

# CORPORATE SOCIAL RESPONSIBILITY **Report** — **2019**



The **BANK** of Greenland

## WHO WE SUPPORTED IN 2019

- |                                    |   |
|------------------------------------|---|
| ✓ SOMMERSKOLE I TASIILAQ           | ✓ KS69  |
| ✓ ARCTIC CIRCLE RACE               | ✓ KAGSSAGSUK FODBOLD                              |
| ✓ FUTURE GREENLAND                 | ✓ KAGSSAGSUK HÅNDBOLD                             |
| ✓ MAAJI NUAN                       | ✓ SISIMIUT ARCTIC SPORTS G/M                      |
| ✓ AVANNAATA QIMUSSERSUA            | ✓ SAK HÅNDBOLD                                    |
| ✓ G/M SNOWBALL                     | ✓ BAT 98  |
| ✓ KNQK                             | ✓ ACR 2019  |
| ✓ SNOW FESTIVAL                    | ✓ ISP   |
| ✓ QIAJUK QITIK                     | ✓ WWF KANGIA KIDS 19                              |
| ✓ KATUAQ                           | ✓ LIONS CLUB ILULISSAT                            |
| ✓ AASIAAT MARATHON                 | ✓ KAAK - KALAALLIT ASSAMIK ARSARTARTUT KATTUFFIAT |
| ✓ KANGIA RACE                      | ✓ KAK KALAALLIT ARSARTARTUT KATTUFFIAT            |
| ✓ DHL KOEFOED SKOLE                | ✓ B-67 ARSARTARTUT - FODBOLD                      |
| ✓ SARFAQ CITY RUN                  | ✓ ESG ELITE SPORT GREENLAND                       |
| ✓ HJERTELIVET                      | ✓ DANMARK RUNDT                                   |
| ✓ JULEMÆRKE                        | ✓ B-67 SULORARTARTUT - BADMINTON                  |
| ✓ LIONS JULEBINGO                  | ✓ GE TORRAK FODBOLD-TURNERING                     |
| ✓ TASERMIUT MARATHON               | ✓ NERIUFFIK LANDSINDSAMLING                       |
| ✓ LEIF DEN LYKKELIGE MARATHON      |   |
| ✓ ROTARY                           |   |
| ✓ QAFAQ G/M I QAQORTOQ             |   |
| ✓ K 1933 HÅNDBOLD G/M              |   |
| ✓ QSAP G/M I SKIKLUB               |   |
| ✓ KALAALLIT RØDE KORSIAT QAQORTOQ  |   |
| ✓ INNERUULAKKULUUT/ KLIMA EMNE UGE |   |
| ✓ TASIKULUULIK RACE                |   |
| ✓ AALASA                           |   |
| ✓ QSP SLALOM                       |   |
| ✓ LIONS BINGO QAQORTOQ             |   |

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# FOREWORD

“ Our CSR initiatives in relation to financial understanding have special focus on various different target groups with special needs, such as the socially vulnerable and children and adolescents. Where possible and relevant, we will enter into partnerships with the public sector, and other companies, organisations and associations with the same interests... ”

(Excerpt from the BANK of Greenland's CSR policy)

The BANK of Greenland reflects Greenland's society. When society is prospering, the bank will also flourish.

As Greenland's largest financial operator, this entails a commitment to create value in society in addition to the core business. Sustainable growth in society is a natural focus area, but the aforementioned quotation from the bank's CSR policy shows where the bank has focused its initiatives in order to also make a contribution in a broader societal context.

2019 was characterised by the continuation of a number of key activities, but also by new initiatives. We have partnered with Mind Your Own Business' project for young boys, because we believe that partnerships can achieve far more than if we act alone.

In September, the bank received a COP prize from Global Compact Network Denmark and FSR - Danish Auditors. We are pleased with this recognition of our CSR reporting, but without our employees' continued CSR work, it would not have had any real content. We will naturally work to be even better at reporting, by creating sustainable value, for the benefit of Greenland.

Our CSR work is a natural part of our vision for 2023: "Greenland's best company – for the benefit of Greenland." We consider working with CSR and SDGs to be fundamental to society's development. This also means that we have the ambition to make our contribution, and also the managerial task of balancing the past, the present and the future, so that goals and efforts are tangible and are achieved.

This report will show where our efforts are focused, our goals and how we believe we can succeed. The report also presents the status of the implementation of the UN's 17 Global Goals for Sustainable Development (SDGs) on which the Bank has chosen to focus its initiatives. We are also continuing the implementation of the UN Global Compact's ten principles concerning the environment, human rights, employee rights and anti-corruption.

This report has been prepared in accordance with Sections 135 and 135a of the Danish Accounting Order.

We hope that our readers will find the report to be informative, and that it will serve as useful inspiration.

Nuuk, 27 February 2020  
Martin Kviesgaard, Managing Director



# CSR POLICY AND STRATEGY

The BANK of Greenland's CSR 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 is based on this policy, with the overall objective that the bank's initiatives must contribute to resolving challenges in society and to creating sustainable growth, for the benefit of Greenland.

The bank's CSR work is also based on the bank's vision for 2023: "Greenland's best company – for the benefit of Greenland." In addition, the bank's values (Commitment, Decency, Customer-oriented and Development-oriented) are implemented in the CSR work up to 2023.

The business objectives are to contribute to sustainable economic growth and 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 operation.

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 wish to continue to involve our employees in these

initiatives on a broad basis, to ensure financial understanding, and also to support other CSR-related projects.

The cornerstone of the strategy is to create sustainable economic development for our customers. This requires a focus on environmental sustainability, education, etc. We know that financial insight is required, in order to use the financial opportunities that are open to us. The bank's stakeholders have pointed to this particular aspect as one of the most important areas in which the bank can make a difference. We therefore wish to use our expertise to help to create greater financial understanding throughout Greenland.

"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 primarily at target groups who are covered by our CSR activities, and who have a need for greater financial understanding, such as children/young people, the socially vulnerable, etc.

