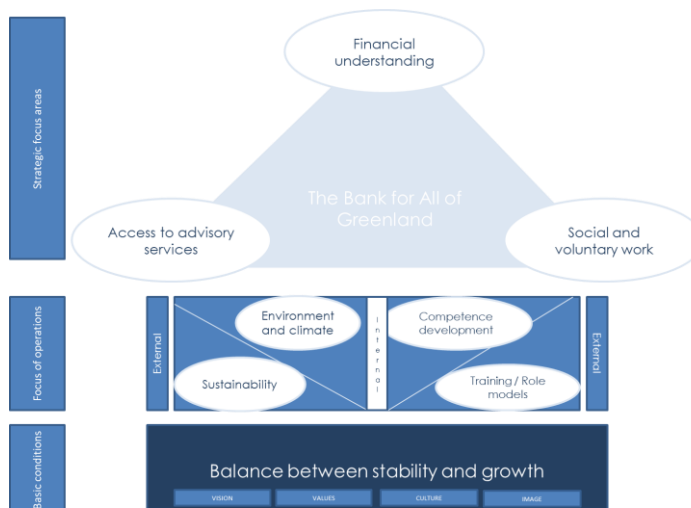
- Employees
- Customers
- Board of Directors/Shareholders
- The political system in Greenland
- Public administration
- CSR partners
- Stakeholder organisations
- Large local enterprises
- Media in Greenland

The questions for the interviews consisted of retrospective questions concerning the stakeholders' evaluation of The BANK of Greenland's CSR initiatives in 2010-2015. The interviews also consisted of a number of questions designed to reveal the stakeholders' assessment of where the bank can be of greatest benefit to society, where we can best use our competences to create added value, and what it will be most important for us to focus on in our future work with CSR.

On the basis of the stakeholders' expectations, together with the bank's strategic goals and the employees' core competences, the bank has chosen one overall focus area for our future CSR initiatives, which is to create financial understanding.

To support the bank's efforts to create financial understanding, we will continue to work to make our advisory services and credit financing more accessible outside our primary market area. We also wish to continue to involve our employees on a broad basis in our efforts to create financial understanding and to give support for other CSR related projects by making it possible for employees to work on CSR projects during and outside working hours, with compensation from the bank.

The new focus of the bank's CSR initiatives has not yet been implemented in concrete action plans for 2016 and the years ahead. This report therefore concentrates on the CSR initiatives in 2015 with focus on the three equal focus areas hitherto, as shown in Figure 1:



- To create **financial understanding** in the population in order to help households to better management of their private finances.
- **To increase the availability of advisory services and credit financing**, including outside the bank's traditional market area.
- To promote employees' **social and voluntary involvement** by making working hours available for local associations and CSR projects.

In the period 2010-2015 working groups were appointed across the bank for each of these three strategic focus areas. At the end of 2014 we also established the bank's environmental team with focus on sustainability and energy reduction. There has also been an ongoing focus on competence development and training of employees that are not handled separately by working groups, but are incorporated in our day-to-day operations.

The overall responsibility for the bank's CSR initiatives is held by the Chief Administrative Officer, who keeps the Executive Management continuously informed on the progress of this work. The bank's CSR work is anchored in a Steering Group which comprises the Chief Administrative Officer, the CSR Secretary, the HR Manager, the key persons responsible for the working groups and the environmental team and an employee representative.

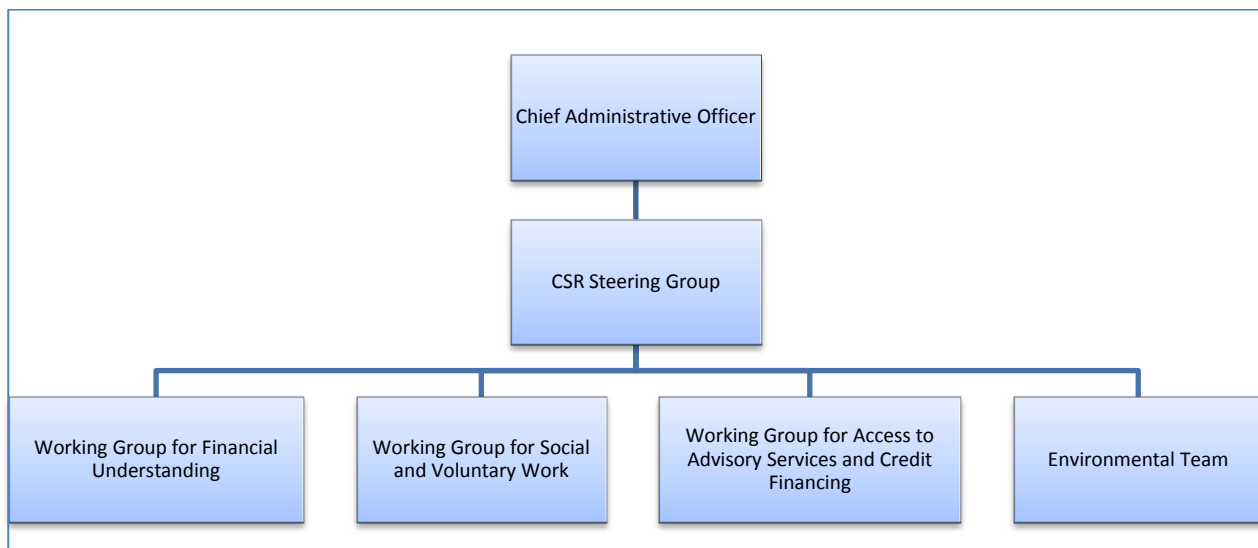


Figure 1: Organisation of the Corporate Social Responsibility work.

