



National Bank of Serbia

# SOCIAL RESPONSIBILITY



2020



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# FOREWORD BY THE GOVERNOR



Last year was difficult for all of us. We faced a health, and then a global economic crisis – the toughest challenge after the Second World War. More than ever before, the situation required us to show our best human and professional qualities.

The speed and responsibility with which the National Bank of Serbia responded were proportionate to the strength and commitment of the team respecting the values and acknowledging the significance of the institution they work in.

At the outbreak of the coronavirus pandemic in our country, we were proactive and managed to calm down the financial market, corporates, and citizens. The National Bank of Serbia was one of the first central banks that responded efficiently, timely and adequately, and thus prevented the collapse of business and consumer confidence.

Acting timely, we fully support the President and the Government of Serbia in the efforts to mitigate the economic impact of the coronavirus pandemic, in order to preserve jobs and production capacities. We maintained inflation at a low and stable level, preserving the real value of wages. The dinar remained relatively stable against the euro, providing corporates and citizens with the certainty necessary for business and planning. Dinar savings preserved the double-digit growth and reached the highest levels to date. NPLs were further cut. Despite the pandemic, we continued developing innovations to provide our citizens and corporates with even higher quality financial services.

Last year we adopted many measures ensuring efficient functioning of the money market, supporting liquidity, providing more favourable financing conditions, preserving lending, and supporting the domestic real sector.

We undertook a series of regulatory activities in the banking sector aimed at supporting corporates and households in Serbia. We were one of the first central banks in Europe to adopt regulations enabling a moratorium for bank and financial lease debtors. Also, owing to the moratorium, insurance undertakings enabled their customers to postpone the payment of due instalments of insurance premium. We continued raising the general level of financial consumer protection by conducting procedures under individual complaints and collective rights.

Innovations contributed to our country keeping up with the most up-to-date global trends. At the same time, we were taking care of our citizens' health. At the end of last year the Law on Digital Assets was adopted, and the National Bank of Serbia took an active part in its drafting. For the first time in our country, with this Law, trading and issue of virtual currencies and digital tokens are regulated comprehensively and in line with international standards in the anti-money laundering and terrorism financing field.

Last year, the National Bank of Serbia also enabled the establishment and verification of the identity of entrepreneurs and legal persons'

representatives by using a video link in real time. This created conditions for an entirely online business relationship between legal persons, entrepreneurs, and financial institutions under the supervision of the National Bank of Serbia without the need for going to the business premises of a financial institution, which is particularly important in the conditions of the pandemic.

In cooperation with banks, we enabled instant payments at points of sale and online shops. In 2020 our instant payments system recorded around 25,000,000 transactions, which is around three and a half times more than in 2019.

Many activities were also undertaken in the payment services field, aimed at facilitating daily payments and use of money in accounts of our citizens amid the pandemic.

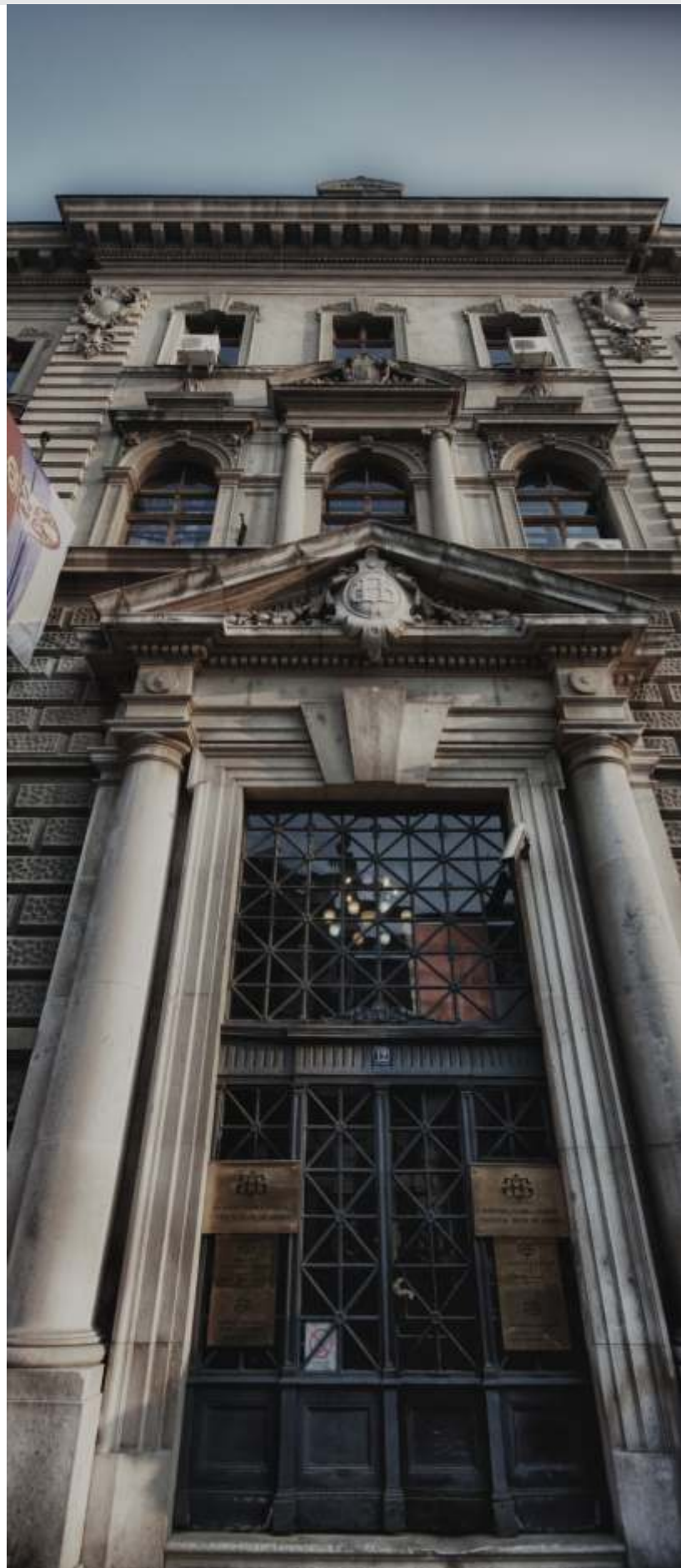
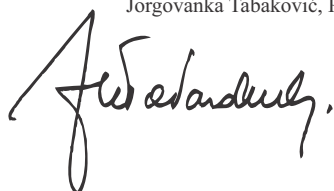
Owing to the preserved price, financial and overall macroeconomic stability – the perception of Serbia as an investment destination remained favourable. The fourth and fifth (last) reviews of Serbia's economic programme supported by the Policy Coordination Instrument with the International Monetary Fund were successfully completed.

