

**3BANK AD NOVI SAD SERBIA**

# GRI Report 2021

**Reporting period:** 1.1. – 31.12.2021

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## **GRI 2: General Disclosures 2021**

### Disclosure 2-1 Organizational details

- a. Legal name: 3Bank JSC Novi Sad
- b. Ownership and legal form: 3Bank is a bank incorporated as a Joint Stock Company with the following ownership structure:

• UMWELTBANK AKTIENGESELLSCHAFT	30.00 %
• OTI-OPPORT.TRANSFORM.INV	19.99 %
• GLS GEMEINSCHAFTSBANK E.G.	19.99 %
• LEGAL OWNER TRIODOS FUNDS BV	14.00 %
• TRIODOS SICAV	14.00 %
• Vladimir Vukotic	1.06%
• Novak Rakocevic	0.56%
• Zorica Sedlar	0.25%
• Rajko Maljkovic	0.15%

- c. Location of headquarters:

Bulevar Oslobođenja 2a

21000 Novi Sad

Republic of Serbia

- d. Locations of operations:

Republic of Serbia:

1. Aleksinac	14. Novi Sad	27. Subotica
2. Bačka Palanka	15. Novi Pazar	28. Topola
3. Čačak	16. Obrenovac	29. Užice
4. Ivanjica	17. Pančevo	30. Valjevo
5. Jagodina	18. Pirot	31. Velika Plana
6. Kikinda	29. Požarevac	32. Vranje
7. Kragujevac	20. Prijepolje	33. Zaječar
8. Kraljevo	21. Prokuplje	34. Zrenjanin
9. Kruševac	22. Šabac	
10. Leskovac	23. Smederevo	
11. Loznica	24. Sombor	
12. Niš	25. Sremska Mitrovica	
13. Novi Beograd	26. Stara Pazova	

## Disclosure 2 – 2 Entities included in the organization’s sustainability reporting

- a. There are no entities included in the organization’s sustainability reporting or equivalent documents

## Disclosure 2-3 Reporting period, frequency and contact point

- a. Reporting period: 01.01.2021. – 31.12.2021, annual reporting cycle  
 b. Reporting period: 01.01.2021. – 31.12.2021. is reporting period of financial reports  
 c. Report is issued in May 2022 for reporting period from 01.01.2021. until 31.12.2021.  
 d. Contact point: Tatjana Laketa, Communication department director  
 email: tlaketa@3bank.rs tel: +381628025277

## Disclosure 2 - 5 External assurance

Bank has no specific policy and practice with regard to seeking external assurance for GRI report

## Disclosure 2 – 6 Activities, Value chain and other business relationships

- a. report the sector(s) in which it is active: 3Bank is active in a financial sector.  
 b. describe its value chain, including:

- i. *the organization’s activities, products, services, and markets served*

3Bank provides loans and other financial services to entrepreneurs, micro and small enterprises, rural households and agricultural holdings in the Republic of Serbia, as well as others clients who have difficulty accessing financial services. 3Bank activities gain a prominent role in financial inclusion. Our products are designed to start or developing business or agricultural production, creating new and maintaining existing jobs, and ultimately providing a better life for our clients and their families, and we are especially committed development of local communities in smaller rural areas away from cities, where financial services they are not easily accessible, and they are very necessary. The strategic mission of 3Bank is to provide financial services to all those who make a positive economic, social and environmental impact, with special focus on clients who have difficulty in accessing such services. The concept of sustainable banking is based on the principle of achieving growth and profit, but with the achievement of social goals as well as environmental concerns. We have included these principles in our strategic goals. Not we just want to make a profit, but in addition to making a profit, we also have a positive impact on people, the community in which we also do the environment. 3 The Bank implements its activities in a way that keeps all three goals in balance and

achieving one goal must not jeopardize the other two. 3Bank will continue to be most relevant institution in the field of financial inclusion in Serbia, with the ultimate goal of creating universal access to finance for all those economically active before 2027. As of December 2021, according to the Credit Bureau data, 3Bank holds 47.6% market share in farm lending and 28.5% in lending to entrepreneurs, in terms of number of loans disbursed.

