

**The BANK of Greenland's Corporate Social
Responsibility**

2016

A large, stylized blue bird logo is positioned in the lower half of the page. The bird is facing right and has a white circular eye. Its wings are spread, with several curved lines representing feathers. The word "Pakkussineq" is written in a blue, italicized font across the bird's body.

Pakkussineq

Table of Contents

Foreword	3
1. CSR policy and strategy	4
How the work is organised	5
2. Primary activities and targets in 2016	7
Financial understanding	7
Availability and information	8
A helping hand for entrepreneurs.....	9
Global impressions	9
Social and voluntary involvement	10
Arctic Winter Games 2016.....	10
Other voluntary activities in 2016	11
3. UN Global Compact – activities and targets 2016.....	12
3.a. Environment and sustainability	12
3.b. Human rights	15
3.c. Labour rights	16
Training and competence development	16
Working environment, health and safety.....	17
Inclusion.....	18
3.d. Anti-corruption	18
4. Evaluation of the Bank's CSR work	19
5. Appendix Table of results and targets, 2012-2017.....	21
Feedback is welcome.....	22

Foreword

"We support society by promoting financial understanding, cooperating with educational institutions and the business community, and supporting sustainable local initiatives and development."

(Excerpt from the BANK of Greenland's mission)

The BANK of Greenland's corporate social responsibility is based on its prominent role in society, due to its influence on Greenland's economy, and consideration of the added value that the Bank can generate for society, in addition to its day-to-day operations. This has resulted in the Bank's vision for 2020 - *"Greenland's best company – for the benefit of Greenland"*.

On the basis of our stakeholders' requirements and expectations, and the Bank's strategic goals, we have chosen an overall focus area for our CSR initiatives: to create financial understanding among our customers and the citizens of Greenland. Financial understanding provides opportunities to act and insights to be 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 also have a heightened focus on selected target groups – especially 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, for the benefit of the individual and society as a whole.

The Bank also has a stronger focus on the direct impact of the Bank's CSR activities on selected CSR areas. In future this will be stated more clearly in the Bank's CSR reporting.

On its endorsement of the UN Global Compact (UNGC) 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.

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

Nuuk, 28 February 2017

Martin Kviesgaard
Bank Director

1. CSR policy and strategy

In December 2015, the Bank of Greenland's Board of Directors adopted a CSR policy for the Bank. The policy was drawn up in dialogue with the Bank's stakeholders and their evaluation of the Bank of Greenland's CSR initiatives in 2010-2015. The Bank's CSR work in 2016 is based on the same policy, with the overall objective for the Bank's initiatives being to contribute to resolving challenges in society and to create sustainable growth, for the benefit of Greenland.

The Bank's CSR work is also based on the Bank's 2020 vision: *"Greenland's best company – for the benefit of Greenland"*. In addition, the Bank's new values (Commitment, Decency, Customer-oriented and Development-oriented) are implemented in the CSR work up to 2020.

The business objectives of the CSR work are to maintain the Bank's reputation as a credible and stable bank. This reputation also helps to retain customers' and employees' loyalty, thereby contributing to ensuring satisfactory long-term economic operations.

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 all of our employees in these initiatives to ensure financial understanding, and also to support other CSR-related projects.

This report will concentrate on CSR initiatives in 2016, with the primary objective seeking to fulfil the new strategy for the area.



Figure 1 CSR Strategy 2.0

The cornerstone of the strategy is to create sustainable economic development for our customers. We know that it requires insight to be able to use one's financial opportunities. We therefore wish to help to create greater financial understanding throughout Greenland.

Sustainable economic development can be used in relation to customers and employees, as well as society at large – and is in harmony with the Bank's own strategic objectives.

"*Creating financial understanding*" is a means to create opportunities for the individual or family, so that the right choices are made. The work on financial understanding is directed at our customers, in our ordinary advisory services, and also towards other target groups included in CSR activities (target groups with a need for greater financial understanding, such as children/young people, the socially vulnerable, etc.)

By focusing on sustainable economic development through our contribution to sustainable financial understanding, we are addressing both the individual customer and Greenland's society in general, which is in line with the Bank's role in society. *Financial understanding* is based on the Bank's area of expertise and the areas identified by the Bank's stakeholders as opportunities for the Bank to have the greatest impact.