The BANK of Greenland is the co-founder and a member of CSR Greenland. In March 2013 The BANK of Greenland furthermore endorsed the UN Global Compact, which is the UN's programme for companies' social responsibility, and which the bank still supports and is committed to work by and comply with. The programme comprises ten principles which concern the environment, human rights, labour rights and anti-corruption. Members of the UN Global Compact must submit an annual report on the progress of their work with the ten principles. The BANK of Greenland's second report as a member was submitted in March 2015, and the third report will be submitted in March 2016.

2. Primary activities and targets in 2015

Financial understanding

Are you more of a shark investor than the trainees of The BANK of Greenland and Sermitsiaq.AG? This was the challenge and invitation to all of Greenland's school classes and trainee teams to take part in AktieTips 2015. Besides the prospect of winning over real experts, the motivation to participate was a total prize amount of DKK 25,000 and a first prize of DKK 10,000 for the winning school class or trainee team. The competition took place in March and April and was marketed with among other things school presentations on shares and investment. AktieTips requires good financial understanding, since the name of the game is to predict the development in 13 different shares and weighting the most certain predictions. During the campaign our finance trainees and investment experts visited more than 12 different educational institutions all over the country. A total of 20 school classes registered for the school competition and took part in the final AktieTips game with duration of four weeks.

Besides the many school presentations in conjunction with the AktieTips campaign, The BANK of Greenland continued its efforts to reach out to school classes in 2015. Therefore we offered instruction in financial understanding to students in qualifying education programmes and trainees in local companies. How do you keep track of how much money you have to spare each month? How can you manage and control your spending? And how can you save up for future purchases? These are some of the general questions which The BANK of Greenland seeks to answer with instruction in e.g. budgeting and calculation of disposable income and savings.

The bank's work with Qassit.gl, which was launched at the end of 2014, is a continuation of the bank's general initiatives to ensure financial understanding. The platform is directed at the oldest lower secondary school grades (8th-10th grades) and is designed to supplement mathematics and social science lessons with a curriculum on everyday finances. The game is based on three real-life stories: "Continuation school dreams", "Home alone" and "A new town" with related exercises. This turns financial understanding and arithmetic into concrete skills which the pupils can use in their everyday lives in order to achieve dreams and life goals.

Qassit.gl was developed in close cooperation with Inerisaavik (Center for pedagogical development for lower secondary schools under The University of Greenland's Institute for Learning), Ministry of Education,



"To be honest, the bank's trainee team was nowhere close to winning AktieTips 2015. On the other hand, our position was a positive manifestation of how many skilled players we managed to instruct and motivate to take part in the competition. There were a lot of shark investors playing AktieTips this year."

Jacob Munkesø
Financial trainee

Ecclesiastical Affairs, Culture and Equal Opportunities, Serious Games Interactive, Deluxus Studio, Voice of Greenland and a consultant with experience from similar projects. Selected teachers and pupils from schools in Nuuk also played a vital role in the development by taking part in workshops, expert panels and user tests. In this way, prior to its launch Qassit.gl was tested in relation to the primary target group and their teachers.



"I've contributed to developing an online game about mathematics and everyday finances. It's called Qassit.gl, and schoolteachers use it to work with the pupils' arithmetic skills and financial understanding."

Susanne Lynge Rasmussen
Project Manager

The Government of Greenland's learning goals for mathematics and social sciences are supported by Qassit.gl, and the platform also includes a teacher's guide, pupil booklet and a booklet of supplementary arithmetic exercises. Qassit.gl is developed as a browser-based online game for PCs and tablets, but can also be used offline by e.g. downloading the game as a PC application or by sharing it via a USB stick.

During 2015, The BANK of Greenland was in dialogue with various stakeholders in order to promote the use of Qassit.gl - including Inerisaavik, Greenland's Teacher Training College and Piaraarsarfik (qualification programme for young people with no educational qualifications or employment) and the Ministry of Education, Culture, Research and Ecclesiastical Affairs. This dialogue will continue in 2016, just as the bank will continue to work to put focus on Qassit.gl with e.g. merchandise for the new intakes of 8th-10th grade pupils.

For the second consecutive year the bank's Business Department contributed to a Business Combat day in collaboration with Deloitte auditors and the local commercial college in Nuuk (Niuernermik Ilinniarfik). Business Combat is a friendly, specialised competition between teams consisting of local business professionals and commercial college students, who are each required to manage a fictive company. The teams are e.g. required to reach decisions on such issues as prices, marketing, production and rationalisation. After a computer has made the necessary calculations, the teams

receive quarterly reports, and in the meantime the market will change, for instance due to political decisions. The winner is the team which achieves the best accumulated net result. In 2015 Business Combat was held in Greenland for the second time. The BANK of Greenland is keen to support more events of this type, which gives young commercial college students a realistic professional challenge, contact with the local business community and – not least – financial understanding.

The BANK of Greenland's efforts to create financial understanding are focused on, but are not limited to, the youngest generation. Therefore the bank also has teaching concepts which are focused on, for example, fishermen, hunters and sheep farmers.

In the summer of 2015, the INI housing company notified that as of 1 October, all rent payments had to be registered to Betalingsservice (a standing order system) and can in future only be paid on a monthly basis. However, a large proportion of the people who rent homes via INI are paid on a 14-day basis. In order to guide and assist this group of tenants in the best possible way with adopting INI's new scheme, The BANK of Greenland took the initiative to hold information meetings on such topics as Betalingsservice, Budget accounts and insurance. These meetings took place in August and September in the towns of Sisimiut, Qasigiannuguit, Ilulissat and Qaqortoq and were open to anyone interested. To follow up on the cooperation with INI, the bank was also invited to talk about Betalingsservice when INI housing company opened its doors to the general public for Culture Night in January 2016.