Scale of the organization

Net income = 15.95 M€ (2020)

Total capitalization broken down in terms of debt and equity on 31.12.2021:

- Total capitalization = 68.33 M€
- Debt = 32.16 M€
- Equity = 36.17 M€
- Number of loans disbursed during 2021 = 40.208

Geographic locations where products and services are offered; Republic of Serbia

<ul style="list-style-type: none"> <li>• Region Novi Sad</li> <li>• Region Kragujevac</li> <li>• Region Beograd</li> <li>• Region Čačak</li> <li>• Region Užice</li> </ul>	<ul style="list-style-type: none"> <li>• Region Niš</li> <li>• Region Subotica</li> <li>• Region Krusevac</li> <li>• Region Valjevo</li> </ul>
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ii. Supply chain

Bank has agreements with total of 17 main suppliers.

- 7 Providers of ITC application and IS services, including 3 sub providers
- 1 Provider of Staff salaries service
- 3 Provider of security and IT security services
- 1 Provider for Physical archiving
- 2 Printing and hybrid mail providers
- 1 AML and SWIFT provider
- 1 Other services providers - Audit and consulting
- 1 Architectural and maintenance supplier
- 1 Electric power supplier

Local utility and water services are used for branch network.

2-7 Employees

a. and b. Total number of employees (breakdown by gender, region, and type of employment)

	Permanent employees		Temporary employees	
	Male	Female	Male	Female

Novi Sad region	60	87	12	33
Subotica region	9	5	3	10
Belgrade region	13	8	5	12
Nis region	13	18	9	10
Kragujevac region	14	16	11	11
Krusevac region	16	8	9	11
Valjevo region	22	16	8	9
Uzice region	13	3	6	6
Cacak region	7	3	4	3
Sum	167	164	67	105

c. Describe the methodologies and assumptions used to compile data, including whether the numbers are reported

- I. Methodologies used to compile data are based on employee contracts (which are in accordance and prescribed by Labor Law of Republic Serbia) .

e. There were no significant fluctuations in the number of employees between the reporting period

Significant changes to the organization and its supply chain

There were no significant changes in the bank supply chain during 2021.

a. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries).

No significant variations identified.

## 2-22 Statement on sustainable development strategy

Vladimir Vukotic, CEO: "In 2021, 3 Bank changed its name and visual identity. Now, our primary color is green, and we have a new logo. With its simple geometric shapes and intertwined lines, our new logo represents a tree with three branches - the three goals of the bank. The new brand is associated with a commitment to sustainability and environmental protection. One of our most important plans for the following period is development of a green product, supported by our shareholders, who are strong European green banks".

## 2-23 Policy commitments

Compliance Policy approved by the Board of Director describes the following compliance standards: Mutual respect and Non-Discriminatory Policy; Zero tolerance for any form of bribery and corruptions; All employees shall avoid conflict of interest; Equitable and fair treatment of customers; Responsible business conduct

etc... Compliance Policy also contains Bank's core values: People first; Sustainability; Transparency; Inclusiveness; Innovation.

Additionally, in accordance with the Labor Rulebook approved by Executive Board all employees shall act professionally toward clients and colleagues and should never abuse their position in Bank. Compliance Department performs regular annual trainings for all Bank's employees including the Executive Board members, regarding the compliance topics and standards. All employees shall sign the appendix 2 to the Labor Agreement "Code of conduct and confidentiality of information". All 3Bank partners in accordance with their agreements concluded with Bank are obliged to apply compliance standards. In accordance with the Compliance Policy, ultimate responsibility for the application of the Bank Code of Ethics lies with the Executive Board. Compliance Policy is available in Serbian and English language. Labor Rulebook is available only in Serbian language.

## 2-28 Membership associations

1. GABV, International
2. MFC (The Microfinance Centre), International
3. Association of Serbian Banks, Serbia
4. Chamber of Commerce of Serbia, Serbia
5. Chamber of Commerce of Vojvodina, Serbia

## **GRI 3: Material Topics 2021**

The main purpose of the SDG performance management is to ensure that the Bank is making progress in achieving its SDG goals that have been clearly set in Strategic Plan. The mission has changed from previous reporting period and in change process included wider aspects of SDG goals and TBL (triple bottom line) impact to society.