The other two focus areas - availability and voluntariness – are supporting elements that contribute to financial understanding. Advisory services outside the Bank's normal market area help to create financial understanding and opportunities in those areas. Voluntary contributions are linked more closely to financial understanding, with even greater involvement of employees in school teaching, giving advice to the socially vulnerable, and so on (still with the opportunity for other CSR activities).

How the work is organised

During the 2010-2016 period, working groups were appointed across the Bank for the strategic focus areas. At the end of 2014, we established the Bank's environmental team, for example, with focus on sustainability and energy reduction.

The overall responsibility for the Bank's CSR initiatives is held by the Administration Director, who keeps the Executive Management continuously informed on the progress of this work. The Bank's CSR work is also anchored in a Steering Group which comprises the Administration Director, the CSR Secretary, the HR Manager, and the primary persons responsible for key areas covering the existing strategy.

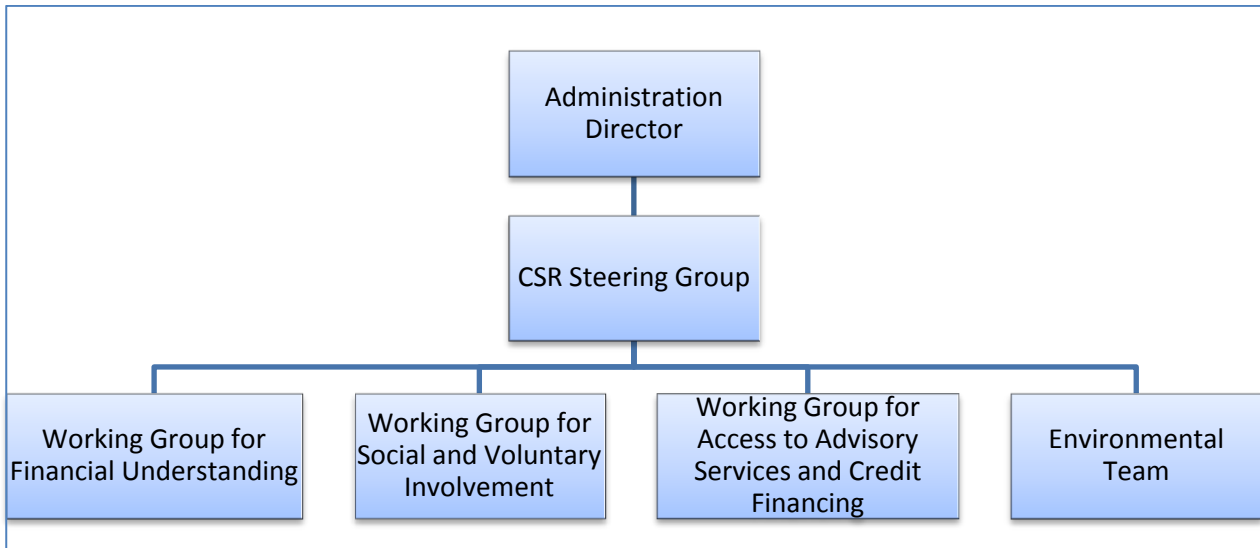


Figure 1 Organisation of the Corporate Social Responsibility (CSR) work.

The BANK of Greenland is the co-founder and a member of CSR Greenland. In March 2013, the BANK of Greenland endorsed UNGC, which is the UN programme for companies' and organisations' social responsibility. The programme comprises ten principles which concern the environment, human rights, labour rights and anti-corruption. Members of UNGC must submit a annual report on the progress of their work on the ten principles. The BANK of Greenland's third report as a member was submitted in March 2016, and the fourth report (this report) will be submitted in March 2017.

2. Primary activities and targets in 2016

Financial understanding

There has been strong demand for a chance to draw up a budget and get a clearer view of own finances. Schools and educational institutions all over Greenland have been especially interested in teaching in financial understanding. For the third consecutive year, Business Combat was held, and besides the Commercial College in Nuuk, NI, the Qaqortoq Commercial College was also a venue for this major competition. Business Combat is a reality-based contest in which commercial college students play against local business representatives.

During the year, the BANK of Greenland's advisers gave lessons in financial understanding at e.g. Brugsen-i, continuation schools, Majoriaq, NI and lower secondary schools – on 60 occasions in total. The focus was on laying a budget, available income and opportunities to save up for later major purchases. In teaching at lower secondary schools, the focus was also on Qassit, which is a



"The close cooperation with the BANK of Greenland is very important for NI Nuuk, not only with regard to Business Combat, but also when they come and give lectures., or help to teach some of the subjects."