We informed the public about all the activities in a timely manner through the media and the new National Bank of Serbia website, designed to enable corporates and citizens a faster and simpler insight into all activities. Communication with citizens through social networks was also improved.

As the National Bank of Serbia is one of the founders and an active member of the United Nations Global Compact in Serbia, this Report is designed to fully uphold the Global Compact Ten Principles, which pertain to the protection of human and labour rights, environment and fight against corruption.

We are not changing our objectives and we keep working in the same direction – by preserving stability to the benefit of our citizens and corporates. We remain a reliable partner to the government in its efforts to ensure investment growth, certain and stimulating business conditions, a continued rise in living standards and overall progress of our country.

Jorgovanka Tabaković, PhD



# ABOUT THE NATIONAL BANK OF SERBIA

## *Objectives and functions*

The National Bank of Serbia (NBS) is an independent and autonomous institution that enjoys great confidence amongst citizens. Besides its primary objective to achieve and maintain price stability, the NBS contributes to maintaining and strengthening the stability of the financial system. It is accountable to the National Assembly of the Republic of Serbia.

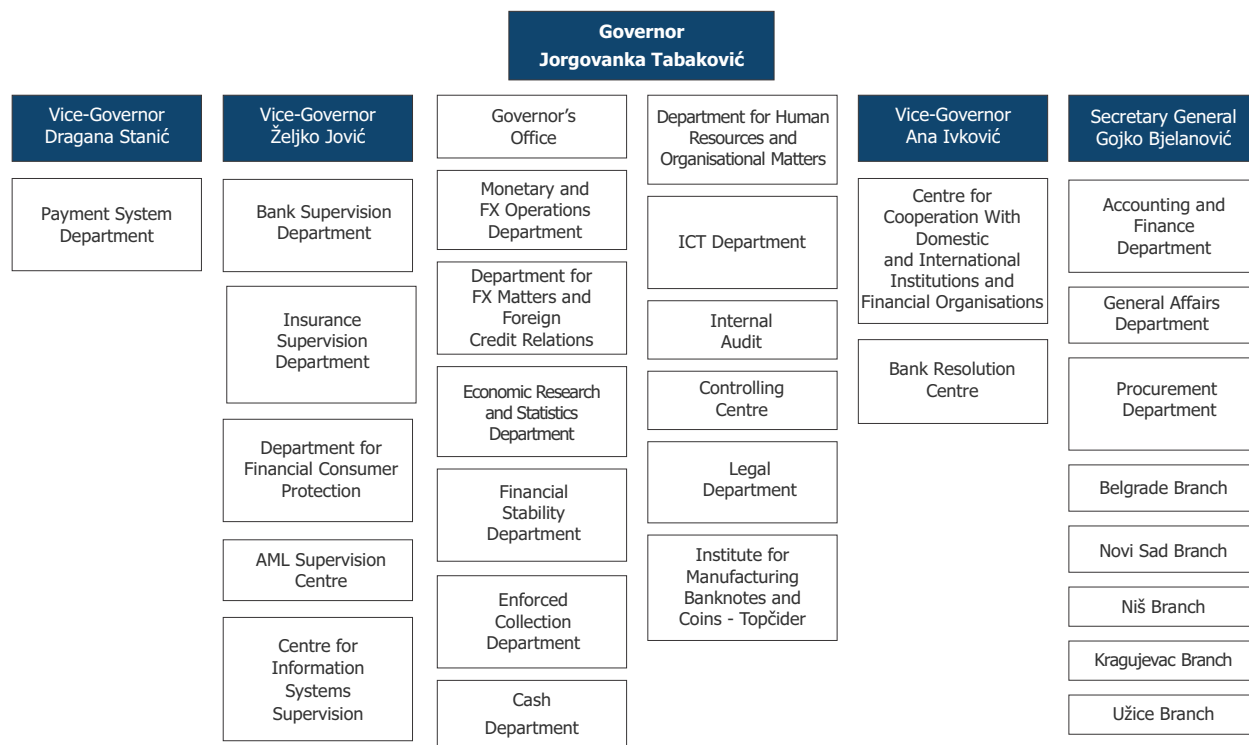
The position, organisation, mandate and functions of the NBS, as well as its relations with the authorities of the Republic of Serbia and international organisations and institutions, are governed by the Constitution of the Republic of Serbia and the Law on the National Bank of Serbia.

Tasks of the NBS are to:

