

Report on The BANK of Greenland's CSR in 2014

A large, stylized blue bird logo, resembling a puffin, is positioned on the left side of the page. The bird is facing right, with its head turned slightly towards the viewer. It has a white eye and a long, pointed beak. The wings and tail are depicted with broad, curved strokes. The word "Pakkussineq" is written in a dark blue, italicized font across the bird's chest.

Pakkussineq

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Foreword

The BANK of Greenland's motivation to work with corporate social responsibility is based on our prominent role in society, our influence on the economy of Greenland and last but not least on considerations as to what shared value the bank and the bank's employees can create as part of and above and beyond the day-to-day operation of the bank.

The BANK of Greenland's fundamental corporate social responsibility is to manage banking business in such a manner as to ensure a balance between stability and growth in Greenland society. We will maintain our efforts to contribute to creating sustainable growth while, at the same time, avoid putting economic stability at risk.

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

Based on the bank's set of values, strategic goals and the expectations of our stakeholders, three focus areas have been selected for the bank's CSR activities. The three focus areas are:

- 1) Understanding finance.
- 2) Available consultancy services and loan finance outside the bank's primary market.
- 3) Social and voluntary commitment.

By joining the UN Global Compact in the spring of 2013, The BANK of Greenland has also given support to and a promise to implement UN's ten principles within the areas of human rights, labor rights, environment and anti-corruption. Furthermore the bank will be involved in voluntary initiatives that contribute to UN's objective of sustainable development.

Apart from reporting on the bank's progress in adhering to the UN Global Compact and its ten principles, this report was also written with reference to sections 135 & 135a of the Danish Executive Order on the Presentation of Financial Statements.

Nuuk, 17 February 2015

Martin Kviesgaard,
Managing Director

1. CSR policy and strategy

The BANK of Greenland's Board of Directors has adopted a strategy and policy for the bank's work with corporate social responsibility.

The general objective of the bank's CSR efforts is help solving society's challenges in order to create sustainable growth in Greenland. Our work relating to corporate social responsibility is based on our vision to be "The best company in Greenland", on our set of values (Competence, Decency, Commitment and Room for Diversity) and our desire to employ our core skills to make a positive difference.

Our commercial goals with the CSR activities are to improve the bank's reputation as a credible and stable financial institution. This reputation will also affect customers and employees' loyalty. In that way it will help securing a satisfactory long-term financial return.

Stakeholder analysis in the preliminary CSR policy and the bank's strategic objectives constitute the basis of the three focus areas on which the bank concentrates work with social responsibility:

- **Understanding finance** will help more households to a better personal finance.
- **Available consultancy services and loan finance** also outside the bank's traditional market areas.
- We encourage **social and voluntary commitment** by making working hours available to employees to use when working for organizations and projects.

The BANK of Greenland is truly The BANK for All of Greenland, which has been the key phrase for many of the activities initiated since the adoption of the CSR policy. Figure 1 shows the bank's policy of corporate social responsibility. The policy is also available to the public at www.banken.gl. Interdisciplinary task forces

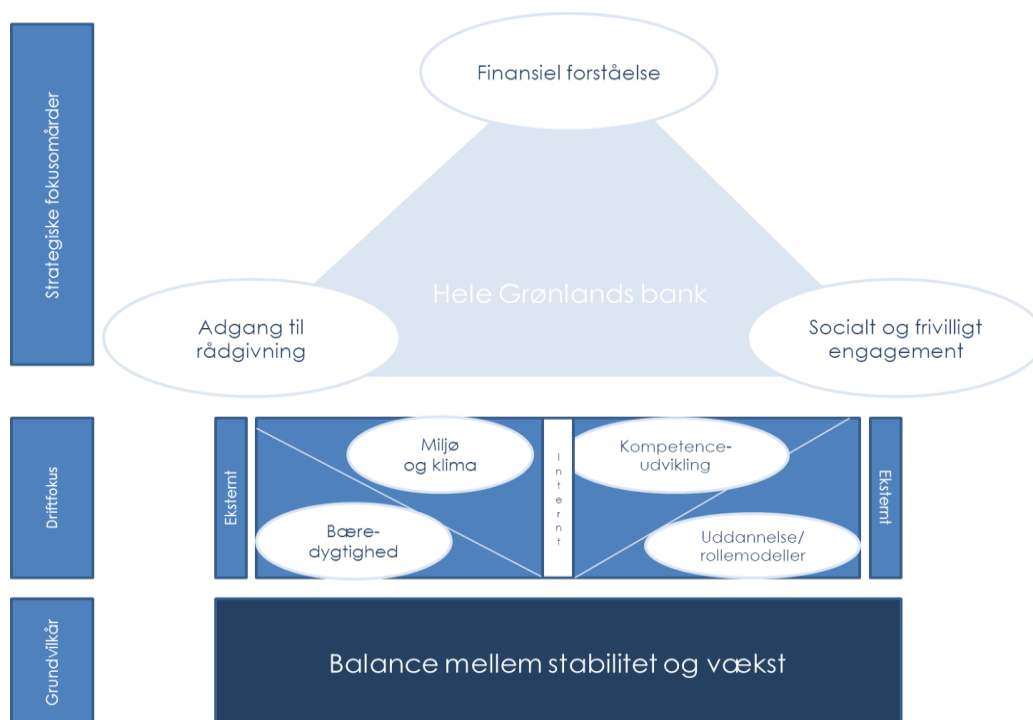


Figure 1: CSR Policies and Strategies

have been set up across the bank for each of the three strategic focus areas.