Bramer Sørensen, principal, NI

computer game which supplements mathematics and social studies. The game has been developed by the Bank, with focus on

everyday finances, and is designed for the 8th to 10th grades.

Qassit is based on three scenarios: "Continuation school dreams", "Home alone" and "A new town", with exercises for each element. All of the exercises challenge the students' arithmetic skills with tasks that are related to real life. The games has been developed in collaboration with a number of experts, and has been tested by the game's primary target group.

Since 2015 the Bank has cooperated with Kommuneqarfik Sermersooq on offering courses in financial understanding to transfer income recipients. This group includes the unemployed, single parents and disability pension recipients. Many of these people have a need for more knowledge and a better overview of their financial opportunities. This was a trial project in 2015 and after the evaluation in 2016 it has been decided to continue the courses. If the cooperation with Kommuneqarfik Sermersooq continues to develop as planned, in time the advisory services will



"Business Combat gives pupils and students a good opportunity to test their knowledge in realistic conditions.

Students and pupils can see that the theory they were taught in school is also relevant outside the classroom.

This is also a good way for pupils and students to network with the local business community."

Jakob Olsen, teacher and NI1 coordinator

also include individual debt counselling for specific clients with special requirements.

Availability and information

As the Bank introduces additional digital self-service solutions, targeted online banking instruction has been arranged for elderly nursing home residents. The aim is to help the elderly to handle their own finances. Transport is provided from the nursing home to the Bank, and the Bank is also available during opening hours to residents who walk in to get help with online banking.

Every year, advisers go to Tasiilaq and Uummannaq to hold customer meetings with residents who do not normally have the opportunity to meet a bank adviser in person. Tasiilaq has around 2,000 residents, and two advisers visit the town to hold as many individual meetings as possible. They also provide instruction in the BANK of Greenland's self-service solutions, and in financial understanding. In the same way, two advisers visit Uummannaq, which has around 2,179 residents, and customer meetings take place in the municipality's premises. There is increased demand for these visits and the plan is to continue them in the coming years, and to also hold information meetings at the town's schools. The aim is also to increase the use of video conferencing, although this depends on the Internet connection in these towns being improved, and being less expensive for residents. Besides Uummannaq and Tasiilaq, the Bank visited Paamiut to hold individual customer meetings and give presentations on day-to-day finances to the town's residents.

In 2016, the BANK of Greenland once again held a number of information meetings in cooperation with Nuna Attorneys on such topics as inheritance, death, divorce and wills, in Ilulissat, Aasiaat and Sisimiut. As there is increasing interest in these meetings, the plan is to hold them in additional towns during 2017.

In southern Greenland, advisers from Qaqortoq provide training in financial understanding in Narsaq, which has a population of around 1,529.



"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

A helping hand for entrepreneurs

In cooperation with Sermersooq Business Council, the BANK of Greenland Business Fund has allocated a pool of DKK 2 million for small liable loans dedicated to small entrepreneurial projects that can create economic growth and workplaces in Greenland. To be eligible for a loan from the pool, the entrepreneur must have the potential to increase the company's operations to a new level, and just need a capital injection to realise this potential. As an extra help, the BANK of Greenland offers flexible repayment, so that after three years the entrepreneur can convert the loan to actual capital in the company. An important element required of the entrepreneur's product is that it must be innovative, creative, sustainable, import-limiting and/or suitable for export.



"The loan from the BANK of Greenland Business Fund gives us enough funding to ensure the project's kick start and create the momentum to achieve it."

Jens-Jakob Lennert Sandgreen
entrepreneur and inventor of the
"Balloon project"

The background to this assistance is that in 2015 the Bank launched an entrepreneurship campaign to encourage new business start-ups. The Bank assisted with such matters as business plan, company type, budget, contracts, tax, self-financing and collateral security. Further to this, in 2016 we held an information evening on "The good business plan", organised in cooperation with Deloitte. Participants were given an introduction to business plans, budgeting and support opportunities via Greenland Venture and Greenland Business. In cooperation with the Sisimiut Business Council, representatives from the Bank's Business Department also attended an information evening at the Greenland Innovation Centre.