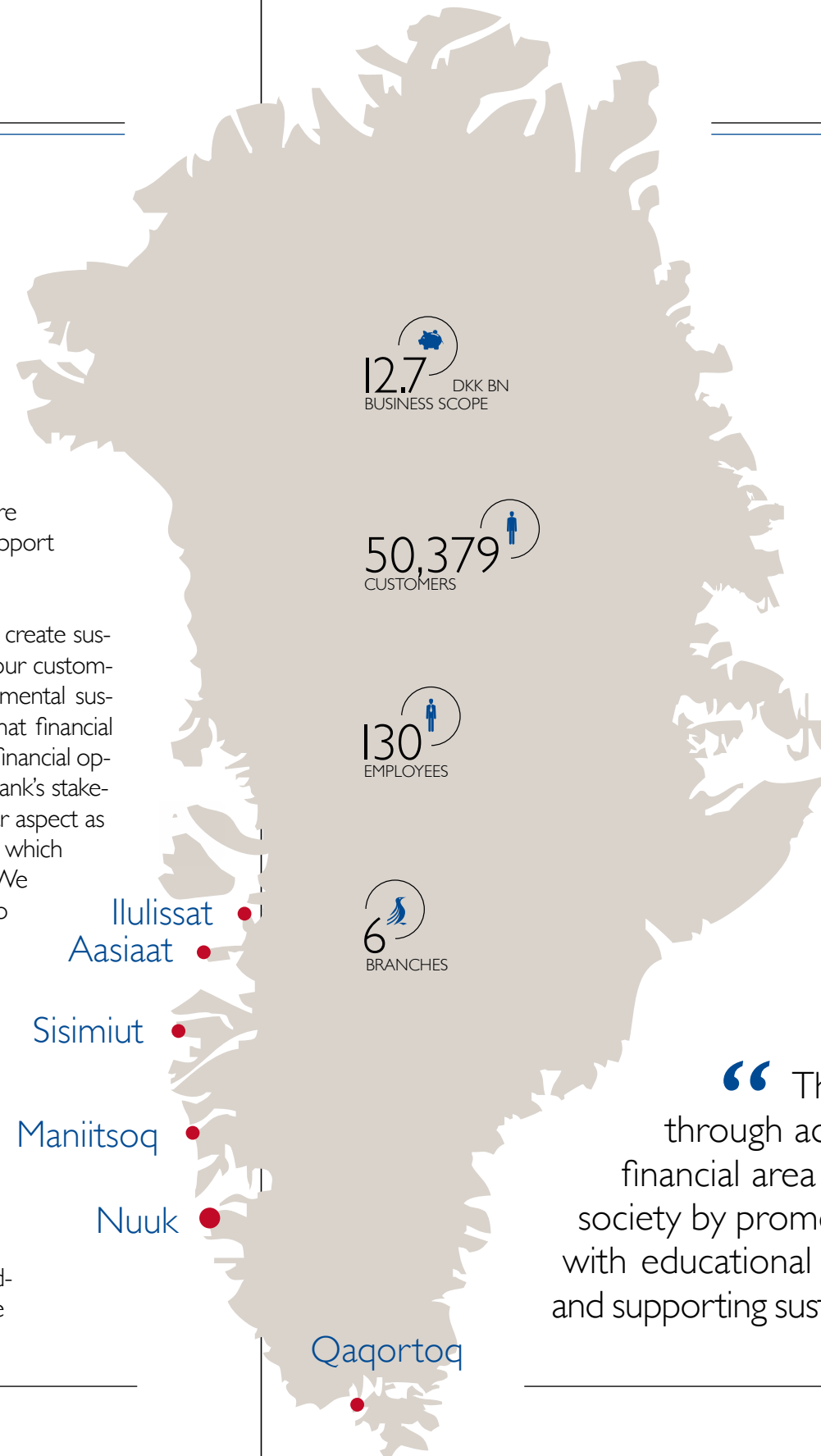
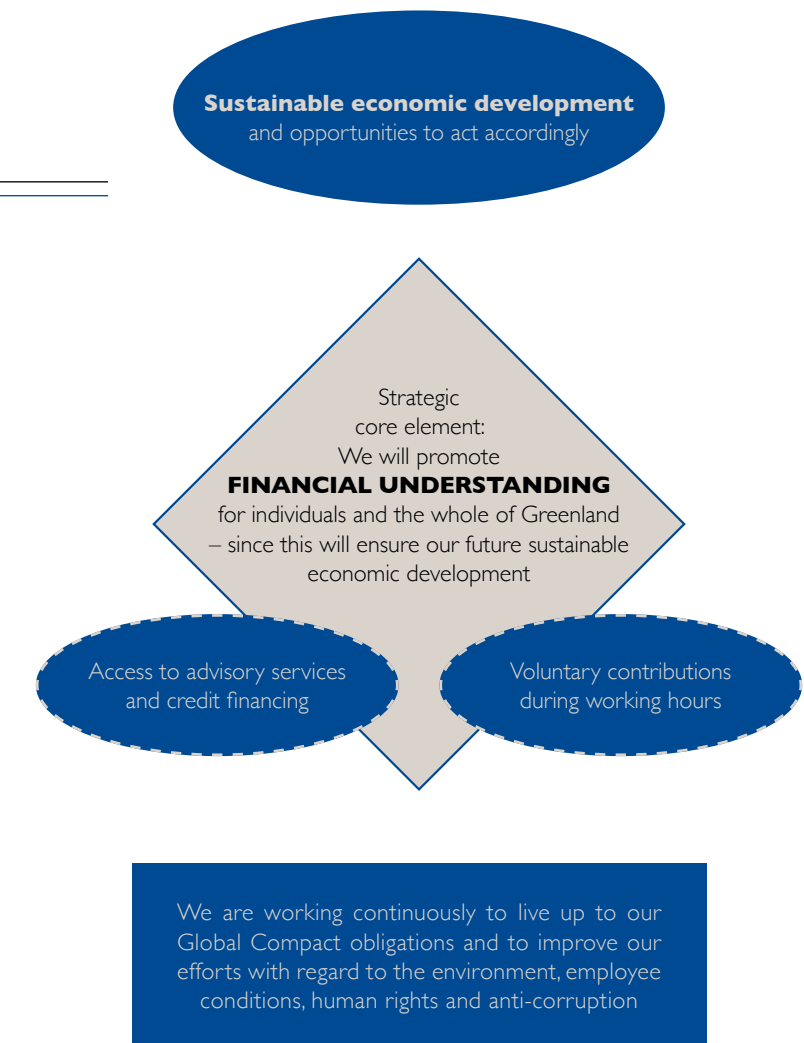


Figure 1. CSR Strategy 2.0



The BANK of Greenland's mission

“ The BANK of Greenland creates value through advisory services and other services in the financial area for all citizens of Greenland. We support society by promoting financial understanding, cooperating with educational institutions and the business community, and supporting sustainable local initiatives and development ”