Apart from these three strategic focus areas, we will maintain operational focus on the environment and sustainability, education and developing employees' competences. These are not areas that are handled separately by the task forces, as they will be incorporated into the bank's daily operations. The Chief Administrative Officer is the overall responsible for the bank's CSR; see Figure 2. The Chief Administrative Officer will keep the Management updated on progress.

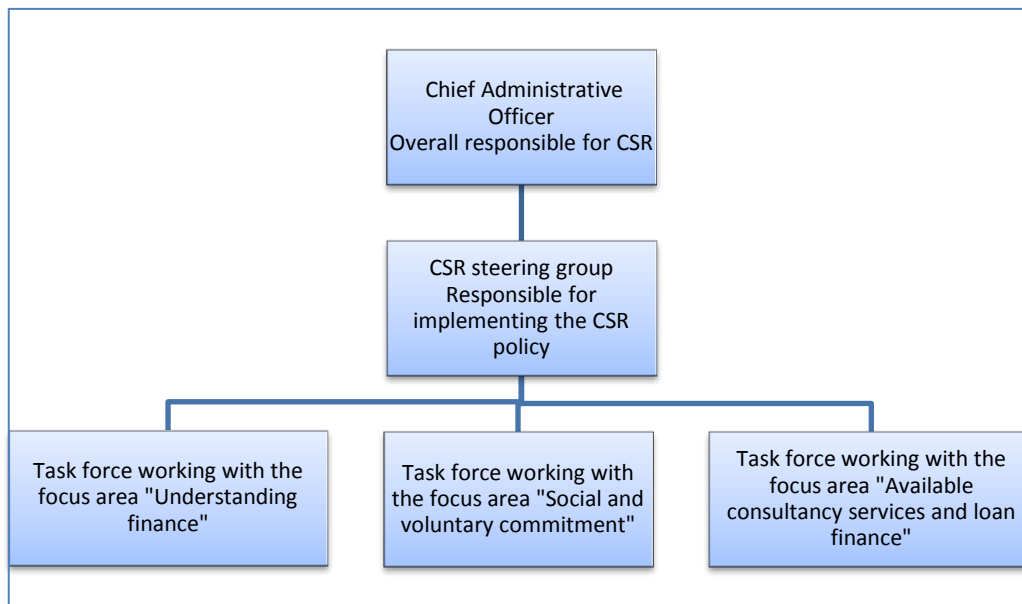


Figure 2: Organization of CSR

The work with implementing the bank's CSR strategy is rooted in a general steering group consisting of the Chief Administrative Officer, the CSR secretary, the people responsible for the strategic focus areas as well as the HR Manager, the head of communication and marketing and a staff representative.

Pakkussineq – warm embrace – has been selected by the employees as the name of the CSR activities of The BANK of Greenland.

The BANK of Greenland is a co-founder and member of CSR Greenland. In March 2013 The BANK of Greenland also joined the UN Global Compact, the UN program of social responsibility for companies and organizations. The program encompasses ten principles which the members commit to live by. The principles touch on human rights, labor rights, anti-corruption and securing the environment. Each year members must prepare an annual report on their progress in their efforts to respect and comply with the

ten principles. The BANK of Greenland's first report was filed in March 2014, and the second report will be filed in March 2015.

Prior to joining the UN Global Compact, The BANK of Greenland conducted a gap analysis in order to determine the bank's relations to the ten principles. The analysis showed that, with focused efforts on specific areas, The BANK of Greenland would be able to achieve compliance with the ten principles. The main areas are:

- Policy on human rights
- Anti-corruption policy
- Responsible supply chain management
- Procurement policy
- Environmental policy and objectives

Since the bank joined the UN Global Compact, three policies on anti-corruption, gifts and the environment were prepared and adopted in 2014. Correspondingly more initiatives were started during the period 2013-2014. These concern labor rights and human rights. The expectation is that policies in these areas will be ready in 2015. Subsequent to initiating the policies, we will report on their implementation and results.

2. Activities and objectives in 2014

In the following section, we will be focusing on CSR initiatives, progress and objectives within the strategic focus areas and any other areas that are relevant in relation to the UN Global Compact.

Understanding finance

*"We strive to create greater financial insight throughout Greenland in order to increase the individual's financial opportunities, thus alleviating social problems and increasing overall prosperity."
(Excerpt from the BANK of Greenland's CSR policy).*

In the autumn of 2014 Qassit.gl was launched. Qassit.gl is the BANK of Greenland's new e-learning platform targeted the oldest pupils of the primary and lower secondary schools (8th-10th classes). The platform is designed as a supplement to mathematics and social studies with a curriculum on everyday finances. The game is based on the three frame stories "Dreaming of continuation school ", "Home alone" and "A new town" together with mathematical assignments. In this way Qassit.gl makes financial flair and arithmetical skills into specific competences that may be employed in everyday life and may help realize dreams and ambitions.