At the end of 2015 The BANK of Greenland initiated a new cooperation with Kommuneqarfik Sermersooq (Sermersooq Municipality), with two financial courses for people receiving transfer incomes. The aim of the courses is to reach a target group who rarely attend advisory meetings at the bank, in order to increase the knowledge and financial opportunities of the individual unemployed persons, single parents or early retirement allowance recipients. So far this cooperation is taking place on a trial basis and will be evaluated and adjusted during 2016. In time the ambition is to expand this cooperation to include individual debt advisory services for designated clients with special needs.

At the end of 2015 The BANK of Greenland also launched a new entrepreneur campaign with material targeted at people wishing to start up their own company. This campaign includes a collection of online links and tools at Banken.gl to help entrepreneurs get started on such topics as a business plan, type of company, budget and contracts, tax, self-financing and security.

In conjunction with this campaign, The BANK of Greenland's Business Department spent more than the planned 125 hours on advisory services and lectures for entrepreneurs in 2015. In 2016 the Business Department is planning additional lectures in coastal areas and closer cooperation with the municipal



"Business Combat gives commercial college students the opportunity to run a company for a day. This gives them a chance to use what they have learned about business economics and marketing economics, and to try this out in realistic situations. They also get a chance to meet representatives from the local business community, and see how we work and reach decisions based on our particular experience."

Jesper Hansen
Commercial Banking Manager



"There are many good reasons to save up money for a study trip. That is the simple message behind The BANK of Greenland's Study Trip Account. And we are very pleased that we are able to reward the pupils' planning and due diligence with a favourable interest rate."

Anne Mette Stripp
Customer Supporter

business councils. The ambition for 2016 is to spend more than 150 hours on entrepreneur and business succession advisory services.

In December 2015, Commercial Banking Manager Jesper Hansen was keynote speaker at the 2015 Polar Research Conference at Aalborg University, under the topic "Sustainable business development in Greenland – Greenland in the global market economy". He gave an account of financing opportunities and challenges, described the macroeconomic framework in Greenland and spotlighted opportunities for research to contribute to promoting sustainable commercial development. Around 100 researchers and business people from Greenland and Denmark attended the conference, of which the content and results will be part of the coming Arctic research strategy.

The BANK of Greenland is "The BANK for All of Greenland". Back in 2014 this was evident from the new cooperation between the bank and Air Greenland concerning less expensive tickets for study trips, which so far is running as a trial scheme up to and including 2016. This initiative has been taken to support young people who wish to travel and gain global inputs and increase the incentive for them to plan and save up money for the trip. The BANK of Greenland's role in this project consists of a Study Trip Account, which gives school classes and study groups a favourable interest rate of 1 % above the official interest rate.

Better access to advisory services and credit financing

In December 2011 The BANK of Greenland opened a cashless branch – a so-called appaaraq – in Aasiaat. This initiative gave the around 3,257 residents of Aasiaat and the surrounding areas better access to advisory services and credit financing. In the first instance this was a trial scheme open for one week each month. In November 2013 the branch opened on a full-time basis, however, and in the spring of 2014 The BANK of Greenland moved into our new branch building at the address Edvard Johansenip Aqq. 2.

In the autumn of 2015 our branch manager in Aasiaat made a tour of the Disko Bay. This took place in cooperation with representatives of Royal Greenland and Kalaallit Forsikring I/F with visits to towns and settlements such as Qeqertarsuaq, Qasigianguit, Akunnaaq, Kangaatsiaq, Niaqornarsuk, Ikersarsuk and Attu. Branch Manager Malene Christensen held meetings with customers with focus on such areas as loans, insurance and online banking, as well as giving presentation at workplaces and educational institutions and in community halls.

Besides the business expansion in Aasiaat and the surrounding area, The BANK of Greenland's action plan for CSR has also led to an increase in activity on the east coast in the largest town Tasiilaq with around 2,093 inhabitants. Twice a year two advisers from The BANK of Greenland fly in to pay a visit. The visits to Tasiilaq last around a week, during which the bank seeks to hold as many individual advisory meetings as possible and seeks to give a presentation on financial understanding or self-service solutions at either Tasiilaq School or in the community hall.

The BANK of Greenland still has an agreement with Kommuneqarfik Sermersooq for the residents of Tasiilaq to be able to borrow the municipality's equipment, so that they can contact their advisers via video conference, in order to receive more personal advisory services than e.g. via telephone, e-mail or letter. The opportunity for meetings with the bank's visiting advisers is becoming increasingly popular, while the video conference offer is not used to any significant degree.

In 2015, on a trial basis, the successful apparaq visits to the east coast of Greenland were copied and used in an equivalent initiative for the Uummannaq district in northern Greenland with around 2,179 inhabitants. In this case too, the bank is now also cooperating with the municipality on facilities for the advisory meetings. And once again the ambition is to visit the local school, or to hold an information meeting for the town's residents during the visit. It is planned to evaluate the adviser tours in 2016.

On an annual basis – usually in the spring – two of the bank's advisers from Qaqortoq visit nearby Narsaq with around 1,529 inhabitants. They inspect properties and hold meetings with citizens who do not have the opportunity to visit Qaqortoq during the course of the year. During these trips, information meetings are typically also held for the entire town of Narsaq, most recently with focus on e.g. environmental loans.

For the general population, who do not regularly attend e.g. meetings at the bank, we write several advisory articles in popular magazines, such as Anu Una and Timi Una, which are distributed throughout Greenland. In 2015 these articles covered topics such as good advice on budgeting, study finances and Christmas savings, and also led to publicity and interviews on nationwide radio (KNR).