- determine and implement monetary and foreign exchange policies;
- manage foreign exchange reserves;
- determine and implement, within its scope of authority, the activities and measures aimed at maintaining and strengthening the stability of the financial system;
- issue banknotes and coins and manage cash circulation;
- regulate, oversee and promote smooth performance of domestic and cross-border payment transactions, in accordance with law;
- issue and revoke banks' operating licences, carry out prudential supervision of bank operations and perform other activities, in accordance with the law governing banks;
- issue and revoke insurance licences, supervise the insurance business, issue and revoke licences to perform specific insurance activities, and perform other activities, in accordance with the law governing insurance;
- issue and revoke financial leasing licences, supervise the performance of financial leasing operations and perform other activities, in accordance with the law governing financial leasing;
- issue and revoke operating licences of voluntary pension fund management companies, issue and revoke fund management licences, supervise this activity and perform other activities, in accordance with the law governing voluntary pension funds;
- issue and revoke payment service provision licences of payment institutions and electronic money issuance licences of electronic money institutions, supervise the provision of payment services and electronic money issuance, and perform other activities, in accordance with the law governing payment services;
- pursue activities relating to the protection of the rights and interests of consumers of services provided by banks, insurance undertakings, financial leasing providers, voluntary pension fund management companies, payment service providers and electronic money issuers, in accordance with law;
- ascertain the fulfilment of conditions for the initiation of procedures for the resolution of banks and/or banking group members, and implement these procedures; decide on instruments and measures to be taken in the resolution process, and perform other activities relating to bank resolution, in accordance with the law governing banks;
- issue and revoke operating licences of payment system operators, supervise their operation and perform other activities, in accordance with the law governing payment services;
- issue and revoke authorisations to perform exchange operations, supervise foreign exchange and exchange operations and perform other activities in accordance with the law governing foreign exchange operations;
- perform statutory or contractual activities for the Republic of Serbia, without prejudice to the autonomy and independence referred to in Article 2 of the Law on the National Bank of Serbia;
- perform other activities under its remit, in accordance with law.

Bodies of the NBS are the Executive Board, Governor, and the Council of the Governor.

The Executive Board includes the Governor and Vice-Governors. The Executive Board, among other things, determines monetary and foreign exchange policies and activities aimed at maintaining and strengthening financial stability. It also sets the key policy rate and other interest rates applied by the NBS in the conduct of monetary policy and the rate setting methods. The Executive Board issues regulations and other general acts in the area of supervision of financial institutions, in accordance with the relevant laws, in the area of protection of rights and interests of financial service



consumers, and in the field of issuing and revoking authorisations to perform exchange operations and supervision of exchange and foreign exchange operations. It also adopts regulations and other general and individual acts in the field of bank resolution in accordance with the law governing banks. Executive Board meetings are held as often as deemed necessary, but no less than once a month. Meetings are chaired by the Governor.

The NBS is managed by the Governor, who represents and acts on behalf of the NBS. The Governor is appointed by the National Assembly on proposal of the President of the Republic of Serbia. The Governor is appointed for a six-year renewable term of office. The Governor manages the operations of the NBS and organises its work, implements decisions of the Executive Board and the Council of the Governor, enacts regulations, general and individual acts under the remit of the NBS, which do not belong under the remit of the Executive Board and the Council according to law, and performs other duties.

The Council of the Governor consists of five members, including the President, appointed by the National Assembly on proposal of the National Assembly's Finance Committee.

Members of the Council are appointed for a five-year renewable term of office. The meetings of the Council of the Governor are held as often as deemed necessary, but not less than once every two months. Among other things, on proposal of the Executive Board, the Council of the Governor issues the Statute and the financial plan, and adopts NBS annual financial statements.

The NBS is a legal entity headquartered in Belgrade. It may set up branch offices without the status of a legal entity, whose internal organisation, scope of operation and responsibilities are defined by the NBS Statute.

The NBS also includes a specialised organisation, the Institute for Manufacturing Banknotes and Coins - Topčider, whose duties and responsibilities are regulated by the Law on the National Bank of Serbia and the NBS Statute.

## Code of Ethics

Last year we also kept improving ethical and professional standards of employee conduct and the NBS intensified the pertaining activities.

Pursuant to the Law on the Anti-Corruption Agency (in force until 1 September 2020) and the Law on Prevention of Corruption (in force since 1 September 2020) and the provisions of accompanying secondary legislation, the NBS and its officials regularly met their obligations in the previous period. All NBS officials timely receive notifications regarding their obligations arising from the said laws and regulations (regular and extraordinary declaration of assets to the Agency etc.).

The NBS continued meeting its obligations regarding the preparation of the Integrity Plan in accordance with the Guidelines for the Development and Implementation of the Integrity Plan. In 2020, the third cycle of Plan development was completed with the Governor issuing the decision on adoption of the NBS Integrity Plan. At the same time, the working group assigned with the preparation of this document was wound down. The NBS Integrity Plan, which sets forth the measures for improved management of a potential risk of corruption, was electronically submitted to the Anti-Corruption Agency.

In 2020, the NBS issued nine papers with the opinion on whether the work that an employee would perform outside working hours created a potential conflict of interest or jeopardised impartial performance of work duties. These papers were issued to employees whose work outside working hours entailed actuarial calculation of provisions for retirement pay and jubilee reward for staff, consulting services regarding the development of loyalty scheme for merchants and corresponding digital application, activities in the Association of Internal Auditors, a higher educational institution and local self-government unit. All these examples of work were assessed as not influencing the impartial performance of duties of employees in the NBS. One gift to a staff member was reported which was assessed as not appropriate and not protocol-related, and was returned to the donor.

## Public relations

### External communication

In 2020, the wider public was informed about NBS operations and activities in a responsible, consistent and timely fashion through intensive cooperation with the media, publication of information on the NBS official website and its subdomains, as well as through communication in the social media, despite the coronavirus pandemic and containment measures.

A total of 131 press releases were published and 404 answers provided to journalists' queries in 2020. As many as 69 statements and 14 interviews were given for both the print and electronic media. Also, 54 television and radio appearances were made by the Governor, Vice-Governors and other members of NBS staff.





An overview of press releases and answers to journalists' queries in 2020:

Press releases	Answers to journalists' queries	Statements	Interviews	Appearances in electronic media	Press conferences
131	404	69	14	54	2

Due to the coronavirus pandemic and government measures and recommendations aimed at curbing the spread of COVID-19, only one of the planned four Inflation Report public presentations was organised. The remaining three Inflation Reports were presented through press releases and publication on the NBS website. One extraordinary Governor's press conference was also held, as well as the video shooting of the start of the plenary meeting with the IMF mission during their visit to Serbia.