The development of Qassit.gl took place in close cooperation with Inerisaavik (Center for educational development for the primary and lower secondary school under the Institute of Learning of Ilisimatusarfik/University of Greenland), The Ministry of Education, Church, Culture and Gender Equality, Serious Games Interactive, Deluxus Studio, Voice of Greenland and a consultant with experience from similar projects. In addition selected teachers and pupils from schools in Nuuk have played a decisive role with participation in workshops, expert panels and user tests. In that way Qassit.gl has been thoroughly tested on the primary target group and their teachers prior to being launched.

The Government of Greenland's objectives for learning in mathematics and social studies are supported in Qassit.gl. A teacher's book, a pupil pamphlet and a pamphlet with supplementary arithmetical problems to be solved are included on the platform. Qassit.gl was developed as a browser based online game for PCs and tablets, but it is also accessible offline if you download the game as an application or share it via USB stick.

In 2014 the bank's teaching concept targeted older classes of the primary and lower secondary school was also modernized. The ambition was to make the concept match the educational principles and the visual appeals available on Qassit.gl. This has resulted in three new teaching concepts with a clear connection between financial flair and the use of it in real life. The new concepts are about saving up for continuation school, a snow scooter and leaving home. Apart from this concept the bank still has three other teaching concepts targeted other audiences: 1) Students attending qualifying and higher education courses, 2) fishermen and hunters and 3) sheep farmers. With these concepts the bank's employees have a tool to offer teaching at e.g. schools in towns where the bank is present with a local branch. Trainees at different companies are also taught regularly, including e.g. co-op trainees in Nuuk and in South Greenland.

The bank's Commercial Department has been involved in a Business Combat event in 2014. This was in cooperation with Deloitte and the local commercial school in Nuuk. Business Combat is a friendly, professional competition between teams of local businessmen and students from commercial schools. The teams are to manage a fictitious enterprise and reach decisions on e.g. price, marketing, production and rationalization. On basis of calculations made by a computer the teams get quarterly reports and in the process the market may change on a background of for example political decisions. The winner is the team creating the best accumulated net income. This year was the first year Business Combat was ever held in Greenland, but The BANK of Greenland will support the possible events to come in the future.

In addition the bank's Commercial Department still has a close dialogue with entrepreneurs whom they also offer consultancy. Specifically in 2014 the Department helped Sermersooq Business Council organize a series of lectures in which originators and entrepreneurs participate. In 2014 there were 127 hours of consulting entrepreneurs where we anticipated 125 hours. It is expected that this level will be maintained in 2015.

The job of working with the focus area "Understanding finance" is being organized by a task force under the supervision of an employee in Nuuk.

Available consultancy services and loan finance

"We want to increase our customers' access to the Bank's consultancy services and loan finance outside our primary market areas (the major towns in Greenland). Our goal is to increase access to our know-how on finances and loan finance in order to improve financial opportunities for the population of Greenland."

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

On 6 December 2011 The BANK of Greenland opened a local branch with no cash handling (a so-called Appaaraq) - in Aasiaat (approximately 3,150 inhabitants). This initiative provides the inhabitants of Aasiaat and the surrounding villages with better access to consultancy services and loan finance. To begin with this branch was open one week a month. The branch was an experiment where impact and earnings would be evaluated in order to determine whether to open a permanent branch or not. In November 2013 the branch opened full-time and in the spring of 2014 The BANK of Greenland could move into new buildings in Aasiaat.

Apart from providing better access to consultancy services and loan finance in Aasiaat and the surrounding villages, The BANK of Greenland's business extension and CSR program have also led to increased activity in Tasiilaq. Tasiilaq is the largest town on the east coast of Greenland (with approximately 1,050 inhabitants), which The BANK of Greenland visits twice annually. The visits to Tasiilaq last approximately one week and the bank seek to have as many consultancy meetings as possible and give a presentation on financial skills or self-service solutions at either the school of Tasiilaq or in the assembly, while we are in town. The BANK of Greenland still has arrangements with Sermersooq Municipality, so that the citizens in Tasiilaq can use the municipality's video conference equipment to contact their advisor via video. In this way they have the opportunity to get eye to eye contact with their advisor in Nuuk on a daily basis. However, this option has not been used to any major extent.

In 2015 the accessibility activities will continue at the same ambitious level, i.e. with two annual trips to Tasiilaq. During 2015, the bank will evaluate whether to extend activities outside the network of local branches with visits to other towns.

At the end of 2013, the bank set up Lync (video meetings) in the Commercial Department. Thus every single advisor is now able to hold video meetings with commercial customers along the coast without leaving their own desk and computer. This arrangement creates even better access to the bank's consultancy services. The expectation is that Lync will become a part of the Microsoft Office package and therefore will be launched on the PCs of all our employees.