"Twice a year, I and a colleague travel to Tasiilaq. We do this in order to inform the people of east Greenland about their financial opportunities, and to offer them the personal, in-depth advice that is needed when you take a loan for e.g. a house, boat or car, or to start up your own business."

Inger Poulsen
Customer Adviser



"As a volunteer in the Dandelion's kitchen I'm helping to give the children in Nuuk healthy meals, and teaching the children how to eat a healthy, balanced diet."

Rosine Buhrkal
Customer Supporter

Social and voluntary involvement

The working group for social and voluntary involvement has drawn up a volunteering policy and guidelines for the voluntary work which employees undertake on behalf of the bank. The policy is based on the fundamental belief that The BANK of Greenland's voluntary and social involvement is an investment in Greenland's future and an important element of ensuring society's sustainable development.

In 2014 the bank's volunteering policy was expanded with rules and a form for registration of CSR hours outside ordinary working hours. In 2015 we supplemented these rules with guidelines for use of CSR hours for volunteer work in conjunction with the Arctic Winter Games 2016.

The primary areas for which hours were granted in 2015 are the Arctic Winter Games project, and social and voluntary involvement for the benefit of children and young people, education, environment, culture and sport. In addition the employees' work with financial understanding and the bank's involvement in CSR Greenland were also registered.

We continuously work to ensure that the registration of CSR hours is as precise and user-friendly as possible.

Arctic Winter Games 2016

In 2014 The BANK of Greenland entered into a Nanoq sponsorship agreement with Arctic Winter Games, which take place in Nuuk on 6-11 March 2016, as the largest project of its kind ever held in Greenland. As part of this sponsorship agreement, the bank has e.g. made manpower available for the Arctic Winter Games project in 2014-2016, just as the bank also makes CSR hours available for the employees who, at their own initiative, sign up as volunteers at the Arctic Winter Games. We are doing this because the Arctic Winter Games motivate the local young people to take part in sport, set ambitious personal development goals, and work hard to achieve them.

The Arctic Winter Games are also helping to develop the volunteers' competences, establish new collaboration in the local community and give opportunities to promote the best aspects of Greenland and The BANK of Greenland. In 2015 more than 20 of the bank's employees, for more than the 319 registered hours, handled tasks for the Arctic Winter Games project.

First and foremost the bank's employees undertook tasks related to the Arctic Winter Games' steering group, fund-raising committee, committee for sports results, gala committee and the Arctic Winter Games Secretariat's cashier function. The bank's employees also assisted with training on physical and mental first-

aid courses, advertising exposure in Appa News, which is distributed to every household, advertising displays for the Arctic Winter Games in the towns where the bank has branches, and various ad hoc tasks.

Besides manpower, The BANK of Greenland also sponsors a cash subsidy to the Arctic Winter Games and services such as free currency exchange and production of the official AWG piggy bank. The total value of the Nanoq sponsorship exceeds DKK 1 million.

Other voluntary activities in 2015

In the spring of 2014 The BANK of Greenland launched the "230 helping hands" campaign, which is still highly visible in the bank's six branches. The message was that every employee has the opportunity to take on voluntary work during working hours, and that the bank has allocated over 2,000 hours to support associations and projects in Greenland this way. The campaign led to 12 new enquiries from organisations that have all received assistance from or several of the bank's employees during 2014 or 2015, or have been offered future collaboration, as and when the need arises. The 12 organisations are:

- Nuummi Uumasut (the association behind the veterinary clinic in Nuuk)
- Pisiu (the Crime Prevention Board in Greenland)
- Natteravnene (Night Owls)
- Red Cross
- Nuuk Playground/Kommuneqarfik Sermersooq (Sermersooq Municipality)
- Children's rights organisation MIO
- Association for Greenlandic drum dancers
- Save the Children/Meeqqat Ikiortigit - Kalaallit Nunaat
- Nanubørn (Nanu children)
- The Dandelion (and their children's kitchen project)
- Neriuffik Kattuffiat (Greenland Cancer Society) in Nuuk
- NSP (cross-country skiing club in Nuuk)

In 2015, the assistance for these organisations included duties in the NSP cross-country skiing club's booth during cup runs, and assistance with assembly and packing of the Crime Prevention Board PiSiu's dialogue game for nursery schools and schools.

In the spring of 2014 The BANK of Greenland also entered into a CSR cooperation agreement with the Natteravnene Nuuk and Natteravnene Sisimiut (Night Owl organisations). This agreement was renewed in the autumn of 2014 and again in the autumn of 2015.



"It's really fun and enjoyable to help sorting clothes in Kalaallit Red Cross' second-hand shop. I meet new people every week, and together we create the conditions for the shop to yield a profit to support Red Cross' work."

Anne Fog Bondersholt
Credits Consultant

Besides making CSR hours available for the employees who patrol as Night Owls, The BANK of Greenland also makes premises and storage space available to the Night Owls. The agreement also includes sponsorship of reflective tags that the Night Owls can distribute during their patrols, and sponsorship of refreshments during the organisation's first-aid courses in both Nuuk and Sisimiut.



"I was a volunteer during the nationwide fund-raising campaign Stop Cancer. I lost my aunt to this terrible illness, so it feels good to be able to help by collecting money for this good cause."

Julius Egede Petersen
Finance Student

In March 2015 the nationwide fund-raising campaign Stop Cancer mobilised six volunteers from the bank. Besides helping to register donations, the volunteers were also able to present a donation from the bank of DKK 30,820, determined on the basis of the number of participants in AktieTips 2015. In the autumn of 2015 seven employees also took part in the national fund-raising campaign for Save the Children. Once again the bank made a donation – this time totalling DKK 20,000.