Global impressions

The BANK of Greenland is the Bank for all of Greenland, which has among other things resulted in cooperation with Air Greenland, under which school classes can apply for low-price fares for study trips. This initiative has been taken to support young people who wish to travel and gain global inputs, and who save up 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.

Social and voluntary involvement

The BANK of Greenland's policy for voluntary work has been drawn up by an internal working group who have presented guidelines for voluntary work undertaken by the Bank's employees. The BANK of Greenland's vision is to be "Greenland's best company – for the benefit of Greenland", and voluntary work is an element of fulfilling this vision. Voluntary work and social commitment must benefit Greenland by contributing to society's development.

Hours are spent on social and voluntary involvement, for the benefit of children and young people, the environment, culture and sport. We also work with financial understanding, which means that advisers visit companies, schools and educational institutions to teach financial understanding.

In 2016, the biggest voluntary project was the preparations for and running of Arctic Winter Games 2016. The Bank devoted a total of 1,473 working hours to this event (see the Appendix).



"(...) adults and children alike really love Rosine, when she comes down here to Mælkebøtten's community centre. It's great that she can help out sometimes, especially when lots of children want to join the meal in the community centre.

Naja Sarkov Petersen
Manager of Mælkebøtten



"The sponsors were our most important partners. The majority of the sponsors participated actively in achieving the project, before, during and after the Games. AWG2016 was a success, not least due to the sponsors' great dedication. Without the sponsors' active and continued support AWG2016 would never have been such a great success."

AWG2016
Experience for the future
(experience report)

Arctic Winter Games 2016

Arctic Winter Games 2016 is the largest sports event ever held in Greenland, and required the voluntary help of residents and companies. The Games took place from 6 -11 March 2016, and the BANK of Greenland established a Nanoq sponsor agreement in 2014, around two years before the Games were held. The Bank made staff available for the entire project, while also paying the employees involved their normal salary. The Bank's involvement was based on how the Arctic Winter Games can help to motivate young people to take part in sport, pursue sporting results, and develop as individual persons.

Competence development has been a cornerstone of the work with the volunteers. It was important to ensure that the volunteers could see how even greater results can be achieved through cooperation. It was also a key motivating factor for the BANK of Greenland to help to promote Greenland beyond its borders.

Tasks handled before, during and after the Games ranged from steering group membership to employees in fundraising committees, sports results committees, the gala committee, the Arctic Winter Games secretariat's cashier function and

officials at various sports venues.

The BANK of Greenland also sponsored the Arctic Winter Games with a cash subsidy and offered currency conversion services free of charge during the Games. The overall value of the BANK of Greenland's sponsorship exceeded DKK 1 million.

Other voluntary activities in 2016

The BANK of Greenland has continued the "230 helping hands" campaign launched in 2014. This gives all of the Bank's employees the opportunity to engage in voluntary work both during and outside working hours. The Bank has allocated 2,000 working hours, including training in financial understanding and voluntary hours for AWG2016, and this has led to permanent cooperation with a number of organisations.



Via its involvement in the Board and participation in cross-disciplinary CSR projects over many years, the BANK of Greenland has helped to strengthen CSR work in Greenland. Internally, the BANK of Greenland has successfully integrated CSR as a natural element of their business model (...) in order to create shared value for people, the environment and the business.

Lotte Frank Kirkegaard
Head of Secretariat, CSR
Greenland

The organisations are:

- Nuummi Uumasut
 - Pisiu (the Crime Prevention Board)
 - 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)
 - Mælkebøtten
 - Neriuffik Kattuffiat (Greenland Cancer Society) in
- Nuuk
- NSP (cross-country skiing club in Nuuk)

The BANK of Greenland established a cooperation agreement with the Night Owls in 2014, and the Bank's employees patrol the streets of Nuuk three evenings a month, all year round. They are available to children who need reassurance and wish to have a chat. The Bank also sponsors refreshments for the members attending first-aid courses. Storage space and premises at the Bank are also made available, and the Bank sponsors reflective tags that are distributed to the children.

Again in 2016, the Bank's employees in all towns with branches made an extra effort for the environment, when they tidied up the towns on "Saligaatsoq" (Cleaning Up Day). The Bank's environmental coordinator is on the steering group to coordinate the tidying-up initiative, which in 2016 took place on land and in port and harbour areas. This cleaning-up initiative was launched in

2011 in Nuuk in cooperation with CSR Greenland, and has since spread to several other towns, including all of the towns in which the Bank has branches, where several of the Bank's employees have contributed to coordinating these cleaning-up campaigns.