The job of securing better access to consultancy services and loan finance is the Retail Lending Manager's responsibility. He is primarily assisted by Commercial Customer Advisors and Retail Customer Advisors as well as the bank's IT Department and Communication and Marketing Team.

Social and voluntary commitment

"Our employees must be given the opportunity to work voluntarily for organizations and projects during work hours (...). We wish to foster commitment and create a motivating framework so that our employees will work for progress in society. At the same time, the bank itself must actively participate in well-defined CSR projects."

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

The task force concerned with social and voluntary involvement has adopted a policy for volunteer work as well as a set of guidelines for social and volunteer work performed by employees on behalf of the bank. The starting point is that voluntary and social involvement is an investment in the future of Greenland and an important part of helping sustainable development on the way. In 2014 work hours equivalent to 1 % of the total was allocated to voluntary and social efforts, which is a continuation of the level in 2013. This is an allocation of more than 2,000 hours in support of organizations and projects in Greenland.

In 2014 the policy on volunteer work has been extended with rules for and a form for registering voluntary work after working hours.

The bank is primarily involved in social and voluntary work in relation to children and young people, education, the environment, culture and sports. Employees' involvement in CSR Greenland has also been registered.

Activities for which CSR hours were allocated

In March 2014 four employees participated as volunteers in Fight Cancer's nationwide charity collection. At the same time the bank and staff could present a total donation of more than DKK 40,000. In autumn 2014 six employees participated in Greenlandic Children's the nationwide charity collection. Here the bank and staff also contributed with a donation of a total of DKK 16,300.

For the third year in a row The BANK of Greenland was main sponsor for the health and activity project Maaji Nuan in Nuuk. Here several employees contributed with volunteer work during the opening race.

A total of 12 employees participated in the Saligaatsoq Cleaning Day in Nuuk and Sisimiut. Again this year large quantities of waste were collected and this year the concept was also extended to include Ilulissat. In this city additional two employees participated in the project.

Some employees work voluntarily as chairman or treasurer of e.g. Kalaallit Red Cross and The Nighthawks. One employee offers training to first aid instructors and teaches psychological first aid.

In addition we spend hours advising entrepreneurs and contributed to activities under the auspices of CSR Greenland. Last but not least hours were spent project managing and developing the platform Qassit.gl.

In our branches hours were first and foremost spent on visits to schools, education fairs and presentations on financial skills. Hours were also spent working as volunteers on e.g. the Sapiik project (The Association Greenlandic Children) and attending entrepreneur events such as the "Start Up" event in Qaqortoq.

Besides this, The BANK of Greenland launched the campaign "230 helping hands" during the spring. The message was that all the bank's employees have the option of doing volunteer work during work hours and the bank has allocated more than 2,000 work hours in support of organizations and projects in Greenland. The campaign led to 13 new inquiries from organizations. Every organization has received assistance from one or more of the bank's employees. Alternatively organizations have received a promise of collaboration in 2015, when their need for assistance becomes relevant. The 13 organizations are:

- Nuummi Uumasut (the association behind Donna's Animal Clinic)
- Pisiu (The National Crime Prevention Council)
- The Nighthawks
- Red Cross
- Nuuk Playground/ Sermersooq Municipality
- The Children's Rights Organization MIO
- The association for Greenlandic drum dancers
- Save the Children Fund/Meeqqat Ikiortigit - Kalaallit Nunaat
- Nanu Children
- Mælkebøtten (The Dandelion) (and their public charity kitchen project)
- Neriuffik Kattuffiat in Nuuk
- NSP (cross-country skiing club in Nuuk)

As part of the campaign "230 helping hands", The BANK of Greenland held an after work meeting in June 2014 where six of the applying organizations were given the opportunity to present their need for assistance face to face with the bank's employees.

In spring 2014 The BANK of Greenland signed a CSR collaboration agreement with the The Nighthawks in Nuuk and Sisimiut. In addition to making work hours available to the employees who patrol as Nighthawks, The BANK of Greenland lends meeting and storage facilities to The Nighthawks. In the autumn of 2014 the collaboration agreement with the very active Nighthawks was renewed and extended with an additional contract of a sponsorship of reflector tags and a sponsorship of meals during first aid courses in Nuuk and Sisimiut.

The goal for 2014 was to spend at least 1,068 work hours on CSR activities. The result for 2014 was a spending of 114 % (1,227.2 hours) of the annual target. In comparison, hours spent in 2013 were 67 %, 24 % in 2012 and 28 % in 2011. In 2014 more than 62 employees performed volunteer work (compared to 40 in 2013, 30 in 2012 & 34 in 2011). Therefore we see all round increased activity in relation to the bank's work with corporate social responsibility. The long-term goal still is to use work hours corresponding to 1 % of The BANK of Greenland's total employee hours. The specific goal for 2015 is to spend 1,135 hours on the bank's total CSR activities.

Customers

As is generally known, The BANK of Greenland is The BANK for All of Greenland. In 2014 this was, among other things, reflected in a new collaboration with Air Greenland which makes it cheaper and easier to send students on study trips. The initiative was taken to support young people in traveling and seeking global input. The BANK of Greenland contributes with a new Study Trip Account which offers school classes and study groups a favorable interest that is 1 % above the discount rate. Until further notice the collaboration with Air Greenland is a pilot project that runs until 2016.