In June 2015 the bank's helping hands were busy again when towards 20 employees signed up for CSR Greenland's Saligaatsoq Cleaning-up Day. Since 2011 Saligaatsoq has been an annual event in Nuuk, and has also spread to Sisimiut and Ilulissat. In 2015, for the first time, Saligaatsoq was held in all of the large towns in Greenland. This also meant that all of the towns in which The BANK of Greenland has branches collected waste in order to ensure a cleaner environment.

In 2015 individual employees served as chair or treasurer of organisations such as Greenlandic Red Cross, the Night Owls and Nuummi Uumasut (the organisation behind the veterinary clinic in Nuuk). Some employees volunteered to sort clothing in Red Cross' second-hand shop, or to train the organisation's new first-aid instructors.

Others became involved in Foreningen Grønlandske Børn's preparatory-training Sapiik project, or helped out in local sports clubs, or in the Dandelion's children's kitchen. Hours were also spent on activities and courses under CSR Greenland auspices, including the "Clean Greenland – Green Companies" environmental project and the "Companies out in the schools – schools out in the companies" educational project.

The target for 2015 was to spend at least 1,135 hours doing social and voluntary work. The result for 2015 was consumption of 134.5 % of the annual target (1,527 hours). For comparison consumption was 114 % in 2014, 67 % in 2013, 24 % in 2012 and 28 % in 2011. In 2015 more than 65 employees undertook voluntary and social work with the backing of the bank's CSR hours (compared to 62 in 2014, 40 in 2013, 30 in 2012 and 34 in 2011). Across the board, again this year we can see an increase in activity.

The long-term objective for the bank's social and voluntary involvement is to continue to achieve consumption equivalent to 1 % of The BANK of Greenland's overall number of hours. The concrete target for 2016 is a total of 1,800 hours spent on the bank's overall CSR activities, of which we estimate that at

least 900 hours will be spent on the Arctic Winter Games project, and around 200 hours on creating financial understanding.

3. UN Global Compact – activities and targets in 2015

In March 2013 The BANK of Greenland was the second Greenlandic company to become a member of the UN Global Compact. Membership of the UN Global Compact requires compliance with ten universal principles within the main areas of the environment, human rights, labour rights and anti-corruption.

In the bank's [new CSR policy](#) from 2015 we therefore explicitly emphasise our support for the UN Global Compact and our obligation to conduct our activities in accordance with the principles for responsible business operations.



"In Maniitsoq the environmental loans are extremely popular. Our customers' energy bills are reduced significantly and the environmental loans help create jobs for local craftsmen. And besides all of this, the environment also benefits."

Ane Katrine Lyberth
Branch Manager in Maniitsoq

3.a. Environment and sustainability

In 2014 and 2015 The BANK of Greenland worked more intensively on strengthening and expanding the bank's environmental initiatives. In the spring of 2014 [an overall environmental policy](#) was drawn up and adopted, based on the bank's support for the UN Global Compact.

The overall objective for The BANK of Greenland's environmental responsibility is to continuously include sustainability and environmental considerations in our activities that makes sense from an economic and societal point of view. We ensure this by identifying and monitoring our key environmental impacts, initiating procedures to limit the consumption of resources, sharing our knowledge and experience, and giving employees, suppliers and customers the best opportunities to act on an environmentally responsible basis. In 2015 we continued this work of systematising our environmental efforts, which will help to reduce the bank's costs, attract and retain employees, customers and investors, and enhance cooperation with authorities and suppliers.

The BANK of Greenland therefore continues to focus on facilitating our customers' sustainable investments. One element is our environmental loan, Nutarsaaneq, whereby customers can take loans of up to DKK 300,000 on favourable terms, on the basis of a normal credit assessment. This loan is

for both private and business customers and can be used for energy improvement such as replacing old oil-fired boilers, better insulation, replacement of doors or windows, a new roof or investment in solar panel systems etc. At the end of 2015 a total of 314 Nutarsaaneq loans had been established, compared to 257 in 2014 and 189 in 2013.

The bank's Minguik eco-car loan to purchase eco-friendly vehicles in energy class A is also more and more popular, with a total of 156 loans established at the end of 2014, compared to 82 loans in 2014 and 31 loans in 2013. In the autumn of 2015 we lowered the interest rates for the two environmental loans, which are now at the historically low rate of 2.90 %.

The BANK of Greenland itself also sets a good example in terms of using sustainable energy. In 2014, for example, we installed solar panels on three of the bank's buildings, and in 2015 they covered towards 7.34 % of the bank's electricity consumption at the head office in Nuuk, towards 27.19 % of the bank's electricity consumption in Maniitsoq and towards 49.23 % of the bank's electricity consumption in Aasiaat. In some periods the solar panel systems in Maniitsoq and Aasiaat even produced surplus electricity, which has therefore been sold to Nukissiorfiit for use in the rest of the town's electricity grid. The figures from 2015 are convincing. Based on this experience, the bank has budgeted for solar panel systems on the roofs of the rest of the bank buildings in Sisimiut, Ilulissat and Qaqortoq. The plan is to install them during 2016.

The bank's buildings are also subject to ongoing energy optimisation. In 2013 and 2014 the branches in Sisimiut and Ilulissat were completely renovated, and in 2015 we commenced the renovation of the branch in Qaqortoq. We therefore expect to open the doors of the fully refurbished branch building in southern Greenland in the spring of 2016.

The BANK of Greenland is a member of the Saligaatsoq – Avantangiiserik environmental group, established by CSR Greenland in order to gather working groups and coordinate environmental projects in Greenland across sectors and areas of expertise etc. Under this umbrella organisation The BANK of Greenland is one of seven companies participating in a three-year cooperation project on strategic environmental management. The project is called "Clean Greenland – Green Companies" and is coordinated in a partnership between CSR Greenland and WWF (World Wildlife Fund).