A trend that marked 2020 and is attributable to the consequences of the coronavirus pandemic is citizens' increasing use of social networks to obtain information. Hence, NBS Twitter and Facebook accounts were even

more important for timely information dissemination. On its official Twitter account, which provides the option to follow central bank activities of interest to the media and the professional community (key policy rate movements, Inflation Report, foreign exchange reserves etc...), the NBS published 2,162 tweets and registered 2,186 followers. The NBS published 650 posts and had 2,011 likes and 2,139 followers on its Facebook page, opened to provide information about financial education, social responsibility, activities of the Visitor Centre and activities at the NBS exhibition hall in Slavija.



## NBS website and publications

The purpose of the official NBS website is to inform, educate and assist citizens in the protection of their personal and pursuit of their professional interests, since it contains reports and documents with relevant information on the NBS operations.

Via its website, the NBS informed the public about the instruments and measures it took to preserve and strengthen financial stability, as well as about the instruments and measures of monetary and foreign exchange policies. With its regular publications, statistical analyses and press releases, the NBS presented its activities in the field of supervision of financial institutions, payment service providers and electronic money institutions.

During 2020, the NBS published on its website its Annual Report on Activities and Results, Annual Financial Stability Report, Annual Monetary Policy Report and Semi-Annual Monetary Policy Report.

Publications include monthly issues of the Statistical Bulletin, quarterly reports on the banking sector, financial leasing supervision, supervision of the insurance sector and voluntary pension funds sector, and activities in the field of financial consumer protection. Quarterly publications included the Report on Dinarisation of the Financial System and the Inflation Report. Inflation Report presentations, other than the February Report, which was livestreamed on the NBS website, did not take

place in presence of the public. Instead, press releases about the Report were issued.

Available to the public are also the quarterly reports: Trends in Lending, Counterfeit Currency Report, Report on the Results of the Bank Lending Survey; monthly Report on Inflation Expectations; and annual Payment System Oversight Report.

To ensure a better contact with customers, on 25 September the NBS launched its new website, modernising its way of communication with the public and enabling easy and fast view of all pages and contents regardless of the access device used.

Through its subdomains Tvoj novac - [www.tvojnovac.nbs.rs](http://www.tvojnovac.nbs.rs) and Visitor Centre - [www.centarzaposetoce.nbs.rs](http://www.centarzaposetoce.nbs.rs), the NBS informed the public about its activities in the field of financial consumer protection and education, exhibitions and cultural events, as well as educational programmes for pupils and students.

Information about the domestic payment card DinaCard and data on the DinaCard system are available to the public at: [www.dinacard.nbs.rs](http://www.dinacard.nbs.rs).

All printed and electronic materials made for the public are available in both Serbian and English.

On its YouTube channel (NBS videos), the NBS publishes recordings of press-conferences presenting the

Publications	Circulation - Serbian	Circulation - English
Annual Report on Activities and Results of the National Bank of Serbia	100	60
Annual Monetary Policy Report	80	60
Semi-Annual Monetary Policy Report	80	60
Inflation Report	80	60
Annual Financial Stability Report	80	80

Inflation Report and the Annual Financial Stability Report, speeches of Governor Jorgovanka Tabaković at online conferences, including recordings about the history of the Bank, financial education and money and other relevant materials.



## NBS presents monetary part of "Belgrade Hero" award to Clinical Centre

In accordance with the decision of NBS Governor Jorgovanka Tabaković, the NBS has presented the monetary part of the "Belgrade Hero" award worth RSD 500,000 to the Clinical Centre of Serbia. The award was granted by the City of Belgrade in recognition of the NBS's exemplary functioning during the coronavirus pandemic and hence its crucial contribution to maintaining financial stability in Serbia.

"In the challenging circumstances that have befallen the entire world due to the coronavirus pandemic, the heroes are all those who do their work with commitment, without being reminded of or called to duty. Still, particular gratitude, respect and support must be acknowledged to those who are the most exposed and most devoted in the struggle against the virus, i.e. our doctors and all healthcare professionals. They are our true heroes. They are the cornerstone and the first line of defense in the fight against this unpredictable global calamity. This is why I have decided that the monetary part of the "Belgrade Hero" award – which the NBS received from the City of Belgrade in acknowledgment of its special contribution in the struggle against the coronavirus through the preservation of monetary and financial stability – be donated to the Clinical Centre of Serbia. Your engagement and devotion have also created the necessary preconditions for us to respond and give strong support to our citizens and businesses through numerous economic measures. This amount may not be large, and is certainly not sufficient either, but it is a sign of our deep respect for all the efforts that you invest in our general wellbeing, in accordance with the motto which we uphold – everything we do, we do with people and for people. You confirm and live this very motto in your everyday work", stated Governor Tabaković while presenting the award to Milika Ašanin, the Director of the Clinical Centre.

The "Belgrade Hero" award was presented on 17 June 2020 in the City of Belgrade Assembly Hall to natural and legal persons who have given particular contribution to the prevention and suppression of COVID-19 and protection of public health.

# RESPONSIBILITY TO EMPLOYEES

The NBS follows on a daily basis all regulations about workers' rights, maintains a healthy and safe work environment, adjusts environment and work processes to employees, promotes and maintains the highest level of physical, mental, and social welfare of employees, creates strong and successful teams, provides opportunities for professional development and advancement, etc. The NBS's long-term commitment is investment in its staff and human capital development as the precondition for organisational development and adaptation to new challenges. Respecting human rights, freedoms and values, the role of human resource management is to enable the achievement of full professional and personal potential of employees in line with organisational goals.

## Employee structure

In 2020, the employee structure continued to show diversity in terms of the type of employment, gender, educational level and age.

As regards the gender structure, as in the previous years, women (56.83%) outnumbered their male colleagues (43.17%).

There were more women than men among the NBS management staff (56.93%) in the last couple of years. The principle of equal opportunities for all is fully upheld, reflecting commitment to the fight against gender-based and any other type of discrimination.