Besides this the bank's customers are still offered an annual focus meeting. The overall purpose is to create a relationship of mutual trust and identify the customer's current and future wishes and requirements. A purpose is also to ensure input as to how the bank can improve specific areas, including the bank's role in society. The number of meetings is part of the bank's performance management, but it is also relevant in this context. In 2012 2,120 focus meetings were held, but the figure increased to more than 2,300 in 2013. In 2014 the target group for focus meetings was extended and the target figure was therefore increased to 3,500. The ambitious goal was almost met with a total of 3,391 meetings with retail customers. During 2014 367 commercial customers were visited by their advisors. The goal for 2014 was 325 visits at the customers' premises.

In 2014 the bank's work with CSR was expected to show a target performance of index 77.5 in the bank's customer surveys. The result was index 75.5. This result is below target, but it is still above the average of 75 in the entire Danish financial sector. In 2015, the target is to return to the result from 2013 (index 77.5).

In addition to our customer satisfaction studies, the bank invited customers in Nuuk and Sisimiut to participate in focus group interviews in 2010 and 2013. This was to voice constructive criticism about the bank's role in society. In 2014 preparations, needed for focus group interviews that are to be held in autumn 2015, were made.

The BANK of Greenland received 26 complaints from customers in 2014 - seven more than in 2013 and 2011. Out of these 26 complaints, 7 complaints were met fully or partly, which is two met complaints less than in 2013. It is in the bank's interest to deal with all relevant complaints in accordance with current guidelines in a way that ensures that the customers understand the bank's reasons for refusals to grant loans and other similar decisions.

Employees

The employees are The BANK of Greenland's public image and the employees are the ones who create and maintain the close relationship with the bank's customers in the day-to-day operations.

In relation to the bank's CSR activities it is important to start by emphasizing that all employees have been educated on the new policies on gifts and anti-corruption (please refer to the section "UN Global Compact-related matters" for a more detailed description of the policies on gifts and anti-corruption). In connection with the presentation on anti-corruption and gifts the bank's employees have gone through cases and

dilemma exercises that prepare them to act in accordance with the two new policies or to know when to consult a manager for any necessary advice.

In addition The BANK of Greenland continues to focus on developing new skills via trainee training, in-service training, leadership development and on-the-job training. The bank considers education to be a part of our employees' development and career planning. The effort in relation to education is also due to the bank's need for qualified labor and our need to contribute with training posts in the local community.

Among other things it is important to The BANK of Greenland to ensure recruitment of labor with professional banking skills. Therefore in 2014 the bank admitted 8 trainees who attend the financial training program at Niuernermik Ilinniarfik in Nuuk. Four trainees are employees in Nuuk, the remaining trainees are employees in branches on the coast of Greenland. It is expected that the trainees will finish training in the summer of 2016.

In addition to the trainee program the bank has great success with creating trainee positions for young people qualified as financial economists. Until now four financial economists have completed training as advisors.

A more advanced level of the financial management program is the 2-year academy program. Four trainees from last year's group of graduates participate. In addition two employees are enrolled for the HD program at Ilimmarfik. In order to strengthen leadership development new branch managers are attending a leadership development program.

In addition to this, the bank uses a number of external offers of further training at a high level. In 2014 the bank for example started a two-year collaboration with Finanssektorens Uddannelsescenter (Technical and Vocational Secondary Education) concerning a custom-made training program. More than one third of the bank's employees (up to 40 %) and all managers have attended training in customer consultancy and service as part of this program. Each branch office now has trained coaches who can supervise colleagues in relation to professional problems that arise on a daily basis.

Call Center and employees serving customers at the counter and the Commercial Department have attended English courses during 2014. The employees involved have attended a total of 28 x 45-minute lessons. In 2015 Retail Customer advisors in the Nuuk Department will also be offered English courses.

With continued investments in education and training, the bank in the long term expects to increase the general skills among employees and improve job satisfaction. The motivation and satisfaction of employees is measured through annual employee surveys in which all employees evaluate their immediate superior, their cooperation with others and working conditions in general. In 2014 employee satisfaction was measured at 79. A result of 79 is a high level above the general level for the banking sector as a whole. The goal is to maintain this high level in the future.

In 2014 it was possible to keep 98.3 % of the bank's positions filled through active Human Resources work, a job applicant portal at www.banken.gl and focus on developing employees' skills.

At the end of 2014, the total number of employees was 118. The average age was 44.2 years and the average seniority was 9 years and 5 months. The staff consisted of 82 women and 36 men. Of the total staff 73 had completed financial training or a long-term higher education program.

The BANK of Greenland has adopted a policy and a target level for the underrepresented gender. This policy aims to increase the underrepresented gender on the Board of Directors and other management levels. Regardless of gender The BANK of Greenland's employees must experience that they all have equal opportunities when it comes to career and positions in management positions. Therefore the following target level has been established:

The bank's objective is to ensure that the proportion of the underrepresented gender at management level will always be at least 40 %.
(Excerpt from the BANK of Greenland's policy for the underrepresented gender).