In addition, under Saligaatsoq auspices, The BANK of Greenland participated in the annual Cleaning Up Day, which in 2015 for the first time was held in all of the towns in which the bank has branches. In Nuuk representatives from the bank also took part in an outdoor exhibition of electrical and hybrid cars, which was held in order to focus on the environmental and financial advantages of a car in energy class A. Back in 2014 CSR Greenland's Saligaatsoq group was nominated for the Nordic Council's Environmental Prize. This was among other things on the basis of the work of coordinating the Cleaning Up Day.



"Solar panels are an investment that quickly pays its way. At the BANK of Greenland, this is not just a good advice we give to our customers – we also comply with it ourselves."

Jørgen Aarup Jensen
Buildings Manager



"The users of the Shelter in Nuuk are really pleased with the food left over from the bank. Therefore we have decided that we should make effective use of resources by other means than limiting food consumption."

Maja Heilmann
Service Supporter

The bank is also involved in a project group under CSR Greenland with the aim of promoting focus on day-to-day opportunities to save resources in office environments. As part of this initiative a poster was created in 2015, which presents seven good environmental tips that focus on the individual's opportunities to save resources in an everyday office environment. In the autumn of 2015 the poster was distributed to companies, public offices and schools throughout Greenland.

Progress in The BANK of Greenland's day-to-day environmental work is ensured by an environmental coordinator/project manager and a team consisting of a wide selection of employees with a special interest in environmental work. The building manager and the procurement supporter are permanent members of the team as their areas of responsibility are the focus of the environmental initiative. All of the bank's branches are also represented in the environmental team that handles the implementation of the Clean Greenland – Green Companies project and the planning and coordination of the bank's other environmental initiatives.

In 2014 the environmental team mapped the bank's overall environmental footprint and established registration and monitoring of the consumption of resources. The data basis, an assessment of the key environmental impacts and possible measures and an action plan for reduction targets 2015 were included in a detailed environmental report. Some of the initiatives were already implemented in 2014, including the installation of solar panels, printing and paper solutions and the conversion of stores and procurement management. The transition from shared printed newspapers to shared iPads in the bank's canteen is an example of one the new initiatives taken during 2015. Considering the bank's printing via the "Papercut" solution in isolated terms, the ambition is a reduction by 20 % in 2016. In the long term it is also expected that tighter management of procurement and stocks and more environmentally sound procurement will result in 5-10 % lower consumption of paper, office supplies etc.

The BANK of Greenland seeks to incorporate resource effectiveness and circular thinking in our environmental initiatives. One example is the daily donation of surplus food from the head office's canteen to the Shelter for the Homeless in Nuuk. The Shelter has confirmed that the food is of great benefit. The environmental team has therefore recommended that no reduction targets will be set for the bank's food consumption/food waste, since the bank assesses that the social value of the donation of surplus food is of greater value than the potential environmental benefit from reducing waste food.

The BANK of Greenland's total CO2 consumption in 2015 amounted to 286.13 tonnes, compared to 334.29 tonnes in 2014. Compared to last year, the bank has therefore reduced its CO2 emissions by 14.4 %.

Besides the initiatives already described, the reduced CO2 emissions are in particular due to our reduced air travel in 2015. The aim for 2016 is to keep CO2 emissions at this low level.

3.b. Human rights

In August 2013 The BANK of Greenland's Board of Directors adopted "Policy and target levels for the under-represented gender". The gender distribution of the members of the bank's Board of Directors elected by the annual general meeting as of the end of 2015 is 16.67 % women and 83.33 % men, as the current female member was elected at the same time another female member resigned. The Board of Directors' objective is for the ratio of female members of the Board of Directors elected by the annual general meeting to increase to 33 % by 2017 at the latest.

At the other management levels, the bank's overall objective is to achieve and maintain an equal distribution of men and women in management. Irrespective of gender, The BANK of Greenland's employees must experience that they have equal opportunities for career development and management positions. As of the end of 2015 there is an almost equal distribution ratio, with 45 % women and 55 % men. The bank's objective is for the ratio of managers of the under-represented gender to be held at minimum 40 % at any time.

In 2015 The BANK of Greenland also worked on drawing up a social media policy. This policy will first and foremost ensure employees' freedom of expression and protection from digital harassment. Since inappropriate conduct on social media can have legal employment consequences, the policy must also explicitly define guidelines and provide guidance on good conduct. The BANK of Greenland has found no local best practice to consider in formulating this policy, which is therefore still subject to preparation. The policy will be presented to the bank's Security and Liaison Committee at the beginning of 2016.

Another element of The BANK of Greenland's work with CSR is an initiative to incorporate UN's human rights principles in our supplier contracts. This work will promote knowledge of and responsibility for observing the UN's human rights. In 2016 the bank will contact the principal suppliers in order to update supplier conditions in accordance with the UN Global Compact.



"Part of the obligation to conduct socially responsible business activities is that we require our suppliers to do the same. In 2016 we will update our supplier contracts and thereby focus on topics such as human rights, labour rights and the environment."

Carsten Th. Pedersen
Chief Administrative Officer

3.c. Labour rights

Training and competence development

Our employees are the most important part of The BANK of Greenland's public image, and it is our employees who create and maintain close relationships with our customers on a day-to-day basis.

Therefore The BANK of Greenland continues to focus on competence development via trainee programmes, supplementary training, management training and "on the job training". Training must be seen as part of the employee's development and career planning, and in conjunction with the bank's need to recruit and retain qualified manpower and to contribute trainee positions to the local community.