Chart 1 Structure of employees by type of employment

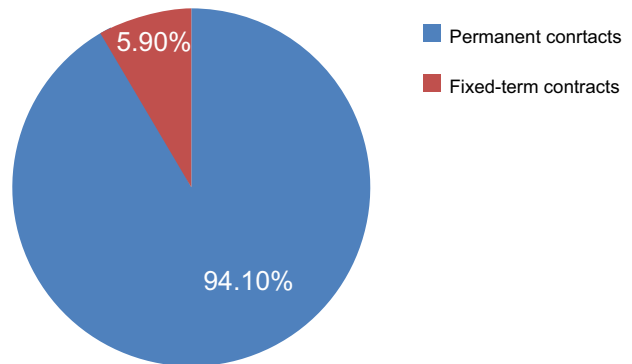
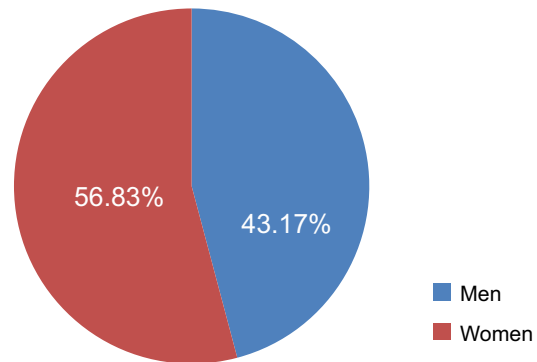


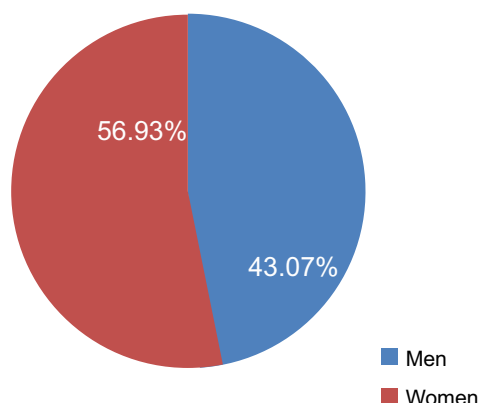
Chart 2 Gender structure of NBS employees



Gender structure of employees at management levels

	Officials		Managers of basic organisational units, branches and the Institute		Middle and lower management		Total	
Men	2	40%	27	49.09%	58	40.85%	87	43.07%
Women	3	60%	28	50.91%	84	59.15%	115	56.93%
TOTAL	5		55		142		202	

Chart 3 Gender structure of management staff



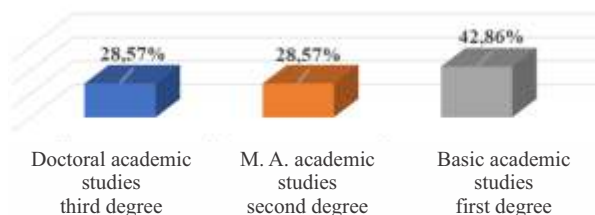
## Education, professional development and training

As it faces challenges concerning the achievement of its statutory objectives and functions, including the preservation of financial stability, the NBS strives to apply and upgrade cutting-edge knowledge, skills and capacities of its employees. One of the NBS's strategic priorities is the commitment to fulfilling and developing professional potentials and raising the level of employee expertise.

The NBS recognises the need to promote the concept of life-long learning, as a key factor in every employee's career development. Employees can attend studies at higher educational institutions, training courses in order to acquire various professional titles, certificates and licences, and are encouraged to participate in seminars, courses, workshops, counselling sessions, conferences and other similar forms of professional development.

In 2020, the NBS financed the costs of education in higher educational institutions in the Republic of Serbia for seven employees and the acquisition of different licences and certificates for 19 employees.

Chart 4 Staff education



Through professional development, employees mastered new knowledge, abilities and skills. Also, by gaining licences and certificates required to perform a certain type of work, they helped improve professional capacities of organisational units and contributed to more efficient performance of tasks within the NBS remit. At the same time, the NBS fulfilled its obligations as the employer under laws governing the field of fire protection, safety and health at work and other areas.

The contents of seminars, conferences, specialised courses and workshops on various topics in the field of central banking attended by NBS employees in the country and abroad in the first quarter of 2020 were adapted to the current and future challenges for central banks in carrying out their tasks as laid down by law. The lecturers were experts from central banks, the International Monetary Fund, Bank for International Settlements, European Central Bank, European Commission, national insurance supervisors, etc.

With the outbreak of the coronavirus pandemic, since March 2020, institutions that organise training in Serbia, as well as central banks and international institutions that organise training abroad, changed the format of planned seminars, which were held as online seminars and courses, i.e. webinars. They were attended by a total of 188 employees. The majority of online training courses were organised by the central banks of France and Germany, as well as the International Monetary Fund.

The NBS organised the internship "Talent Management at the NBS" for 104 students. Talented students had an opportunity to complement their theoretical knowledge acquired at university with practical insights.

Chart 5 Professional development

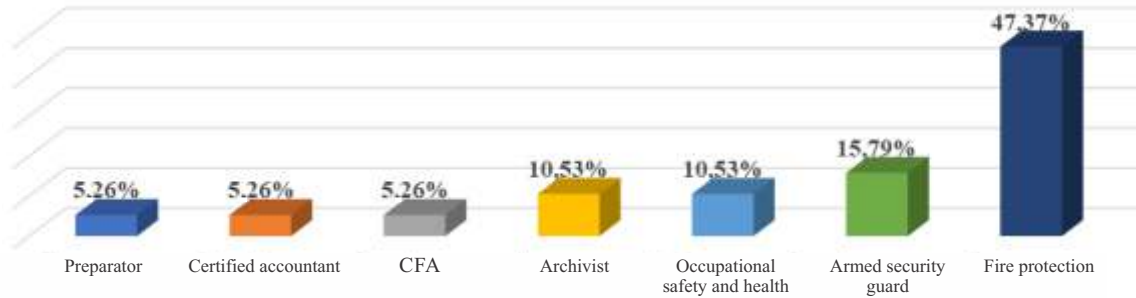


Chart 6 Employees' development



## Occupational safety and health

As a responsible employer, the NBS strives to take care of the occupational safety and health of its employees on a daily basis and undertakes all the necessary activities in accordance with regulations.