### **3Bank MISSION**

**The Mission of 3Bank** is to provide financial services to all those who make a positive economic, social and environmental impact, with special focus on clients who have difficulty in accessing such services.

The SDGs are a universal set of targets and indicators designed to help to end poverty, protect the planet and ensure prosperity for all as part of a new global sustainable development plan. In order to support reaching of the Sustainable Development Goals the Bank is focusing the activities and impact on the following five SDG goals of 1. No Poverty, 2. Zero Hunger, 8. Decent work and economic development, 12. Responsible consumption and production and 13. Climate action.

### **Goal 1. No Poverty**

Bank will make a meaningful difference through maintaining the share of rural clients, underbanked clients, Low Income clients, Temporary employed clients (My first loan) and clients in total OBS portfolio and increasing the number of loans disbursed to these groups year on year.

### **Goal 2. Zero Hunger**

Bank finances agro households and agriculture production thus helping the food market diversification and food availability. Bank will make a meaningful difference through maintaining the share of agro loan clients

in total OBS portfolio (number of clients) by increasing the number of loans disbursed to clients in agro portfolio year on year.

### Goal 8. Decent work and economic development

Bank is financing startup entrepreneurs, micro SME and agro households which, together with regular loans also leads to clients growth. Bank will make a meaningful difference through increasing the number of jobs, by maintaining the share of business loan clients in total OBS portfolio and by increasing the number of loans disbursed to micro SME and entrepreneur clients year on year.

### Goal 12. Responsible consumption and production

Bank has adopted principles of reduction of internal impact on the environment, reduction of energy consumption (and using green electric energy), paper, waste and reduction of CO2 footprint. Bank will make a meaningful difference through reduction of the climate impact of our operations intensity measured in tCO2e per year/FTE.

### Goal 13. Climate action

Bank integrates environmental concerns, with social, cultural and economic considerations. We consider environmental aspects in lending process. Bank uses Exclusion list of activities, measures portfolio impact by PCAF standard as well as GABV score and reports in line with GRI principles. Bank is one of the signatory of the GABV 3C Carbon initiative. Bank will make a meaningful difference through the development of the Green loan products and green portfolio during 2022.

#### 302-1\_Energy consumption within the organization

- a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.  
Petrol and Diesel and Gas = 2135,506 GJ
- b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.  
None
- c. In KWh, the total:
  - i. electricity consumption  
**a. 1140 MWh**
  - ii. heating consumption  
**a. 570 MWh**
- e. Total energy consumption within the organization, in joules or multiples= 8291,5 GJ annually
- g. Source of the conversion factors used.

[https://www.rapidtables.com/convert/energy/kWh\\_to\\_Joule.html](https://www.rapidtables.com/convert/energy/kWh_to_Joule.html)

<https://deepresource.wordpress.com/2012/04/23/energy-related-conversion-factors/>

#### 303-2\_Management of water discharge-related impacts

Bank has no specific standards set for the quality of effluent discharge. Bank uses local municipality effluent receiving network. Organization produces common water discharge from water sinks, kitchens and toilets.

#### 303-3\_Water withdrawal

- a. Total water withdrawal from all areas is 1,716 megaliters per year 100% from third-party water.
- c. A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories:

- i. Freshwater ( $\leq 1,000$  mg/L Total Dissolved Solids); **1,716 megaliters per year**
- ii. Other water ( $> 1,000$  mg/L Total Dissolved Solids). **None**

The data have been compiled based on the municipal utility service invoices for 2021.

### 303-5\_Water consumption

Bank total annual consumption is 143 m<sup>3</sup> per month or 1,716 megalitres per year. Bank measures water consumption via water bills from local utilities providers.

City	Average consumption [m <sup>3</sup> ]
Aleksinac	3
Bačka Palanka	4
Beograd	5
Čačak	9
Ivanjica	2
Jagodina	3
Kikinda	1
Kragujevac	6
Kraljevo	7
Kruševac	8
Leskovac	5
Loznica	1
Niš	11
Novi Sad	12
Obrenovac	5
Pančevo	5
Pirot	5
Požarevac	5
Prijepolje	4
Šabac	3
Sombor	2
Sremska Mitrovica	3
Stara Pazova	4
Subotica	2
Topola	2
Užice	6
Valjevo	5
Velika Plana	2

Vranje	3
Zaječar	3
Zrenjanin	5
Novi Pazar	1
Prokuplje	1

#### 304-1\_Operational sites near high biodiversity value

Banks branches and business units are located in populated areas out of the sites with high biodiversity value.