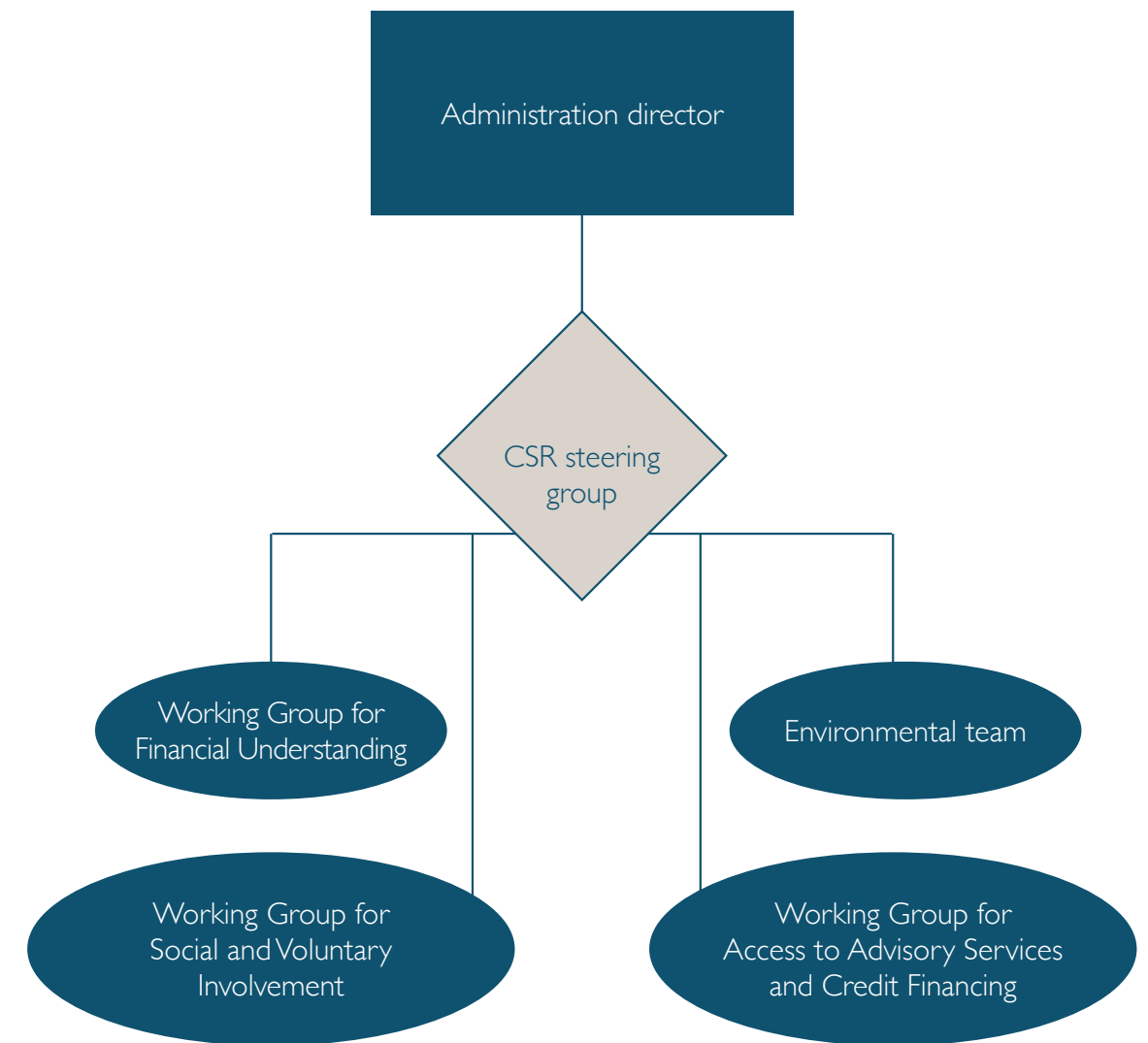


WE SUPPORT

# HOW THE WORK IS ORGANISED

The overall responsibility for the bank's CSR initiatives is held by the administration director, who keeps the Executive Management continuously informed of 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 cov-

ering the existing strategy. In 2019, the steering group had nine members. In March 2013, the BANK of Greenland endorsed UNGC, which is the UN programme for companies' and organisations' social responsibility. Members of UNGC must submit an annual report on the progress of their work on the programme. This is the bank's seventh report as a member.



Carsten Th. Pedersen  
Administration director





# SUSTAINABLE DEVELOPMENT GOALS



The aim of the UN's 17 Global Goals for Sustainable Development (SDGs) is to help to resolve some of most urgent global problems before 2030.

The SDGs focus on how organisations can contribute to achieving the goals. The SDGs are of a universal nature and also concern the civil society, governments, NGOs, etc.

We have made a careful selection of the goals for which the bank can exert particular influence. Below, the report distinguishes between primary and secondary areas. The primary areas are more deeply anchored in the bank's CSR strategy and are areas in which the bank's business and social responsibility are naturally interrelated, and where there is the greatest contribution to relevant SDGs.

## Primary

 **DECENT WORK AND ECONOMIC GROWTH**

As Greenland's largest bank, the BANK of Greenland plays a natural role as a power centre to create growth and workplaces, for the benefit of Greenland. This is achieved via a responsible lending policy that is broadly based in Greenland, so that growth benefits more areas of the country. At the same time, the bank's lending can promote sustainability through environmental loans, for example, and reduce environmental impacts by refraining from financing detrimental activities. Currently, large areas of Greenland are experiencing an economic upswing. The bank's total lending in 2019 was a record-high DKK 3.8 billion.

 **QUALITY EDUCATION**

Financial understanding is at the heart of the bank's CSR strategy. The bank's education programme can help people to achieve the required financial understanding that can be used to keep standards of living at a decent level. To promote its education programme, the bank has a number of initiatives underway. One of them is that the bank's younger advisers visit schools to teach the oldest classes financial management, using the bank's financial educational game, Qassit.



## Secondary

 **NO POVERTY**

The latest figures from Statistics Greenland unfortunately show that the Gini coefficient is rising in Greenland, while it is either falling or stagnating for the other Nordic countries. There are several explanations for the increase in the difference between rich and poor. It is recognised, however, that the better one's education, the better one's income. To an even greater extent, the bank encourages a focus on measures to motivate enrolment for higher education.

 **AFFORDABLE AND CLEAN ENERGY**

The BANK of Greenland wishes to support and promote the development of sustainable energy sources. The bank has therefore installed solar panel systems on all branch buildings, which is a direct energy saving, but also an inspiration for both private and commercial enterprises. At the same time, loan types are offered at lower interest rates than "ordinary" loan types, for investment in, for example, vehicles based on sustainable environmental technology or for the energy optimisation of homes. Contributions to the ongoing green transformation will be an obvious focus area in coming years.

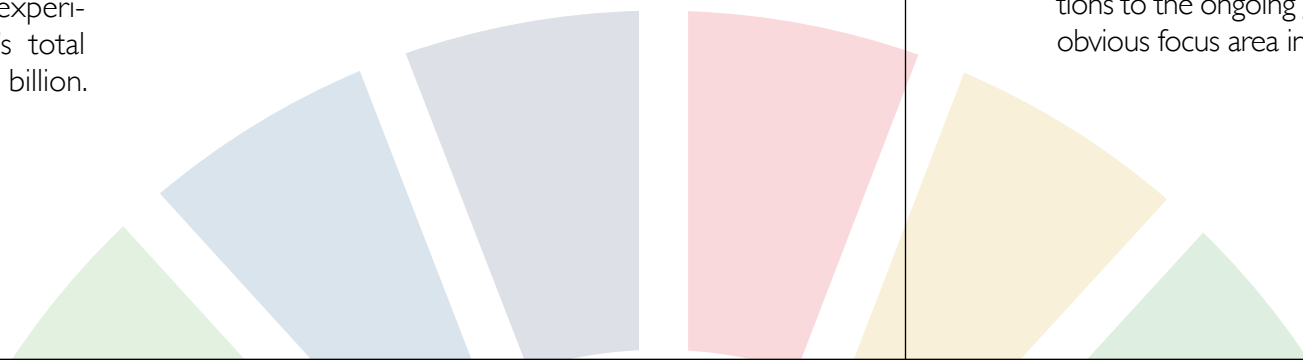
 **SUSTAINABLE TOWNS AND LOCAL COMMUNITIES**

The BANK of Greenland's ambition is to be to the benefit of the whole of Greenland. This includes that the bank will contribute to creating a sustainable capital city and regional key towns with considerable growth potential, and to helping smaller local communities whose populations are declining. The bank can achieve this by e.g. ensuring availability and financing outside the market areas. In 2019, our advisers visited towns to the north, south, east and west outside the towns with branches.