At the end of 2014 the distribution of managers is 47 % women and 53 % men. The BANK of Greenland employs managers on the premise that the best qualified person is always employed/appointed irrespective of gender.

Work environment, safety and health

A good and safe work environment and healthy daily surroundings mean that both employees and customers feel comfortable in the bank.

Therefore in 2013 The BANK of Greenland conducted a health campaign that among other things consisted of healthier food in the canteen, office yoga, massage offers during work hours and cash contributions to employees' sports activities. As from 2014 these offers were made permanent.

In 2014 The BANK of Greenland participated in the research project Take a Stand as the only enterprise in Greenland. More specifically employees in Nuuk and Sisimiut participated and tried to take measures against sedentary work habits and get up from our desks as much as possible. The purpose of the Take a Stand project was also to document the beneficial effect of workdays in upright positions. Therefore the employees who agreed to take part in the project have been measured and weighed on an ongoing basis and have had activity meters placed on their thighs. A great many of the bank's employees experienced an increase in activities during the project. Some employees also experienced weight loss or improvements of discomfort such as a mouse arm and pain in the lower back caused by office work.

The number of reported work-related injuries was 31 in 2010, 5 in 2011, 4 in 2012 and 9 in 2013. The high number in 2013 is primarily due to damage caused by mould in a branch - damage which was remedied

immediately, and there appears to be no permanent injuries among the employees. In 2014 only three injuries were reported. Recorded absence due to sickness is lower in 2014 (655) than in 2013 (719), which is partly due to a smaller number of notifications of absence due to long-term sickness in 2014. In comparison absence due to sickness was 603 days in 2012 and 1207 days in 2011. The goal still is to reduce the number of days lost through sickness to 500 days.

The bank most recently had an H&S risk assessment made in 2012. In the spring of 2015, a new H&S risk assessment will be made.

Environment and sustainability

On an ongoing basis we will map and monitor the consumption of resources and our most important environmental impacts and prepare action plans with targets for improvements. Systematic environmental activities must contribute to reducing costs and consumption of resources, to retain and attract employees, customers and investors and to increase the collaboration with public authorities and suppliers.
(Excerpt from The BANK of Greenland's environmental policy).

In 2024 The BANK of Greenland intensified the work of strengthening and extending the bank's environmental performance. In spring 2014 a general environmental policy was drawn up and adopted. The BANK of Greenland's attitude toward environmental responsibility is based on having joined the UN Global Compact and must be seen in relation with the rest of our CSR efforts.

The overall goal is to be constantly aware of sustainability and environmental considerations in our activities – both in a commercially and socially meaningful way. This we ensure by identifying and monitoring the most important environmental impacts, initiating procedures to limit the consumption of resources, involving the employees in the environmental efforts, sharing our knowledge and experience and focusing on giving customers and suppliers the best possibilities of acting in an environmentally responsible manner. The BANK of Greenland's environmental policy is available to the public at www.banken.gl.

The BANK of Greenland continuously strives to make it possible for customers to make sustainable investments. We do that for example via our environmental loan, Nutarsaaneq, where the customer can borrow up to DKK 300,000 on favorable terms after an ordinary credit assessment. The loan is to be spent on energy improvements such as replacement of an old oil burner, better insulation, replacement of doors and windows, new roof or investment in a solar cell system. In 2014 the environmental loan, Nutarsaaneq, was extended to also cover environmental improvements of commercial properties. In addition, we are engaged in developing yet another environmental loan targeted at purchase of large solar cell systems that, from a financing point of view, cannot be contained within the Nutarsaaneq loan with a ceiling of DKK

300,000. At the end of the year 2014 257 Nutarsaaneq loans had been established as compared to 189 in 2013. The bank's environmental car loan, Minguik, for the purchase of environmentally friendly cars of energy class A, is increasingly popular with a total of 82 loans established at the end of 2014 as compared to 31 in 2013.

The BANK of Greenland itself leads the way when it comes to the use of sustainable energy. In 2014 we installed solar cell systems on our buildings in Aasiaat, Maniitsoq and at the headquarters in Nuuk. We hope that the solar cell systems will be able to produce a considerable part of the electricity consumption in the bank's buildings in the three towns mentioned. In addition the banks buildings are energy optimized on an ongoing basis. In 2014 the renovation of our branch in Ilulissat was completed and in 2015 the branch in Qaqortoq will be the next building to be renovated.

The BANK of Greenland is a member of the environmental group Saligaatsoq - Avantangiiserik which was set up by CSR Greenland with the objective to coordinate environmental projects in Greenland across sectors and areas of specialization. Under the auspices of this umbrella organization The BANK of Greenland participates as one out of 7 businesses in a three-year cooperative effort on strategic environmental management. The project is entitled Clean Greenland - Green Companies and it is coordinated in a partnership between CSR Greenland and WWF (World Wildlife Fund). In addition to this The BANK of Greenland participated in the annual Saligaatsoq Cleaning Day. In 2014 the Cleaning Day was held for the first time in both Sisimiut and Ilulissat. This was in addition to Nuuk where the project has already run for a number of years. The bank also participates in a project group with the object of increasing the focus on the possibilities of saving resources in office environments in day-to-day operations. In 2014 the Saligaatsoq group was nominated for the Environmental Prize of the Nordic Council.