In 2016, the Bank's employees continued to work voluntarily for Kalaallit Røde Korsiat and Nuummi Uumasut (the organisation behind Nuuk's Veterinary Clinic), helped out in local sports clubs and cooked for Mælkebøtten's children's community kitchen. A Bank representative was a member of the "Clean Greenland – Green Companies" environmental project, which in 2016 concluded three years of cooperation with a targeted environmental action plan for the Bank and attendance of CSR Greenland's environmental conference, which was also attended by international researchers and the Greenland companies that took part in the project.

In 2015, the Bank exceeded its annual targets for voluntary work by 34%, equivalent to 392 hours. A total of 1,527 hours were spent on social and voluntary involvement. In 2016, the target was even higher, at 1,800 hours, especially due to the Arctic Winter Games 2016. The number of registered hours was 2,089, around 10% above the target, but still below the long-term goal of 2,200 hours.

3. UN Global Compact – activities and targets 2016

In 2013, the BANK of Greenland was the second Greenlandic company to become a member of UNGC. Membership requires compliance with ten universal principles within the main areas of the environment, human rights, labour rights and anti-corruption. In 2016 the Bank began to prepare a policy for compliance with human rights. This policy is expected to be adopted in 2017, and emphasises the Bank's active membership of UNGC. As part of the responsibility accepted by the Bank, in the event of any human rights infringements the Bank will seek to rectify this as far as this is possible. This includes actions by employees, investors and customers, and by suppliers and other business partners.

3.a. Environment and sustainability

In 2014, [an overall environmental policy](#) was drawn up and adopted, based on the Bank's support for UNGC. The overall objective for the BANK of Greenland's environmental responsibility is continuous awareness of including sustainability and environmental considerations in our activities on a sustainable business and economic basis. 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 2016 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 continues to focus on facilitating its customers' sustainable investments. One of the instruments used is our Nutarsaaneq environmental loan, which in the first instance was funded in cooperation with NIB (the Nordic Investment Bank), whereby customers can take out loans for up to DKK 300,000 on favourable interest rate terms. This loan is for both private and business customers and can be used for energy improvement measures 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 2016, a total of 360 Nutarsaaneq loans had been established, compared to 314 in 2015 and 257 in 2014.

The Bank's Minguiik eco-car loan to purchase ecofriendly cars in energy class A totalled 312 loans in 2016. For comparison, 156 loans were established in 2015, compared to 82 in 2014. In the autumn of 2015, we lowered the interest rates for the two environmental loans, which are now at 2.90%. The low level of interest rates continued in 2016.



"Our environmental loans are more popular than ever before. This concerns loans for ecofriendly cars, and energy renovation of homes and buildings. We can see high demand for these loans in Nuuk."

Yvonne Kved

The BANK of Greenland itself also sets a good example in terms of using sustainable energy. In 2014, we installed solar panels on three of the Bank's buildings, and in 2015 they covered 7.34% of the Bank's electricity consumption at the head office in Nuuk, 27.19% in Maniitsoq and 49.23% in Aasiaat. These figures improved further in 2016, by covering 13% of electricity consumption at the head office in Nuuk, 33% in Maniitsoq and 82% in Aasiaat.

In Maniitsoq and Aasiaat, the solar panel systems once again in 2016 even produced surplus electricity, which has been sold to Nukissiorfiit for use in the rest of the town's electricity grid. These are very convincing figures and in 2016 the Bank has therefore installed solar panels on the roof of the bank buildings in Ilulissat and Qaqortoq. In 2017, the Bank's last branch in Sisimiut is also expected to install solar panels. The Bank's building in Qaqortoq was subject to energy renovation in 2016. This is an element of the ongoing energy optimisation launched by the Bank in recent years. In 2013-2014, the branches in Sisimiut and Ilulissat were also subject to energy renovation.

The BANK of Greenland has a canteen scheme in Nuuk, whereby a shelter for the homeless receives surplus food every day of the week. In 2014, the environmental team assessed whether reduction of the food prepared could give environmental savings, but it was assessed that the social value of donating food to the homeless was greater.