 **PARTNERSHIPS FOR THE GOALS**

The BANK of Greenland is involved in various private and public partnerships for cohesive action in such areas as education, the environment, social conditions and finances. In 2019, the bank became involved in cooperation with the Mind Your Own Business organisation, which aims to strengthen boys' entrepreneurial spirit, and professional and social competences, and achieve a stronger attachment to the educational system and the labour market. Active participation in CSR Greenland constitutes bearing partnerships in both the educational and environmental area, through participation in e.g. Qaqisa and Saligaatsoq.

In terms of reporting, the SDGs are used to highlight the bank's impact on society in selected areas. The focus on the SDGs must also be viewed in the context of the bank's membership of UNGC and its ten principles within the environment, human rights, labour rights and anti-corruption. Section 2 presents a number of examples of concrete measures.



# TARGETS AND ACTIVITIES IN 2019



## FINANCIAL UNDERSTANDING

For many years, the dissemination of financial understanding has been an important core task for the bank's CSR work. Over time, the area has developed into a more strategic task, and in 2010 we included the adopted goals in the bank's CSR report.

In 2018, we established additional fixed school agreements, which the bank continued to run in 2019, with cooperation in all towns in which we have branches. An element of the bank's management of its goals is to hold presentations for school leavers and introduce the Qassit learning game developed by the bank. The game was in focus dur-

ing school visits since it combines computer games and board games with actual challenges related to social studies and mathematics/personal finances. Besides the game being available for download directly from the Internet, since 2018 it has been possible to get the app for mobile and tablet, making it more easily available to school pupils and teachers.

Another example is that the bank is in the fifth year of close cooperation with Nuna Lawyers, where together we give presentations on inheritance, death, divorce and wills. The presentation was given in Nuuk, Sisimiut, Maniitsoq, Tasiilaq, Qaqortoq, Aasiaat, Ilulissat, Uummannaq and Upernavik.



## DIGITAL AND PHYSICAL ACCESSIBILITY

The aim is to make it easier for customers to serve themselves digitally, since significant geographical challenges set limits to the advisory services provided outside the towns in which the bank has branches. Continuous work on improving digital opportunities opens up new solutions that the bank markets and in which it also offers training. Most recently, in 2019, we launched Apple Pay and Google Pay in Greenland, to give Greenland residents versatile self-service opportunities.

Mobilbank and Netbank, the bank's in-house products, are used intensively by our customers and KTU shows great satisfaction with both solutions. Mobilbank gained a new interface in 2018 and efforts are being made to create even better and more intuitive solutions for our customers in 2020. We also guide our customers in the use of Mobilbank and Netbank, to help all customer groups to learn how to serve themselves.

In parallel with the greater focus on self-service solutions, the bank still sends advisers to towns and settlements outside the towns in which we have branches. High priority is given to physical proximity,

with several of our advisers visiting e.g. Tasiilaq to the east, and Uummannaq on the west coast. Here, customers have the opportunity to obtain ordinary financial advisory services, pension advice and training in the bank's self-service solutions. Journeys of this type are resource-intensive in timing and financial terms, and also have a significant environmental impact due to the need for aircraft and helicopter trips between the towns. The examples given lie close to the bank's ordinary business and business development. When the bank goes a step further, however, by reaching out to target groups beyond what is customary for the banks, the initiative will have very specific additional value for individual families and for society.





# MIND YOUR OWN BUSINESS



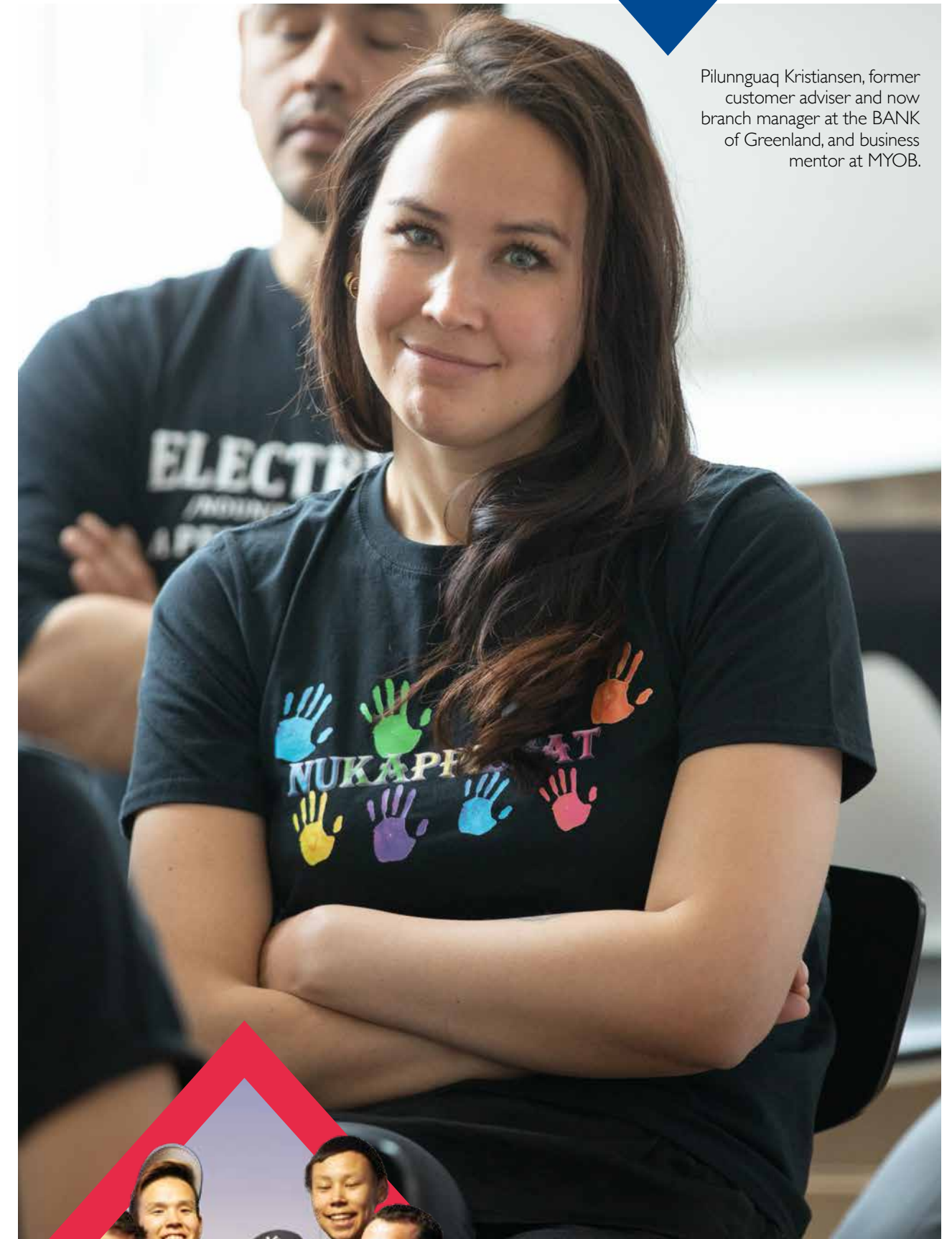
With a focus on entrepreneurship, Mind Your Own Business (MYOB) engages boys aged 13 to 21 in Nuuk. In cooperation with voluntary venture pilots from civil society and business partners from the business community, boys are given the opportunity to establish their own microbusinesses. The basic purpose is to strengthen the boys' professional and social competences, and give them a stronger attachment to the education system and the labour market. This cooperation will create a basis for new learning and motivate the boys to learn as they become motivated by working with their own concrete ideas, and thereby take responsibility for and ownership of their own learning.