The BANK of Greenland's daily environmental organization consists of an environmental compliance coordinator/team leader and a team consisting of a broad range of employees taking a special interest in environmental management. The employee responsible for buildings and the employee responsible procurement are permanent members of the team as their fields of responsibility are focus areas for the environmental efforts. All the branches are represented in the environmental team which is in charge of the Clean Greenland - Green Companies project as well as planning and coordinating other environmental initiatives at the bank.

In 2014 the environmental team mapped the bank's overall environmental footprint and began to register and monitor the consumption of resources. This data, an assessment of the most important environmental impacts and possible actions and an action plan for specific 2015 reduction targets are parts of a detailed environmental performance report. Some initiatives already started in 2014, including installation of solar cell systems, printing and paper solutions and rearrangement of inventory and procurement control. The expectation is that the new printing solutions, the tighter procurement and inventory control and more environmentally friendly purchasing will result in reduced consumption of paper, office supplies, etc.

The BANK of Greenland endeavors to incorporate resource efficiency and circular thinking into the environmental efforts. An example of this is the replacement of PC screens at the headquarters in Nuuk in the spring of 2014. More than twenty second-hand but well-functioning PC screens were donated to the Ukaliusaq School which shared the donation with School of Samuel Kleinschmidt. This way the PC screens benefited the schools rather than unnecessarily impacting the waste incineration plant and the local

environment. Another example is the headquarters' daily donation of excess food from the canteen that is sent to the Shelter for Homeless People in Nuuk. The shelter has expressed much gratitude on behalf of this donation. Therefore the environmental team has recommended that reduction targets should not be set for the bank's consumption of food/food waste since the social value of the donation of excess food is more valuable than the potential environmental gain obtained by a reduction of the food waste.

The BANK of Greenland's total consumption of CO₂ was 334.29 tons in 2014. In 2013 CO₂-emissions were 145 tons as compared to 146.89 tons in 2012. In that connection it should be pointed out that this year's total CO₂-emissions deviate markedly from the reported data of previous years, as the bank in 2014 switched to an extended calculation model provided by WWF (World Wildlife Fund) in connection with the Clean Greenland - Clean Companies project. The new calculation model both includes energy (heating), transport and purchasing, and this is the model that will be used in future.

UN Global Compact-related matters

In March 2013 The BANK of Greenland was the second company in Greenland to join the UN Global Compact. As a member of the UN Global Compact we have committed ourselves to ten universal principles within the main areas: Human rights, labor rights, environment and anti-corruption.

Prior to joining the UN Global Compact The BANK of Greenland conducted a gap analysis; it concluded: *"... that it is important to add areas such as human rights, anti-corruption and responsible supplier management to the existing CSR policy and strategy. At the same time a procurement policy is needed with CSR-related demands of suppliers."* (Excerpt from the gap analysis, 2012).

In 2004 the following progress was made:

Human Rights:

- The bank's policy for the underrepresented gender was mentioned earlier in the report under the section "Employees". However this area is also relevant for the **gender distribution** among The BANK of Greenland's members of the Board of Directors elected by the general meeting. At the end of January 2015 the Board of Directors is constituted by 16.67 % women and 83.33 % men. It is the goal that the share of female board members elected by the general meeting will increase up to 33 % over the next four years.
- Initiatives have been taken to incorporate the **human rights principles** into supplier contracts in order to foster knowledge of and responsibility for the UN convention of human rights. In 2015 the bank will start a dialogue with the most important suppliers to initiate an update of the supplier conditions.
- The bank's website www.banken.gl was re-launched in February 2014 and provides the possibility of enlarging the text and thus making it more reader friendly for **the visually impaired**.
- Please also see the sections on "Social and voluntary involvement", "Financial Insight", "Customers" and "Employees".

Labor rights:

- A **policy on social media** has been prepared. Among other reasons the policy has been prepared to give our employees clear and well-defined rules to follow and it will be presented to the bank's Safety and Joint Consultation Committee in the spring of 2015.
- Once a year during the appraisal interviews employees will be asked about their need for language courses (Greenlandic, Danish and/or English).
- Please also see the sections on employees and on "Work environment, safety and health".

Environment:

- Please see the section on "Environment and sustainability".

Anti-corruption

- The BANK of Greenland has adopted a **policy on gifts** that lays down rules for the type of gifts employees may accept (and their value). The policy also provides guidelines for, for example, the way employees must deal with friendly requests where a service may be expected in return.
- In addition the bank has adopted an anti-corruption policy that e.g. stipulates zero tolerance in relation to conflicts of interest, bribery, extortion, fraud, embezzlement, abuse of gifts and nepotism.

As mentioned earlier all employees have received instructions on the new anti-corruption and gift policies, which are also available on the bank's intranet at all times. At the same time all the bank's employees have gone through cases and dilemma exercises that prepare us to act in accordance with the two new policies or consult a manager for any necessary advice.