The BANK of Greenland is a member of the Saligaatsoq – Avantangiiserik environmental group, established by CSR Greenland in order to gather working groups which can coordinate environmental projects in Greenland across sectors, 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, and was completed in 2016.

In addition, under Saligaatsoq auspices the BANK of Greenland participated in the annual Cleaning Up Day, which again in 2016 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 vehicles, which was held in order to focus on the environmental and financial advantages of a car in energy class A. This was the second consecutive year that the Bank combined the exhibition of ecofriendly vehicles with the annual Cleaning Up Day.

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. 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 officer and procurement officer 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 and coordinate elements of the environmental initiatives in the Bank.

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 concrete reduction targets for 2016, were included in a detailed environmental report.



"Solar panels are an investment that quickly pays its way. In Aasiaat we have seen how the solar panels cover towards 82% of the branch's total annual electricity consumption."

Jørgen Aarup Jensen
Building Officer

Considering the Bank's printing using the Papercut solution in isolated terms, in 2016 the Bank reduced its environmental impact. This is best illustrated by the box below. It should also be mentioned that the Bank has optimised the use of double pages by almost 50%, which has a significant impact on the Bank's overall printing and paper consumption.

It is also expected that in the long term, the 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's total CO2 consumption in 2015 amounted to 286.13 tonnes, compared to 334.29 tonnes in 2014. The Bank was unable to maintain the result for 2015 and can note an increase in CO2 consumption. The Bank's emissions amounted to 313.95 tonnes of CO2 in 2016. This is an increase of 9% and is partly a consequence of the inclusion of one more storey at the Bank's head office. The Bank's

In 2016, the Bank succeeded in reducing its negative environmental impact by printing more effectively.

2016:

I periode fra 01-01-2016 til 31-12-2016.	
Virksomhedens på Miljøet	
Træer forbrugt	7,03 træer
CO2, der produceres	2.545,4 kg
Ækvivalent Pære Timer	160.266,9 timer

2015:

I periode fra 01-01-2015 til 31-12-2015.	
Virksomhedens på Miljøet	
Træer forbrugt	7,56 træer
CO2, der produceres	2.740,3 kg
Ækvivalent Pære Timer	172.534,4 timer

employees have also travelled by air more often and over longer distances. As the Bank works under geographical conditions that make other means of transport less accessible, or non-existent, its CO2 consumption can fluctuate from year to year. Nonetheless, the Bank aims to continuously reduce its consumption, but is aware that there will be challenges in fulfilling UNGC's goal of "Affordable and Clean Energy" and taking responsibility for "Climate Change".

3.b. Human rights

A fundamental element of UNGC's goals is to work for gender equality, and the BANK of Greenland has the overall goal at management levels of achieving and maintaining equal ratios of men and women in its management. In August 2013, the BANK of Greenland's Board of Directors adopted "Policy and target levels" for the under-represented gender. 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 2016 there is an equal distribution ratio, with 50 % women and 50 % men. The Bank's objective is for the ratio of managers of the under-represented gender to be held at minimum 40%.

In 2016 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 the social media can have legal employment consequences, the policy must also explicitly define current guidelines and provide guidance on good conduct. The policy has been approved by the Bank's Safety and Cooperation Committee.

Another element of the BANK of Greenland's CSR work is that the initiative has been taken to incorporate the UN's human rights principles in supplier contracts. This work will promote knowledge of and responsibility for observing the UN's human rights. In 2016, the Bank contacted the principal sub-suppliers in order to update supplier conditions in accordance with our obligation with regard to the UNGC. As a result, 22 sub-suppliers have signed to confirm their obligations under the UN's human rights principles. In addition, five suppliers have refused to sign the declaration. The Bank still cooperates with these suppliers, as they are considered to be essential to the Bank's operations and activities as a financial institution. The Bank is also in dialogue with a further 21 sub-suppliers and work will continue to bring them on board in 2017.

3.c. Labour rights

Training and competence development

Employees are 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. The BANK of Greenland has therefore continued to focus on competence development via trainee programmes, supplementary training, management development 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, and in 2014 the Bank therefore employed eight trainees, who have taken the financial training programme at Niuerneramik Ilinniarfik (Greenland's Commercial College) in Nuuk. Four trainees are placed in Nuuk, and the other four are attached to the Bank's coastal branches. The trainees completed the programme in the summer of 2016.

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 been trained as advisers under this programme, and in 2015 the Bank hired a marketing trainee, who qualified in the summer of 2016 and was then hired on a permanent basis.