Many boys drop out of the education system in Greenland, so that MYOB has deemed it appropriate to start up in Nuuk. The aim is the same as in Denmark, which is to create ties with the local business community, so that the boys experience a number of adult mentors who have faith in the boys' abilities and cooperate on creating trust in each other.

A pilot project was started up in January 2019, and the BANK of Greenland came forward as a mentor company. Three of the bank's employees worked with the boys on a weekly basis, and in 2019 contributed 196 hours to the project. The boys opened a food stall, selling hotdogs, toasted sandwiches and smoothies, and made their first sales during the BANK of Greenland's employee day, when they prepared food for more than 120 employees. Two new microbusinesses started up in the autumn of 2019, in both of which the bank was involved. These boys have eight months in which to open their microbusiness and make their first sales.



## BUSINESS MENTOR



Pilunnguaq Kristiansen, former customer adviser and now branch manager at the BANK of Greenland, and business mentor at MYOB.







From the right, customer supporter Marie Nielsen, controller/accounts supporter Rosina Ipsen, marketing consultant Mariane Pedersen from the BANK of Greenland, and Ivik Rex from the local school.



The cooperation between educational institutions, private and public enterprises and the bank has taken place over several years. This began under the name "VIS-SIV" (Companies out into schools – Schools out into companies), and later under the name "Qaqisa", but with the same purpose – to motivate school-leavers to enrol for higher education. This is achieved by the bank through facilitation of the cooperation between lower secondary schools and companies, and the bank is also represented in the steering group and is the sponsor of the project. Qaqisa is active in Sisimiut, Paamiut, Qaqortoq and Aasiaat. In Aasiaat in particular, a more regular structure has been established for the company visits.



The annual cleaning-up day for companies, called "Saligaatsoq", has spread to every town and several settlements in Greenland. Previously, this was arranged solely for companies, since CSR Greenland found it easier to manage the project outside educational institutions, but the project has later become synonymous with social responsibility, making it natural for schools and other educational institutions to make a contribution. 2019 was the year in which all associations, companies and institutions could sign up for Saligaatsoq. The BANK of Greenland is represented in Saligaatsoq's steering group by the bank's environmental coordinator, and for several years some of the bank's employees have been members of the local working groups in the towns in which the bank has branches.

## VOLUNTARY WORK

Voluntary work is an area that has been embraced by the bank's management and employees, and every year hours are made available for voluntary work. The number of hours varies from year to year, with individual large events increasing the number of hours spent. The cooperation with MindYour Own Business in particular required the great dedication of the bank's volunteers in 2019. The bank has also created organised cooperation with a number of institutions, of which some can be seen below:

In conjunction with the more structured work, CSR Greenland is viewed as one of several organisations that represent Greenland's CSR work to the world at large. The BANK of Greenland has cooperated for many years with CSR Greenland, of which the bank's Managing Director, Martin Kviesgaard, has been vice chairman of the board since 2011.



Maternity cover Arnajaraq Buuti Pedersen and Customer-supporter Marie Nielsen from the BANK of Greenland



# SMALL STORIES ABOUT THE BANK'S CSR WORK

"A drunk man is sitting on a bench at block 8, talking loudly to 3-4 children. An adult woman repeatedly asks him to leave the children alone, but the man ignores this and keeps on talking. We stop here, without saying anything. This makes everyone disperse."

"Dusk is closing in, and it can be difficult to see without street lighting. Even before we reach Nuussuaq School, we can hear cheering and see dark figures running

towards us. A group of children are competing to see who can reach us first. It really makes you feel warm inside."

Excerpt from the "Effekten af tre gule jakker" (Effect of three yellow jackets) from Appa News, a report on the Night Owl project in Nuuk. Bank employees in Nuuk provided 59.5 hours of voluntary work by patrolling as Night Owls in 2019.



From the left, service supporter and chairman of the Night Owls in Nuuk, Niels Nielsen, and business advisers Heinrich Hansen and Keld Villadsen from the BANK of Greenland.



## Kalaallit Røde Korsiat

"I volunteer with the Nuuk Red Cross because I like to help others in one way or another. I keep accounts for the Nuuk Red Cross and since I like knitting, I knit little dolls that are very popular among local residents here in Nuuk, and especially our tourists." Controller/accounts supporter in the BANK of Greenland Rosina Ipsen, who works with Anne Fog, credit consultant. Anne gave 45.5 hours of voluntary work to the Red Cross in Nuuk.



"Before, I came into schools without bringing anything along, and found it difficult to get the children motivated. Then one day, I took along some prizes, and got the children to split up into teams. The team with most points is the winner, and when I have some extra prizes, we do quizzes. This gets the pupils more involved, and when they play in teams this also strengthens their cooperation skills. Now, I always bring along prizes to Qassit presentations."

“The pupils enjoy this, and I also enjoy it, and the teacher is always happy and grateful.”

Customer adviser Julius Jakobsen, who holds presentations on financial understanding in Qaqortoq and Nuuk.



"Rosine cooks for us, when she's here. She's kind and welcoming and is really good at talking to the children. I remember a day when I was really busy, and then Rosine suddenly came through the door and asked me if I needed help. I did, actually, so she helped with getting the food ready on time." Elisabeth, employee at the Mælkebøtte Centre in Nuuk about volunteer Rosine Buhrkal, customer supporter at the BANK of Greenland.

“She's kind and welcoming and is really good at talking to the children”

 **mælkebøttecetret**  
The Mælkebøtte (Dandelion) Centre





Yvonne Kyed, deputy manager and employee-elected member of the Board of Directors of the BANK of Greenland.