For The BANK of Greenland it is very important to ensure the recruitment of employees with banking expertise. Therefore in 2014 the bank employed eight trainees, who are currently taking the financial training programme at Niuernermik Ilinniarfik (Greenland's Commercial College) in Nuuk. Four trainees are

placed in Nuuk, and the other four works in the bank's coastal branches. The trainees are expected to complete training in the summer of 2016.



"On the English course I learned the exact financial expressions and received training so that I am able to assist tourists and foreign customers."

Gudrun Rasmussen
Service Supporter

Besides the actual trainee programme, the bank has very successfully created trainee positions for young people with a background as financial economists. So far four trainees have qualified as advisers under this programme, and in 2015 the bank employed a new trainee, who is expected to complete the programme in the summer of 2016.

After completing the finance programme, the education can be supplemented with the higher two-year financial academy profession programme, which is attended by four of the students from last year's trainee intake. In 2015 two employees received a graduate diploma in Accounting and Financial Management at Ilimmarfik (University of Greenland). To strengthen management training, our new branch manager in Ilulissat has completed a management development programme.

The bank also uses a number of external higher education programmes. In 2014 for example, the bank commenced a two-year cooperation programme with the Danish Financial Sector's Education Centre on a specially-designed education programme.

As part of this programme more than one third of the bank's employees (towards 40) and all managers have received training in customer advisory services and other services, while in each branch there are now trained coaches, who can give colleagues supervision on professional issues arising during day-to-day work.

At all employee appraisal interviews employees are asked about their language training needs (Greenlandic, Danish and/or English), and in 2015 employees interested from the Business Department and the Nuuk Department received up to 30 English lessons. In addition, the bank's Call Center and customer-facing employees attended English courses to follow up on the courses held in 2014. During this programme in 2015 they attended 12 lessons per employee. In 2015 the entire Qaqortoq department attended an equivalent number of lessons in English.

Three employees attended a project management course in 2015 (two were certified in the PRINCE2 Foundation module – and one was certified in the advanced PRINCE2 Practitioner). During the year several employees in both Nuuk and Qaqortoq also attended various CSR Greenland courses.

The total number of employees was 118 at the end of 2015. The average age was just below 47, and of the total number of employees 76 hold financial or extended higher educational qualifications.

Working environment, health and safety

A safe working environment and a good health will enable both employees and customers to thrive at the bank.

The number of reported occupational injuries was 5 in 2011, 4 in 2012 and 9 in 2013. The high number in 2013 is primarily due to mould growth in a branch – this was however addressed immediately and none of the branch's employees appear to have sustained permanent injury. In 2014 only three cases were reported, and in 2015 none at all. Registered absence due to illness was on the other hand higher in 2015 (786 days) than in 2014 (655), which is due to several cases of long-term physical illness and a few stress-related cases. For comparison absence due to illness was 719 days in 2013, 603 days in 2012 and 1,207 days in 2011. The aim is to continue to reduce the number of days of absence due to illness to 500 days. In 2016 we will therefore draw up and implement a new policy for absence due to illness.

In 2012 and again in the spring of 2015, the bank undertook a workplace evaluation (APV). In the most recent survey, in 2015, the response rate was 85.7, which is a satisfactory level. Compared to the survey in 2012, we see progress for all five main areas: "Physical conditions", "ergonomics", "indoor climate", "psychosocial working environment" and "overall satisfaction". However, the survey also revealed individual local challenges, which are typical for open-plan offices. The concrete challenges concern cleaning, temperature, heating, ventilation and draughts, which will be resolved at departmental level.



"The bank wishes for our employees to be happy, satisfied and dedicated. Therefore we focus on creating a good physical and social working environment with employee involvement, professional and personal development opportunities and support for e.g. social and sporting activities."

Patricia Lund Olsen
HR Manager



"In Greenland we cannot afford to waste valuable manpower. We need to ensure that everyone makes a contribution, as far as they are able, even if this is on special terms."

Beate Møller Olsen
HR Supporter

Inclusion

Since most of the work tasks at The BANK of Greenland require prior educational qualifications or very specialised training, it is a challenge for the bank to work with inclusion in the broadest sense. But as a socially responsible company, we still consider it to be an important obligation to work with inclusion in the areas where this is possible.

In 2015 we therefore took the initiative to cooperate with Kommuneqarfik Sermersooq on job training for young people who find it difficult to achieve educational qualifications or join the job market, and for adults with special needs, but with prior administrative experience. During 2016 this cooperation will be evaluated and expanded.

3.d. Anti-corruption

The BANK of Greenland works with all aspects of anti-corruption, including preventing extortion and bribery. In 2014 The BANK of Greenland therefore adopted a gift policy

which lays down rules for which presents employees may receive (and their value). The policy also includes guidelines for how, for example, employees should handle services for which there is an expectation of receiving something in return.

In 2014 the bank also adopted [an anti-corruption policy](#), which among other things stipulates zero tolerance towards conflicts of interest, bribery, extortion, fraud, embezzlement, misuse of gifts and nepotism.

In 2014 all of the bank's employees received training in the new gift and anti-corruption policies. All employees took case and dilemma exercises, so that they know how to act in accordance with the two new policies, or know when to contact a manager for necessary guidance. Like [The BANK of Greenland's overall CSR policy](#) and [The BANK of Greenland's environmental policy](#), the [The BANK of Greenland's anti-corruption policy](#) is publicly available at Banken.gl. So far the policies have not been challenged.

In 2014 The BANK of Greenland also drew up clearer appeal processes for the bank's employees, which especially concern complaints in relation to managers, bullying, discrimination, violence and harassment of any kind. The processes described will secure dignity at our workplace and have been published with the most recent version of The BANK of Greenland's staff handbook.