Employees at high-risk jobs, as well as employees working with ladders, were referred to mandatory annual medical examinations for the purpose of determining their fitness for work. Prior or periodical assessment and examination of work tools and equipment used in basic organisational units were conducted, including personal protection equipment of the third category, which is used for the protection against fatalities (electrical insulation and equipment for working at unprotected height). Tools and equipment for personal protection at work were distributed to the newly employed staff and to those whose equipment was damaged or worn out. In addition, in accordance with the concluded contracts, tools and equipment for personal protection at work were procured for the needs of the basic organisational units and branches (respiratory protection, protective gloves, protective clothes, etc.). The first aid kit and equipment were checked. Regular, periodical examinations of work

equipment, as well as regular work conditions tests were performed in 2020.

All necessary prior training for new employees and periodic training for safe and healthy work of employees were implemented in the basic organisational units. Training of the employees at high-risk jobs is organised once a year, and for others every four years. All injuries at work in the basic organisational units were reported and duly recorded.

In line with the procurement plans for 2020, the public procurement of services or goods related to occupational safety and health was carried out, such as the service of calibration of breathalysers.

The workplace stress test was carried out in two departments, and the results of psychological research were presented thereafter.

The Decision on Establishing the Committee for Drafting the Programme of Gradual Elimination of Deficiencies in the Field of Occupational Safety and Health Requiring Greater Investments and not Threatening Seriously the Life and Health of Employees was prepared and signed. In cooperation with organisational units responsible for the implementation of measures and elimination of deficiencies in this field, determined by the Workplace and Work Environment Risk Assessment Act of the NBS, and the Department for Human Resources and Organisational Matters, the Committee submitted

quarterly reports to the Governor on Programme implementation.

Within its scope of authority, the Department for Human Resources and Organisational Matters established fair cooperation with branches and the Institute for Manufacturing Banknotes and Coins – Topčider on the uniform application of regulations in this field.

After the coronavirus pandemic broke out, the NBS adopted the Rulebook on Preventive Measures for Safe and Healthy Work to Prevent the Emergence and Spread of the Infectious Disease Epidemic. In accordance with this Rulebook, it also adopted, within the prescribed deadline and in the stipulated manner, the Plan for the Implementation of Measures to Prevent the Emergence and Spread of the Infectious Disease Epidemic, which is integral to the Workplace and Work Environment Risk Assessment Act of the NBS. This Plan prescribes in detail all preventive measures and activities of employees and the employer in order to prevent the spread of the epidemic. Its provisions are still consistently applied.

With these activities the NBS fulfilled all its legal obligations, increased safety at work and, to the extent possible, raised awareness of its employees about the importance and application of occupational safety and health measures.

### **Occupational safety and health – Institute for Manufacturing Banknotes and Coins – Topčider**

In 2020, the Institute implemented activities to improve occupational safety and health, in accordance with the requirements of the ISO 45001 standard, in order to create a safe working environment and eliminate risks through continuous improvement in this field, and most of the year amid the declared coronavirus pandemic.

In order to prevent the spread of the coronavirus and protect the health of employees, the Institute, in cooperation with other organisational units, implemented the following:

- information posters with recommendations on dealing with the epidemic were prepared and posted (translation of the recommendations of the World Health Organization);

- from the remaining stocks of protective equipment, protective masks and disposable gloves were distributed to employees;
- daily disinfection of means of transport (cars and buses) with Asepsol solution and alcohol was organised;
- additional quantities of 100% alcohol were ordered for disinfection;
- wiping of door handles and work surfaces was carried out every half an hour (production building, administration building, new mint, marketing, restaurant), as well as more frequent ventilation of the premises;
- contactless dispensers with a hand disinfectant based on 70% alcohol were placed at the entrance to the premises;
- additional means for disinfection were made from own resources for use in restaurants, cafés and offices, where working meetings are held;
- a thermal imaging camera was installed at the entrance used by clients;
- two hand pumps were procured for disinfection of the premises and packaging of raw materials arriving at the Institute;
- disinfection of asphalt surfaces in the inner circle of the Institute was performed;
- workspaces in use were occasionally disinfected.

These measures were implemented before the adoption of the Plan for the Implementation of Measures to Prevent the Emergence and Spread of the Infectious Disease Epidemic (August 2020). The Plan is integral to the Workplace and Work Environment Risk Assessment Act of the NBS, and was drafted in accordance with the Rulebook on Preventive Measures for Safe and Healthy Work to Prevent the Emergence and Spread of the Infectious Disease Epidemic. It determines all measures for safe and healthy work to prevent the occurrence and spread of the epidemic, persons in charge of implementing measures and persons in charge of implementation supervision.

In accordance with the requirements of the ISO 45001 standard, and in order to increase the effectiveness of the established safety and health management system, activities were carried out to improve safety and health at work, which was confirmed by the certificate audit.

In 2020, the Institute procured personal protective equipment and distributed it to employees in organisational units. In that way, the Institute's employees were fully equipped with protective clothing and footwear.

In accordance with the Programme of Gradual Elimination of Deficiencies in the Field of Occupational Safety and Health in the NBS, a measure to eliminate the identified deficiency was continuously implemented – it involved moving the equipment due to fallen or broken metal shelves used in warehouses, libraries, archives and vaults in all organisational units of the NBS. Namely, four sets of warehouse shelves with a maximum load capacity of 300 kg per floor were delivered and installed. The damaged or inadequate shelves were replaced in the Institute's vaults and warehouses. Greater safety for the employees working in the said premises was thus ensured.

Under the Programme of Gradual Elimination of Deficiencies in the Field of Occupational Safety and Health Requiring Greater Investments and not Threatening Seriously the Life and Health of Employees (the Programme was adopted based on the Workplace and Work Environment Risk Assessment Act of the NBS), the following deficiency was registered: exposure of employees to chemical (non-fibrogenic dust) and biological hazards (exposure to microorganisms and allergens) due to the dilapidation of installations in changing rooms and toilets in the building of the new mint and in the production building of the Institute. The prescribed measure for eliminating the deficiency is the adaptation of the sanitary facilities used by employees. The deficiency was partially eliminated as the wardrobe and toilets along one side of the new mint building were adapted. Further works are in progress and it is expected that the complete reconstruction and adaptation will be completed in 2021.