The higher two-year financial diploma programme is the secondary level of the financial training programme. In 2016, four employees completed the financial diploma programme. To strengthen management development, several of the Bank's managers have completed a management development programme.



"Part of the obligation to conduct socially responsible business activities is that we require our suppliers to do the same. In 2016, 22 sub-suppliers signed to confirm their obligations in relation to the UN human rights principles."

Carsten Th. Pedersen
Administration Director

At all employee appraisal interviews, employees are asked about their language training needs (Greenlandic, Danish or English), and in 2016 relevant employees from the Business Department and the Nuuk department received English lessons. In addition, two employees from the Bank's Call Centre attended Danish courses. In 2016, two employees attended a project management course and were both certified in the PRINCE2 module.



"My management development programme has given me tools to take responsibility for the day-to-day work here in the branch. I've also gained an understanding of the complexity of the manager role."

Niels-Anthon Petersen
Branch Manager, Assisat

The total number of employees was 115 at the end of 2016. The average age was 48, and of the total number of employees, 79 hold financial or extended higher educational qualifications. 81 women and 34 men are employed. At the BANK of Greenland, we have made education and inclusion initiatives in cooperation with Sermersooq Municipality a business procedure that benefits both the Bank and the individual employee. One of UNGC's goals is to motivate companies to train people, Quality Education, for the benefit of both the individual and the company.

Working environment, health and safety

A safe working environment and living healthily on a daily basis 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 – which was addressed immediately, however, 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. This was followed up in 2016, when no injuries were reported.

Registered absence due to illness at the BANK of Greenland decreased by 101 days in 2016. From 786 (2015) to 685 (2016). Yet this is still far away from the Bank's target of 500 days. The Bank's ambition is to further reduce absence due to illness in

2017. To achieve this, a policy for absence due to illness, and follow-up interviews in relation to a high rate of absence due to illness, is planned to be introduced.

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. As a socially responsible company, we 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. This cooperation was expanded during 2016. The Bank's Private Customer Department has had one employee in a seven-month inclusion programme, and then appointed this employee in a seven-month maternity replacement position. This has been to the benefit of the employee, the Bank and society.



"My inclusion programme has increased my job satisfaction and given me a greater appetite for the labour market and the challenges I'll face in the future."

Marie Brandt Petersen
Customer Supporter

3.d. Anti-corruption



"We need everyone in Greenland's labour market and we cannot afford to waste valuable manpower. We need to ensure that everyone can make a contribution, as far as they are able, even if this is on special terms."

Beate Møller Olsen
HR Supporter

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 gifts employees may receive (and their value). The policy also sets out 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.

All of the Bank's employees have received training in the gift and anti-corruption policies. All employees used this opportunity to complete case and dilemma exercises, so that they know how to act in accordance with the policies. In accordance with [the BANK of Greenland's overall CSR policy](#) and [the BANK of Greenland's environmental policy](#), [the BANK of Greenland's anti-corruption policy](#) is published at Banken.gl. The policies were not challenged in 2016.

At the BANK of Greenland we also continuously register and monitor our customer complaints so that we can optimally ensure balanced and fair case handling, and improve our service

and information. It is in the Bank's own interest to handle all relevant complaints in accordance with current guidelines and so that customers understand the Bank's reasons for refusing loans and other similar transactions.

In 2016, we received 18 complaints. This is one more than in 2015, but eight less than in 2014. Of these 18 cases, five complaints were recognised in full or in part, which is two more recognised complaints than in 2015, but two fewer than in 2014. In 2015 we also established a separate new complaints process reserved for business customers. So far we have not received any complaints via this channel.

In 2014, the Bank sponsored Transparency International Greenland's participation in Global Corruption Barometer. This survey was published in 2016 and provides objective tools and new knowledge about the risk of corruption and a lack of transparency.

In 2016, the Bank furthermore introduced a whistleblower scheme, on an equal footing with other Danish banks. This will allow employees to file anonymous reports if they experience matters at the Bank which may infringe human rights or other legislation.

4. Evaluation of the Bank's CSR work

As described in the introduction, the Bank has adopted a strategy 2020. It includes the expanded vision to be *"Greenland's best company – for the benefit of Greenland"*. This entails that as a Bank we contribute to creating sustainable growth for both the company and Greenland's society. The bank has hereby selected strategic areas in which the Bank can achieve most benefit.