At The BANK of Greenland we also continuously register and monitor customer complaints so that we can ensure a balanced and fair handling of cases and improve our service and information. It is the bank's interest to handle all relevant complaints in accordance with current guidelines and in a way that customers understand the bank's reasons for refusing loans and other similar transactions.

In 2015 we received 17 complaints. This is nine less than in 2014 and two less than in 2013. Of these 17 cases three complaints were recognised in full or in part, which are four fewer recognised complaints than in 2014, and six fewer than in 2013. In 2015 we also established a new separate complaints process reserved for business customers. So far we have not received any complaints via this channel.

In 2015 the bank sponsored Transparency International Greenland's participation in The Global Corruption Barometer. This is an international survey that is planned to be published in the beginning of 2016 and will provide objective tools and new knowledge concerning the risk of corruption and lack of transparency.

The bank is also ready to introduce a whistleblower scheme, on an equal footing with Danish banks. Unfortunately, Greenland's personal data protection legislation does not make it possible to introduce such a scheme. Therefore the bank still awaits legislation by Inatsisartut.



"For The BANK of Greenland, credibility and integrity are vital to our relationship with the world around us. This among other things means that we pay great attention to avoid corruption, whether this concerns conflicts of interest, fraud, embezzlement, nepotism or corruption with regard to gifts."

Martin B. Kviesgaard
Managing Director

4. Evaluation of the bank's CSR work

As The BANK for All of Greenland, it is important for us to contribute to create value and sustainable growth for both the company and society, and to ensure satisfied and loyal employees and customers.

One of the most important parameters by which we measure our progress is employee satisfaction, which for a number of years has been at a high level, and above the average for the financial sector. In 2015 it was measured at 80 index points out of 100 possible – the highest result we have seen so far. The aim is to maintain this high level. In 2015 it was also possible to fill 98.75 % of the positions in the bank. In 2016 we will continue to focus on being an attractive workplace for our employees.

The bank's reputation as a socially responsible company that makes a positive difference for the local community is also being further consolidated. This was most recently confirmed qualitatively in the

stakeholder interviews held in the autumn and quantitatively in Comparative Image Analysis in Greenland 2014 and the annual customer satisfaction survey from 2015.

In the customer satisfaction survey 2015 customers were asked how they assessed The BANK of Greenland on a scale from 1 to 10. Out of 100 possible index points, The BANK of Greenland scored 79 points among private customers, and 76 points among business customers. This gives an overall index figure of 77.5, which was the target for 2015. The target for 2016 is, as a minimum, to maintain this high level, and preferably to increase the level among business customers.

5. Table of results and targets 2011-2016

Below are results for 2011, 2012, 2013, 2014 and 2015, and targets for 2016.

			2011 Result	2012 Result	2013 Result	2014 Result	2015 Target	2015 Result	2016 Target
Social and voluntary work									
	Hours	CSR Greenland	59%	36.9%	120.1%	31%	50	87.50	150
	Hours	CSR for branches	8%	8.5%	26.7%	40%	85	38.75	Reg. code discontinued
	Hours	CSR - Organisation work	9%	2.4%	57.4%	337%	Reg. code discontinued	n/a	n/a
	Hours	CSR – Social and voluntary work	-	-	-	-	250	491	450
	Hours	CSR - Large events	91%	3.4%	217.0%	85%	Reg. code discontinued	n/a	n/a
	Hours	CSR - Arctic Winter Games 2016	-	-	-	-	400	319	900
	Hours	CSR - Host role	25%	51.4%	0%	28%	Reg. code discontinued	n/a	n/a
	Hours	Various CSR work	36%	63.7%	104.2%	160%	100	400.17	100
	Hours	Mentor scheme	34%	19.3%	25.0%	Discontinued	Discontinued	Discontinued	Discontinued
	Hours	CSR – Financial understanding	-	-	-	-	100	190	200
		Hours in total	28%	24.0%	66.9%	114%	1135	1527	1800
Access to advisory services and credit financing									
	Number	Tasiilaq Two annual visits	established	100%	1	2	2	2	2
	Number	Uummannaq Two annual visits	-	-	-	-	established	2	2
Financial understanding									
		Teaching - school visits	More school visits	OK	OK	Updated and completed	Continuation of the visit concept	Continuation of the visit concept	Min. 50 school visits
	Hours	Teaching - money game	Project initiated	Not concluded	Initiated	Completed	Completed	Ongoing	Ongoing
	Hours	Entrepreneur and business succession advisory services		142	123	127	125	> 125	> 150
Stakeholder dialogue									
Customers	Index figures	Is a socially responsible company	73	76	77.5	75.5	77.5	77.5	78
	Index figures	Overall customer satisfaction for private and business	71.5	68.5	70	74.5	74.5	72.5	75
	Number	Complaints	19	16	19	26	n/a	17	n/a
Employees	Index figures	Professional and personal development	73.67	73.3	71	72/74	72/74	75/77	≥ 75/77
	Index figures	Employee satisfaction	77	79	79	79	79	80	80
Working environment and safety									
	Days	Absence due to illness	1207	602.85	719	655	500	786	500
	Number	APV Notification of occupational injuries	n/a	Completed	n/a	n/a	Performed in 2015	Completed	n/a
	Number		5	4	0 (9)	3	0	0	0
Climate/environment									
	Number	Energy consumption in the bank, 2014-2016	-	-	-	334.29 t CO2	5% reduction of CO2 consumption in 2014	286.13 t CO2 (reduction equivalent to 14.4%)	< 250 t CO2
	Number	Number of environmental loans	68	138	189 / 31	339 (257/82)	400	470 (314/156)	550

Feedback is welcome

Do you have questions or comments on this report
or The BANK of Greenland's work with CSR?

You are always welcome to contact us
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