In 2014 we adopted a more clearly described procedure for complaints filed by employees. This complaints procedure in particular concerns complaints about managers, mental bullying, discrimination, violence and harassment of any nature. The procedures ensure dignity at our workplace and have been published together with the most recent version of the staff's manual.

In addition to this, the bank is ready to introduce a **whistle-blower scheme** much like the ones used in Danish banks. Unfortunately legislation on personal data in Greenland does not provide the ground work for such a scheme. Therefore the bank awaits the work of legislators in Inatsisartut (The Greenland Parliament).

In 2015 it will be an objective to prepare a specific **human rights policy** in the bank. This policy is going to be implemented in the same way we implemented the anti-corruption and gift policies – that is with a thorough presentation and instructions to all employees of the bank.

3. Evaluation of the bank's CSR activities

The general objective of working with corporate social responsibility is to contribute to sustainable growth in society. As The BANK for All of Greenland, it is important to contribute with our working hours and core skills to make a positive difference where this is possible.

So far the bank's CSR activities have resulted in very specific output such as the environmental loan products (Nutarsaaneq and Minguik), a study trip savings account and for example new services for teaching and contact (Qassit.gl and a contact app and video meetings). Our presence on the coast of Greenland outside the established network of branches has become more frequent, and throughout the years our points of contact have been extended. We have a corps of helping hands ready to do volunteer work for organizations and projects, and correspondingly we have a corps of advisors who focus their efforts on teaching fellow citizens' personal finance.

Internally at the bank CSR activities have led to new ways of thinking service. We work in accordance with new policies, concepts and we have an increasingly clearer and better described framework for our work. At the same time we experience strengthened team work and room for employees' initiatives and ideas which increases the loyalty and commitment. We attach importance to feeling safe and healthy at work, and we focus on continuously developing our skills and competences. Last but not least, we expect to be able to do good for the environment and save money on the energy bill on the basis of e.g. energy renovations and installation of solar cell systems.

The bank's ambitions will continue to be high in 2015.

4. Table of objectives and results 2011-2015

Below are the results for 2011, 2012, 2013 and 2014 as well as the objectives for the year 2015.

			2011 Result	2012 Result	2013 Result	2014 Objective	2014 Result	2015 Objective
Social and voluntary commitment								
	CSR Greenland	hours	59 %	36.9 %	120.1 %	100	31	50
	CSR - branches	hours	8 %	8.5 %	26.7 %	90	36	85
	CSR - volunteer work for organizations and projects	hours	9 %	2.4 %	57.4 %	90	304	Reg.code is left out
	CSR - Social and voluntary commitment		-	-	-	-	-	250
	CSR - Major events	hours	91 %	3.4 %	217.0 %	150	127	Reg.code is left out
	CSR - Arctic Winter Games 2016		-	-	-	-	-	400
	CSR - Hosting	hours	25 %	51.4 %	0 %	100	28	Reg.code is left out
	Miscellaneous CSR	hours	36 %	63.7 %	104.2 %	438	700	100
	Mentor scheme	hours	34 %	19.3 %	25.0 %	100	Closed down	Closed down
	CSR - Availability	hours	-	-	-	-	-	150
	CSR - Understanding finance	hours	-	-	-	-	-	100
	Total hours		28 %	24.0 %	66.9 %	1068	1226	1135
Available consultancy services and loan finance								
	Aasiaat	Appaaraq	established	100 %	Opened	Completed	Opened at permanent address	n/a
	Tasiilaq	2 annual visits	no. established	100 %	1	2	2	2
Understanding finance								
	Teaching - school visits		More school visits	OK	OK	Continuation of the visits concept	Updated and implemented	Continuation of the visits concept
	Teaching - money game		Project initiated	Not completed	Initiated	Finished August	Completed	Completed
	Entrepreneur consultancy services	hours		142	123	125	127	125
Dialog with stakeholders								
Customers	Is a socially responsible company	index	73	76	77.5	77.5	75.5	75.5
		index	71.5	68.5	70	71.5	74.5	74.5
		no.	19	16	19	n/a	26	n/a
Employees	Professional and personal development	index	73.67	73.3	71	71/78	72/74	72/74
	Employee satisfaction	index	77	79	79	79	79	79
Work environment and safety								
	Absence due to sickness	days	1207	602.85	719	500	655	500
	H&S	n/a	n/a	Completed	n/a	n/a	n/a	To be made in 2015
	Reported work-related injuries	no.	5	4	0 (9)	0	3	0
Climate/environment								
	Energy consumption in the bank before 2014	n/a	n/a	146.89 t. CO2	145 t CO2	140 t CO2	-	-
	Energy consumption in the bank from 2014-2016	number	-	-	-	-	334.29 t CO2 339 (257/82)	5 % reduction of the CO2 consumption in 2014
	Number of environmental loans	number	68	138	189 / 31	300		400

We welcome feedback

Do you have any questions or comments on this report?
We welcome feedback on our CSR activities.

Contact us at csr@banken.gl or:

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