One of the key parameters by which we measure our progress is the Bank's reputation as a socially responsible company that makes a positive difference for the local community. This was most recently confirmed in the autumn's Comparative Image Analysis in Greenland, in which the BANK of Greenland again achieved a top-level rating compared to companies of equivalent size and importance to Greenland.

In the customer satisfaction survey, customers were asked how they assessed the BANK of Greenland as a socially responsible company on a scale from 1 to 10. Out of 100 possible index points, the BANK of Greenland scored 77.5 index points in 2016. This is the same level as in 2015 and achieves the 2016 target to maintain the level.

For a number of years, the Bank's employee satisfaction score has exceeded the average for the financial sector. In 2016 it



"For the BANK of Greenland, credibility and integrity are vital to our relationship with the world around us. We are pleased that we achieve a high score for these parameters from our external stakeholders, but are also highly aware that we must retain this position and our reputation as a socially responsible company."

Martin Kviesgaard
Bank Director

was measured at 82 index points out of 100 possible – the highest result we have seen so far. The aim is to maintain this high level. In 2016 it was also possible to fill 98.1 % of the positions in the Bank. "Decent Work and Economic Growth" is one of UNGC's values to create good working conditions for the company's employees. The Bank considers the employee satisfaction survey to serve as an indication that we comply with this area of UNGC on a satisfactory basis.

5. Appendix

Table of results and targets, 2012-2017

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

			2012	2013	2014	2015	2016	2016	2017
			Result	Result	Result	Result	Target	Result	Target
Social and voluntary involvement									
CSR Greenland	hours		36.9%	120.1%	31%	87.50	150	n/a	200
CSR for branches	hours		8.5%	26.7%	40%	38.75	Reg. code omitted	omitted	omitted
CSR - Organisation work	hours		2.4%	57.4%	337%	n/a	n/a	n/a	n/a
CSR – Social and voluntary involvement			-	-	-	491	450	525	650
CSR - Large events	hours		3.4%	217.0%	85%	n/a	n/a	n/a	n/a
CSR - Arctic Winter Games 2016			-	-	-	319	900	1473	Discontinued
CSR - Host role	hours		51.4%	0%	28%	n/a	n/a	n/a	n/a
Various CSR work	hours		63.7%	104.2%	160%	400.17	100	207	250
Mentor scheme	hours		19.3%	25.0%	Discontinued	Discontinued	Discontinued	Discontinued	Discontinued
CSR – Financial understanding	hours		-	-	-	190	200	90	300
	hours in total		24.0%	66.9%	114%	1527	1800	2089	1400
Access to advisory services and credit financing									
Tasiilaq	Two annual visits	Number	100%	1	2	2	2	2	2
Uummannaq	Two annual visits		-	-	-	2	2	2	2
Financial understanding									
Teaching - school visits			OK	OK	Updated and completed	Continuation of the visit concept	Min. 50 school visits	60	40
Teaching - money game			Not concluded	Initiated	Completed	Ongoing	Ongoing	Ongoing	19
Entrepreneur and business succession advisory services	hours		142	123	127	> 125	> 150	150	> 150
Stakeholder dialogue									
Customers	Is a socially responsible company	Index targets	76	77.5	75.5	77.5	78	76	75
	Overall customer satisfaction for private and business	Index targets	68.5	70	74.5	72.5	75	75.2	77
	Complaints	Number	16	19	26	17	n/a	18	n/a
Employees	Professional and personal development	Index targets	73.3	71	72/74	75/77	≥ 75/77	74/77	≥ 75/77
	Employee satisfaction	Index targets	79	79	79	80	80	86	86
Working environment and safety									
Absence due to illness	days		602.85	719	655	786	500	685	500
APV			Completed	n/a	n/a	Completed	n/a	n/a	n/a
Notification of occupational injuries	Number		4	0 (9)	3	0	0	0	0
Climate/environment									
Energy consumption in the Bank, 2014-2016			-	-	334.29 t CO2	286.13 t CO2 (reduction equivalent to 14.4%)	< 250 t CO2	9% increase 313.95 t CO2	< 250 t CO2
Number of environmental loans	Number		138	189 / 31	339 (257/82)	470 (314/156)	550	672	800

Feedback is welcome

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

You are always welcome to contact us at csr@banken.gl
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