## CSR prize 2019

“Without our employees’ continued CSR work, the bank’s annual report on progress to the UN would not have much real content. Fortunately, it does, and therefore we are pleased with the recognition given to our CSR reporting. We will continue our work to ensure that the bank’s efforts contribute to resolving challenges in society and to creating sustainable growth, for the benefit of Greenland,” says administration director Carsten Th. Pedersen.

“ We are pleased with the recognition given to our CSR reporting ”



## MIND YOUR OWN BUSINESS

“The personal development achieved by the boys was clearly apparent. The first time we met them, they stared at the ground, rather than looking us in the eye. When we asked them something, they either would not answer, or answered briefly, with just one or two words. They were very shy and withdrawn, but when we adults turned up every time, and they could see that we were always there, ready to work with them, the boys began to open up,” says Dagny.

“They became easy to talk to, and they told us what they thought. They even took the initiative to complete some of the tasks themselves. At the start, they sometimes did not turn up as agreed, when we waited for them, called them and went to fetch them. In the end, these boys always kept to our agreements.”

“He gave a speech to us. I was really surprised, and didn’t know what was happening. I thought ‘what’s going on’, and looked at my colleague, and as I listened, I found out what he wanted – he was saying thank you to us adults. I really welled up and



did everything I could not to cry, but I was really moved. He thanked us for helping him in several different ways,” says customer adviser Dagny Pars, touching her heart to express her appreciation.

Excerpt from the article “Et teenageunivers åbnede sig” (Opening up a teenage universe) from Appa News, about Dagny Pars’ involvement in Mind Your Own Business as a business mentor, in the spring of 2019.

“ I’ve worked with young people for many years, so it was easy for me to say yes to the project. The particular challenge is having a tight time schedule, while ensuring that the boys’ dreams of creating a microbusiness are fulfilled. I’ve seen them develop so much in just a short time, which is of tremendous value ”

Peter Rex has been involved in starting up Mind Your Own Business and works with the boys on a weekly basis. The bank expects to devote 450 volunteer hours to MYOB in 2020.







The branch in Maniitsoq

# ACTIVITIES AND TARGETS IN 2019

In 2013, the BANK of Greenland endorsed the UN Global Compact. Membership requires compliance with ten universal principles within the main areas of the environment, human rights, labour rights and anti-corruption. These areas are closely related to the SDGs, since they address the same issues.



# ENVIRONMENT AND SUSTAINABILITY

## Environment

Environmental aspects are incorporated into the bank's CSR work and entail the control and analysis of the bank's energy consumption in terms of buildings, transport, food waste and other waste. In order to work on a more formalised basis, in 2014 the bank drew up an environmental policy. Besides setting the direction, the environmental policy paves the way for more customers and investors, and lays the foundation for worthwhile cooperation with authorities and suppliers.

## Nutarsaaneq

Sustainable loans are here to stay, and one of the bank's leading products is the "Nutarsaaneq" environmental loan, which enables customers to make sustainable investments with loans for up to DKK 300,000. The product is intended for both private and business customers, and the interest rate of 2.9% is the lowest in Greenland. The figures for "Nutarsaaneq" show that consideration of the environment has become part of our customers' everyday lives. In 2019, the number was 407, compared to 409 in 2018.

## Minguik

Electrical vehicles, hybrid vehicles, and cars in energy class A are more and more common. "Minguik" is a loan product for these particular vehicles. Besides the low interest rate at 2.9%, the small road networks in Greenland's towns make battery-operated vehicles suitable. The number of less environmentally detrimental vehicles is increasing, and the tax exemption also provides a financial incentive to opt for these vehicles. Naalakkersuisut (the Government of Greenland) has, however, adopted taxes on electrical and hybrid vehicles, which may possibly reduce the upward trend. At the end of 2019, the number of Minguik environmental vehicle loans amounted to 908, compared to 756 at the end of 2018.

## Electricity consumption

Since 2017, solar panels have been installed on all of the bank's branch buildings, and 2018 was the first year that concrete reduction figures could be compiled. Good progress has been made, and the bank gives great weight to the signal value of energy savings. In Aasiaat and Maniitsoq, which do not run on hydropower, there were significant environmental savings. In these two towns, surplus electricity production is sold to the Nukissiorfit power station for use in the rest of the town's electricity grid. It should also be noted that, for several consecutive years, the solar panels in Aasiaat have generated more than 50% of electricity consumption. Total electricity consumption in 2019 was 6% lower than in 2018.



2019: **1,315**  
ENVIRONMENTAL  
LOANS IN TOTAL

2018: **1,165**  
ENVIRONMENTAL  
LOANS IN TOTAL

2017: **935**  
ENVIRONMENTAL  
LOANS IN TOTAL



I AASIAAT AND MANIITSOQ  
**SELL SURPLUS  
ELECTRICITY  
PRODUCTON TO  
THE NUKISSIORFIT  
POWER STATION**



“ **The focus on food waste** has led to the solution of **delivering** all surplus food **to the homeless** at the shelter in Nuuk ”



The bank's health ambassadors held a juice day.

#### Food waste

In Nuuk, the bank has a canteen that serves lunch from Monday to Friday. The bank has an arrangement with a shelter for the homeless, which receives surplus food from the canteen, in order to minimise food waste. No account has been kept of how much of the food is actually consumed at the shelter; but so far the bank has seen greater value in donating food to the homeless than reducing the volume of food.

#### Environmental savings – a coordination task

Focus on the environment must permeate the entire organisation, since the aim is for each employee and department to share responsibility for the environment. Ideas for potential savings often arise out in the bank's branches. When every employee can help to make a difference, and knows that they will be heard, this encourages them to take every greater responsibility. The bank has set up an environmental team to ensure that employees' voices are heard, and that all ideas are noted and considered. The environmental team has representatives from all the branches, and a coordinator to manage activities. The building officer and procurement officer are also permanent members of the team. The environmental coordinator registers the environmental footprint via the power station's website, as well as apps, and keeps a systematic record of electricity, water, heating and paper consumption, travel, etc. in order to monitor changes and assess whether the measures taken have had the required effect.

#### Printing

All of the bank's computers are connected to the PaperCut solution, which is software to reduce paper consumption. The system automatically enables duplex printing, which accounted for 83% of all printing in 2019. The total number of sheets printed during the year was 596,182, which is an increase of 10,926 from 2018. The increase is related to the bank's growth, with more employees and greater documentation requirements. It can be concluded that PaperCut has reduced printing, but that any further reduction will require new measures. New digital opportunities and perhaps a change in employees' printing habits are therefore essential to achieving savings in this area going forward.