In the context of implementation of the above Programme in 2020, metering and regulating station and the gas connection were completed within the reconstruction of the boiler room.

## *Internal communication*

Internal communication at the NBS is based on promoting the values of organisational culture in the work environment, implementing socially responsible activities, motivating employees to grow professionally and personally, and creating an adequate environment for work. These activities are in the remit of the Group for Internal Communication and Social Responsibility within the Communications Division.

Employees are informed about the basic goals, achievements and events through the internal communication channels – internal newspapers, intranet, brochures, video material and internal events. The development of internal communication is strategically planned, and each activity is designed and integrated into the Annual Internal Communication Development Plan.

In 2020, five issues of the “NBS Info” were published in electronic form. By involving an increasingly greater number of employees in its development, the Group for Internal Communication and Social Responsibility continuously encourages the development of this channel of internal communication. With the support of the NBS management and the ambassadors for internal communication and social responsibility, internal communication is continuously improved and socially responsible behaviour promoted.





# RESPONSIBILITY TO THE COMMUNITY

## *Financial consumer protection and education*

In 2020, the Department for Financial Consumer Protection continued to actively help financial service consumers in exercising their rights by informing and educating them.

In the period from 1 January until early March 2020, 12 educational panels were held in eight towns across Serbia. A total of 560 consumers – citizens, students and entrepreneurs attended the panels. At the panels, financial services were presented via 30 presentations and workshops. Citizens expressed most interest in the following topics: manage your finances, enter the world of finances, loans for school fees, finance your studies, e-banking, savings, payment services, protect your rights.

After that period, due to the introduction of the state of emergency, and in accordance with the recommendations and measures to prevent the spread of the coronavirus, educational panels were not held.

Since almost the entire 2020 was marked by the pandemic, in March, July and December the NBS adopted a series of regulations introducing facilities for debtors who, due to the COVID-19 pandemic, were unable to settle their liabilities to banks, or had difficulties in settling them. Many citizens addressed the NBS asking for the interpretation of the provisions of these regulations. In this regard, the Department made every effort to ensure that citizens were answered in the shortest possible time.

The Department met the needs of citizens and the public in general by explaining the possibility of extending the loan maturity or refinancing. In July, new regulations created the preconditions for banks to approve refinancing or extension of the maturity date of the last instalment for consumer, cash and similar household loans (except for housing loans and current account overdrafts) which were approved by 18 March 2020. Also, to a certain number of consumers who were interested in cash loans with a maturity of up to two years, the Department additionally clarified under which conditions banks offered such loans.





We tried to help citizens understand the NBS measures aimed at preserving financial system stability, which determined a limit for a housing loan in relation to the value of the underlying real estate, since that limit was reduced for first-time home buyers by a recently adopted regulation.

We clarified to numerous financial service consumers the circumstances under which banks rejected their loan applications without explanation.

In addition, in 2020, the NBS Information Centre received 15,671 telephone calls and e-mails from consumers. The majority of queries related to banking services and enforced collection.

In 2020, a total of 886 consumers addressed the regional financial education offices in the NBS branches in Belgrade, Novi Sad, Niš, Kragujevac and Užice. To help them better understand financial services, consumers were provided with information about financial products offered by financial services providers so that, based on the information given, they analyse the offers, compare conditions and make their own decisions about which financial service to use. The majority of consumers' queries related to banking services (42.4%), notably loans.

## *Exhibitions and educational activities*

In the course of 2020, exhibitions, educational and cultural programmes of the NBS intended for the wider public recorded a turnout of 1,963 visitors – 773 at the NBS Kralja Petra building and 300 at the building at Slavija square. Educational workshops were attended by 890 students.

Exhibitions and educational and cultural programmes were attended by preschoolers, primary and secondary school students, college and university students from Belgrade and other Serbian towns, domestic and foreign guests of the NBS, participants in NBS seminars and study programmes, as well as citizens who visited NBS exhibitions, individually or in groups. In accordance with the recommendations of the Serbian Government and measures aimed at preventing the spread of the coronavirus, the exhibition and educational premises of the NBS (buildings in Kralja Petra 12 and Nemanjina Street 17) were closed to the public, starting from 16 March 2020.



### Exhibitions

Due to the epidemiological situation, the hall of the NBS Slavija building was the venue of two exhibitions:

- “A Life Devoted to the Roma – Rade Uhlik” and
- “Sixth Salon of Photography of NBS Employees”.

### Financial education of children and youth

As part of the NBS's cooperation with educational institutions, exhibitions at the NBS building in Kralja Petra 12 were visited by primary and secondary school students from Belgrade, Požarevac, Guča and Smederevo, as well as students of the Faculty of Diplomacy and Security in Belgrade.

Workshops “Drawing a Banknote of My Choice”, “Distinguished Persons Featured on Current Dinar Banknotes” (for primary school students), “Dinar – Our Money”, “Me and My Budget”, “Distinguished Persons Featured on Current Dinar Banknotes” (for secondary school students) and “Counterfeits” were held in Leskovac,

Velika Plana, Sremska Mitrovica, Subotica, Bečej, Kragujevac and in the Republic of Srpska, in Pale. The workshops were also held in Belgrade at the NBS Kralja Petra building and the premises of Belgrade-based primary and secondary schools and faculties. In addition, in 2020, students from Belgrade, Novi Pazar, Novi Sad, as well as students from Bijeljina and Pale in the Republic of Srpska participated in the “Moneture” educational game tournament.

### *World Savings Day*

Respecting all epidemiological measures, in the period 5–6 November, the NBS marked the World Savings Day by organising the workshops “Dinar – Our Money” and “Counterfeits” in the Trade and Catering School in Leskovac. Workshops were held for four groups of second and third grade students.