#### 304-2\_Significant impacts on biodiversity

There is no significant direct and indirect impacts on biodiversity of the banks operations.

#### 304-4\_IUCN Red List species and national conservation list species

Banks operations do not have impact on IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization.

#### 305-1\_Direct (Scope 1) GHG emissions

a. Gross direct (Scope 1) GHG emissions in metric tons of CO<sub>2</sub> equivalent = **1083,50 tCO<sub>2</sub>e**

b. Gases included in the calculation; **CO<sub>2</sub>**

c. Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> equivalent. **None**

#### 305-4\_GHG emissions intensity

a. GHG emissions intensity ratio for the organization.

GHG emissions intensity = **2,43 tCO<sub>2</sub>e per FTE**

b. Organization-specific metric (the denominator) chosen to calculate the ratio.

**FTE – Full time equivalent**

c. Types of GHG emissions included in the intensity ratio: **direct (Scope 1),**

d. Gases included in the calculation: CO<sub>2</sub>

#### 305-6\_Emissions of ozone-depleting substances (ODS)

Bank does not produce, imports or exports of ozone depleting substances.

#### 306-2\_Waste by type and disposal method

Regarding waste and disposal bank provides the following information:

**Total weight of hazardous waste, with a breakdown by the following disposal methods where applicable:**

- i. Reuse =0 t
- ii. Recycling =0,969t electrical waste including laptops, computer screens, PC, printers, scanners
- iii. Composting =0 t



- iv. Recovery, including energy recovery =0 t
- v. Incineration (mass burn) =0 t
- vi. Landfill =0t
- vii. On-site storage = large home appliances 69kg, air conditioning 52 kg, pc equipment 468 kg, monitors 49kg, illuminated advertising signs 331kg.
- viii. Other =0t

**Total weight of non-hazardous waste, with a breakdown by the following disposal methods where applicable:**

- i. Reuse =0 t
- ii. Recycling = 1,3t
- iii. Composting =0 t
- iv. Recovery, including energy recovery =0t
- v. Incineration (mass burn) =0t
- vi. Landfill = 0,2 t non hazard waste (office material, furniture etc)
- vii. On-site storage = 1,5 t (office material)
- viii. Other =0 t

**How the waste disposal method has been determined:**

Disposal methods are determined in accordance with the Law on Waste Management and bylaws in this area (Regulations, regulations), the 3 Bank's Waste Management Plan, which accompanies the document on the movement of waste depending on its category (hazardous / non-hazardous). At the beginning of each year, and no later than March 31, the annual report on the waste of the waste producer for the previous calendar year is submitted on the GIO1 form. Form GIO 1 is filled in through the information system - NRIZ and additionally submitted to the Agency on the forms that are printed from the information system NRIZ.

306-3\_Significant spills

No significant spills were recorded in the observed period.

306-4\_Transport of hazardous waste

a. Total weight for each of the following:

- i. Hazardous waste transported = = 0,969t electrical waste, 0.006t fluorescent tubes
- iv. Hazardous waste treated 0,969t

b. Percentage of hazardous waste shipped internationally = **0**

c. Standards, methodologies, and assumptions used.

- Law on Waste Management;
- Waste Management Plan - 3Bank;
- Waste catalog - Instructions for determining the index number;
- Regulation on products that after use become special waste streams;
- Rulebook on the form of Daily Records and Annual Waste Report;

306-5\_Water bodies affected by water discharges and/or runoff

No water bodies and related habitats were significantly affected by water discharges and/or runoff.

307-1\_Non-compliance with environmental laws and regulations



PROUD MEMBER

There were no significant fines, non-monetary sanctions or cases brought through dispute resolution mechanisms.

308-1\_New suppliers that were screened using environmental criteria

Bank did not perform the screening of the new suppliers using the environmental criteria.

Date: 31.5.2022.

In Novi Sad