#### CO2 consumption

Every second year, the bank holds an employee day, when all employees from along the coast meet in Nuuk for teambuilding activities to strengthen the collaboration between employees. Travel by aircraft, helicopter and ship, as well as hotel accommodation costs, are naturally increasing, resulting in higher CO2 consumption. 2019 was no exception, and the bank used 393 tonnes of CO2, in contrast to 302 tonnes in 2018. Means of transport account for a significant share of CO2 consumption, and alternatives are not possible, due to the distance between the towns. The bank's reduction of CO2 will adhere to the development in the area, and the target is still the UNGC's goal of "Affordable and Clean Energy" and taking responsibility for the climate, as "Climate Change". To some extent, the use of videoconferencing has reduced the carbon footprint, while as from 2019 the bank will pay economic climate compensation for the bank's CO2 consumption due to travel activities.



# HUMAN RIGHTS

An element of the UNGC's goals is to work for gender equality, and the BANK of Greenland has the overall goal at management level of achieving and maintaining equal numbers of men and women in its management. In 2013, the BANK of Greenland's Board of Directors adopted a "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 at the end of 2019, the distribution ratio was 47% women and 53% men. The bank's objective is for the ratio of managers of the under-represented gender to be held at minimum 40%.

In 2019, the bank adopted its human rights policy. This policy states that the "BANK of Greenland supports and respects the protection of universally declared human rights and will work to ensure that we do not contribute to violations of human rights". The bank will hereby work to disseminate knowledge and understanding of the principles; the right to non-discrimination, the right to life and security of person, the prohibition of slavery and inhuman and degrading treatment, the right to rest and leisure time, the right to education, and the right to an adequate standard of living.

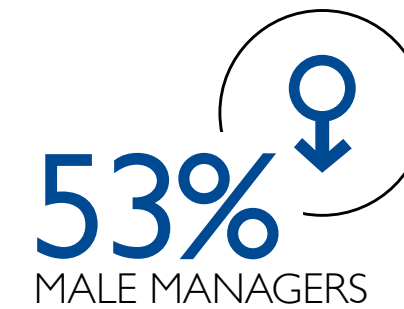
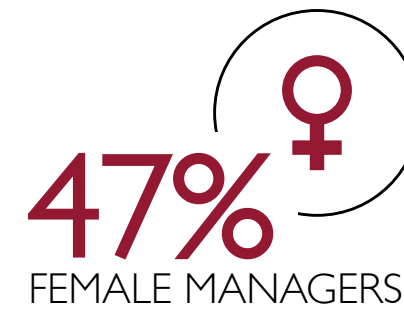
The bank naturally works actively with several of the principles, while others are supported more indirectly.

Even though it is not applicable in Greenland, in 2019 the bank adopted the implementation and compliance with GDPR. This will ensure that the bank complies with international standards for the protection of customers' personal data.

The specific initiatives include GDPR training for all employees, with annual follow-up tests in the anti-money laundering rules, which it is mandatory to pass. Internal campaigns are run to remind all employees to lock their screens when they leave their desks. There are locks on all cabinets, and a clean-desk policy is enforced. All employees have reviewed drives, "desktops" and customer folders, and emails containing sensitive personal data are encrypted. Printer access cards are required for all printing on paper. This requires employees to be physically present at the printer, and there are shredders in all departments, with shredded paper being discarded in locked containers.

As a responsible company, the BANK of Greenland ensures that its subcontractors comply with the principles. The bank also has focus on decent pay and working conditions. Since the banks' subcontractors are mainly located in Greenland and Denmark, this condition is assessed to be complied with, as these subcontractors adhere to current legislation.

The bank's employees are engaged in accordance with the collective agreement between the Financial Services Union and GE (the Greenland Business Association), which among other things ensures a good standard of living that is considered to be adequate in Greenland. The bank is also aware that business partners/suppliers should also ensure that their employees have an adequate standard of living, according to Greenlandic standards.



Malene Christensen, branch manager of the BANK of Greenland's branch in Sisimiut, receives a diploma on completion of her pre-MBA programme.





# LABOUR RIGHTS

## Training and competence development

One of UNGC's goals, "Quality Education", motivates companies to train people, for the benefit of the individual, society and the company. The BANK of Greenland therefore focuses 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, in conjunction with the Bank's need to recruit and retain qualified manpower and to contribute trainee positions to the local community.

In the summer of 2019, seven finance trainees all completed their two-year programme. The bank expects the programme to be started up again in August 2020.

Besides the finance trainee programme, the bank creates trainee positions for young people with a background as financial economists. In 2019, three of these financial trainees completed their traineeships. Three financial trainees in Nuuk are expected to complete their programme in November 2020.

In 2019, two financial economists had three-month internships, and one lower secondary school pupil was offered work experience at the head office.

In addition, several managers took management training, and one manager completed a Pre-MBA. Two employees are expected to complete their graduate degree programme in accounting and financial management in 2020, and one employee is expected to complete a diploma programme in management. All private advisers attended Sale and Service courses. Ten advisers are currently taking the financial diploma programme.

Concerning health promotion activities, the bank continued a three-year partnership between the Department of Health, CSR Greenland and the Greenland Sports Association to promote public health in Greenland, and launched "Project healthy companies". The bank has three health ambassadors among its employees. These ambassadors arrange various activities in the course of the year.

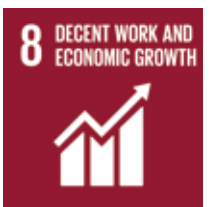


The BANK of Greenland  
Inunnguaq Olsen Finance trainee | Patricia Lund Olsen HR manager | Villy Rasmussen Finance trainee

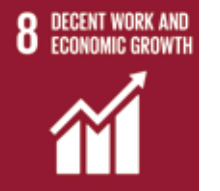
## Working environment, health and safety

A safe working environment and a healthy everyday life are important for both employees and customers. If employees do not feel comfortable at the workplace, this will also affect customers, over time. In 2019, no occupational injuries were reported.

There were 1,002 days of sick leave in 2019, concerning 130 employees. The average sick leave rate for the entire bank was 7.71% in 2019. The high figure is affected by several cases of long-term sick leave, and disregarding long-term sick leave that does not concern the bank, there was an actual decrease. Sick leave excluding long-term sick leave totalled 676 days, which gives an average of 5.2%.



# ANTI-CORRUPTION



The BANK of Greenland works with all aspects of anti-corruption, including preventing extortion and bribery. The BANK of Greenland has a gift policy that 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. The Bank has also adopted an anti-corruption policy that, 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. 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](http://Banken.gl). The policies were not challenged in 2019.

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 2019, the bank's complaints officer registered 16 complaints from customers. Of these 16 complaints, two were upheld completely, two were partly upheld, while the rest were rejected. Business customers have their own separate access to file complaints. So far, we have not received any complaints via this channel.

The bank also has a whistleblower scheme that enables employees to file anonymous reports if they experience matters at the bank which may infringe human rights or other legislation. So far, the bank has not received any reports.



Mariane Pedersen,  
Marketing consultant from the BANK of Greenland





# REFLECTIONS ON THE CHALLENGES IN 2019

## A stop to financing of non-sustainable fisheries

As a socially responsible company, the bank will need to take decisions that present difficult dilemmas. An example that concerns the bank's core business, namely loans to small business customers in outlying areas, was the bank's approach to financing of coastal fisheries. The BANK of Greenland decided to stop extending loans to finance non-sustainable fisheries when the quota for, among other species, Greenland halibut reached twice the biological recommendation. The bank assessed that since this fishing significantly exceeded the biologically sustainable level, it was an important matter of principle to signal that the bank cannot contribute financing for this activity. The bank can also note that it is not financially viable for the fishermen, or society, to finance more fishermen going forward.

The bank assessed that the ultimate consequence might be the financial collapse of parts of the fisheries sector. This issue presented a number of dilemmas. They include the issue in principle of whether the bank should finance a business segment that is clearly structured contrary to the sustainability principles. We do not believe that we can, when, as a minimum, there is no plan for how fisheries can become sustainable again. There was also the matter of respect for the consequences of the decisions made in the past, and the fishermen who are locked into the investments made. The solution reached is that the bank has stopped all financing of new fishermen and is continuously reducing its involvement in reinvestments for existing fishermen, until the bank's involvement has lapsed entirely, or the sector has become sustainable.



## EU standards exerting increasing pressure on companies in Greenland

Another matter for reflection in 2019 is that new EU standards setting environmental requirements are developing from soft guidelines into mandatory requirements. Even though Greenland is not an EU member state, companies from within the EU often require commercial agreements with companies in Greenland and the BANK of Greenland to comply with the EU environmental standards, etc. This will naturally lead companies in Greenland to increase the pressure on Naalakkersuisut (the Government of Greenland) to adhere to the same standards. If companies in Greenland are to continue to be able to sell their products, Greenland may in several aspects be required to comply with EU environmental standards, even though Greenland is not a member of the EU.





# EVALUATION OF THE BANK'S SOCIAL RESPONSIBILITY

It is always worthwhile to undertake active CSR initiatives, but the real challenge is to do this successfully. The report presents concrete measurements of results, both when the measures are successful, and when success is more difficult to achieve.

## Society's evaluation of the bank's CSR work

The company's reputation for taking social responsibility is another way of assessing measures and their effect.

An image survey in 2018 confirmed that the BANK of Greenland still topped the league of companies of equivalent size and importance in Greenland, and we naturally hope to retain this high ranking.

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 78 index points in 2019. The bank's success is not only due to its consistent CSR work, but to a high degree also reflects how the bank relates this to our vision to be "Greenland's best company – for the benefit of Greenland". This gives our stakeholders a clearer understanding of the CSR work undertaken on a day-to-day basis.

Review of the initiatives shows that in 2019 we did not deliver quite as many CSR hours as we would have liked. This is due to a combination of challenges with the registration of CSR hours, the lack of a major national CSR project in 2019 and, regrettably, the possible lower priority given to this work during a very busy period. A few projects were given high priority, with a large number of volunteer hours being delivered by a small number of employees.

Evaluation of this will be applied in 2020 and a higher number of contributed CSR hours is expected, since there is a basis to involve more departments in even more projects.

## Work-life balance

A good work-life balance is essential for our employees' well-being and it is important that the bank contributes to balance between core work, volunteer work and leisure time. The bank's annual employee satisfaction survey provides a good indication of how well this is addressed. For a number of years, the bank's employee satisfaction score has been high, and has exceeded the average for the financial sector. This work is in line with "Decent Work and Economic Growth", which is one of UNGC's values, to ensure good working conditions for the company's employees.

## Climate compensation

We have chosen to pay climate compensation for our air travel, since this is the area in which the bank has the greatest direct CO<sub>2</sub> impact. So far, the funds have been allocated, and if no CO<sub>2</sub>-compensation initiative is established in Greenland, the amount will be used in an internationally recognised project. Reduction of air travel is also an option, but we have to acknowledge that our physical location in Greenland, and dependence on air travel, will continue to make climate compensation relevant for us. On the other hand, all of the bank's physical branch buildings are equipped with solar panels, thereby reducing the bank's direct carbon footprint.

Lastly, for a number of years the bank has used videoconferencing, which contributes to reducing CO<sub>2</sub> consumption.

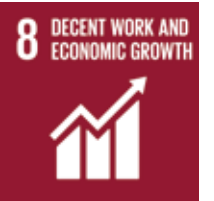
## 2020

In 2020, we expect to offer green investment products, giving our customers an opportunity for sustainable investment.

The focus will also be on making a special contribution in the areas where the bank can deploy its expertise. We will also embed the SDGs more deeply in the bank's strategy, and we welcome the new Principles of Responsible Banking, which are part of the UNEP Finance Initiative (UNEP FI).

The immediate challenges for the bank's initiatives can be attributed primarily to two areas. The first aspect is to ensure sufficient focus in the organisation to continue to devote the required time and energy to CSR, so that the bank can make the contribution that we expect. Secondly, Greenland lacks national ambitions in the SDG area, to which we as company can contribute to achieving. We therefore look forward to Naalakkersuisut's coming SDG strategy.

The bank's focus will thus be on using our expertise and activities in the areas where we can make the greatest difference, contributing to the areas in which CSR Greenland establishes projects and partnerships, and further implementation of the SDG strategy in the bank.





# ANNEX I

<b>Social and voluntary involvement</b>			<b>2017 Result</b>	<b>2018 Result</b>	<b>2019 Target</b>	<b>2019 Result</b>	<b>2020 Target</b>
CSR work	hours in total		778.17	483.30	1,400	610.91	1,200
<b>Access to advisory services and credit financing</b>							
Tasiilaq	Two annual visits	number	1	2	2	2	2
Uummannaq	Two annual visits	number	0	1	2	2	1
Other towns and settlements	Six annual visits	number	n/a	n/a	6	4	6
<b>Financial understanding</b>							
Teaching - money game		number	Ongoing	13	20	15	20
Entrepreneur and business succession advisory services		hours	>150	115.5	>150	100	>200
<b>Stakeholder dialogue</b>							
<b>Customers</b>							
Is a socially responsible company		index figure	75.5	77	77	78	78
Overall customer satisfaction for private and business sectors		index figure	76.5	73	79	72	79
Complaints		number	13	18	n/a	16	n/a
<b>Employees</b>							
Professional and personal development		index figure	76/77	72/74	76/77	79/79	79/79
Employee satisfaction		index figure	80	76	83	81	81
<b>Working environment and safety</b>							
Absence due to illness		days	1,203	862	500	**676	500
Notification of occupational injuries*		number	6	0	0	0	0
<b>Climate/environment</b>							
Energy consumption by the Bank		tonnes CO <sup>2</sup>	320 t CO <sup>2</sup>	6% decline 302.55 t CO <sup>2</sup>	<225 t CO <sup>2</sup>	393	<225 t CO <sup>2</sup>
Number of environmental loans		number	935	1,165	1,300	1,315	1,400

\* Notification of industrial injuries will be removed from the list

\*\* This is the figure without long-term sick leave