### Cultural events

#### *International Day of the Francophonie*

To mark the event “March – Month of the Francophonie”,

the workshop “Drawing a Banknote of My Choice” was held for students of primary school “Vladislav Ribnikar” from Belgrade.

#### *Museums for 10*

Within the event “Museums for 10”, the NBS presented its exhibition “The Dinar – a Journey through Time” via a video link, due to the pandemic. Citizens could see prints illustrating selected samples of banknotes, coins and securities.

#### *European Heritage Days*

To mark the event “European Heritage Days”, the NBS prepared and presented the video-material on the objectives and functions of the NBS, the history of the Kralja Petra building, and on the activities of the Visitor Centre.

## *Humanitarian and voluntary campaigns*

Driven by a desire to support the entire community with its responsible attitude through various forms of humanitarian actions, in 2020, the NBS continued to provide assistance to those most in need. Employees engaged actively in humanitarian campaigns aimed at collecting funds, food and clothes, providing selfless support to socially vulnerable groups, children with developmental disabilities, children deprived of parental care and the elderly.

In cooperation with humanitarian organisations, centres, associations and schools, the NBS organises highly successful humanitarian and voluntary campaigns. The total cash value of the humanitarian activities of NBS employees in 2020 amounted to RSD 863,745.



In the humanitarian action “Let's help those who need help”, employees from the Niš Branch collected funds in the amount of RSD 41,000, which they donated to an excellent third-grade medical high school student, who is deprived of parental care. This socially responsible gesture provided support for his further development and a better future.

In the traditional socially responsible action of food gathering for the beneficiaries of the Soup Kitchen of the Serbian Orthodox Church from Belgrade, called “Humaneness against Hunger in the Time of Corona” and held during the summer, NBS employees collected around 200 kg of canned food and ready meals, worth around RSD 70,000, which is more than last year.

The traditional New Year's humanitarian exhibition of artwork made by children and young people with developmental disabilities was held at the Belgrade head office. Due to the pandemic, it took place without the presence of children and social responsibility associates, which, however, did not diminish the interest of employees. Respecting the precautionary measures, each item had a price tag, and each association and residential centre had

their own money box, which was strictly supervised. Around RSD 70,000 were collected for the purchase of working material for creative workshops, which are very important for the mental and physical health of the beneficiaries.

Employees at the head office and the Belgrade Branch participated in greater numbers than last year in the traditional humanitarian campaign “A Present for an Unknown Friend”, held in the second half of December, despite specific working and living conditions, and donated 285 New Year's Day parcels, worth RSD 171,000. Children and youth with developmental disabilities from the Day Care Centre “Neven” in Pančevo received 85 parcels, while the remaining 200 parcels went to children from the Residential Centre “Sremčica” in Belgrade and to children from the School and Centre for Children with Hearing Impairments in Kragujevac.

Continuing years-long practice, the employees from the Kragujevac Branch organised a fund-raising campaign in December for the treatment of Minja Matić, a little girl who suffers from spinal muscular atrophy. They collected RSD 25,000.





Employees at the head office and the Belgrade Branch gathered 83 parcels of sweets and regular food, worth RSD 49,800 for the Society “Circle of Serbian Sisters” from Kragujevac. The members of the Society handed the parcels to the School and Centre for Children with Hearing Impairments in Kragujevac.

NBS employees collected RSD 385,945 from sorting and selling secondary waste (paper and PET packaging) in 2020. The funds collected are intended for humanitarian purposes and donated to non-profit organisations, associations, educational or health institutions. This year, funds were donated to the organisation “Mali veliki ljudi”, with which the NBS has cooperated over the last couple of years.

In 2020, NBS employees achieved the goal by gathering 1,700 kg of plastic bottle caps as part of the ecological and humanitarian action, implemented by the NBS together with the Association “Bottle Cap for Handicap”. A wheelchair and a tricycle worth around RSD 51,000 were bought for the collected amount of bottle caps. Employees are continuously motivated to participate in this action, so the number of collected caps is increasing year after year. Given that this activity does not incur costs and brings exceptional results, it will continue in the coming period.

The NBS will continue to carry out humanitarian and voluntary campaigns, promote socially responsible behaviour and social responsibility.

## *Donations*

Donations are regulated by the Decision on Establishing the Committee for Review of Applications for Donations and Humanitarian Assistance and Setting the Conditions, Mechanisms and Criteria of Award. On the basis of that Decision, funds for donations and humanitarian assistance, fixed assets, intangible assets and inventory no longer in use, as well as small inventory, consumables and supplies may be granted or donated, in accordance with the act determining the criteria for technical and technological deterioration of NBS resources, to legal persons, local government units, educational and cultural institutions, social and health care institutions, non-profit organisations and associations, humanitarian organisations and other institutions.

In 2020, the NBS donated RSD 2,328,000.00 as financial assistance. The Institute for Manufacturing Banknotes and Coins – Topčider produced and donated plaquettes to the “Dositej Obradović” Foundation.

## *Ten Principles of the UN Global Compact*

Since the establishment of the UN Global Compact in Serbia on 6 December 2007, the NBS, as one of the founders and an active member of this initiative, continued advocating this largest-scale global voluntary association dedicated to promoting corporate social responsibility. The Global Compact requires its members to adopt, support and promote ten universal principles in the area of protection of human and labour rights, environmental protection and the fight against corruption. In addition to large companies, this initiative is supported by medium and small-sized enterprises, non-governmental organisations, business associations and the academia.

As the chair of the Working Group for Corporate Social Responsibility in Banking and Finance, in 2020 the NBS collaborated with other members of the Working Group on planning the activities within a joint project with secondary schools that offer “bank clerk in banking and insurance” vocational courses. This project includes: one-week/two-week practice for third/fourth grade students in the branches of member banks, visits to the NBS Visitor Centre, and thematic lectures for students and teachers. Unfortunately, due to the epidemiological situation, lectures were held only for students of three schools which offer this vocational course.

The collaboration will continue in 2021, but the manner of implementation of activities will depend on the current situation.

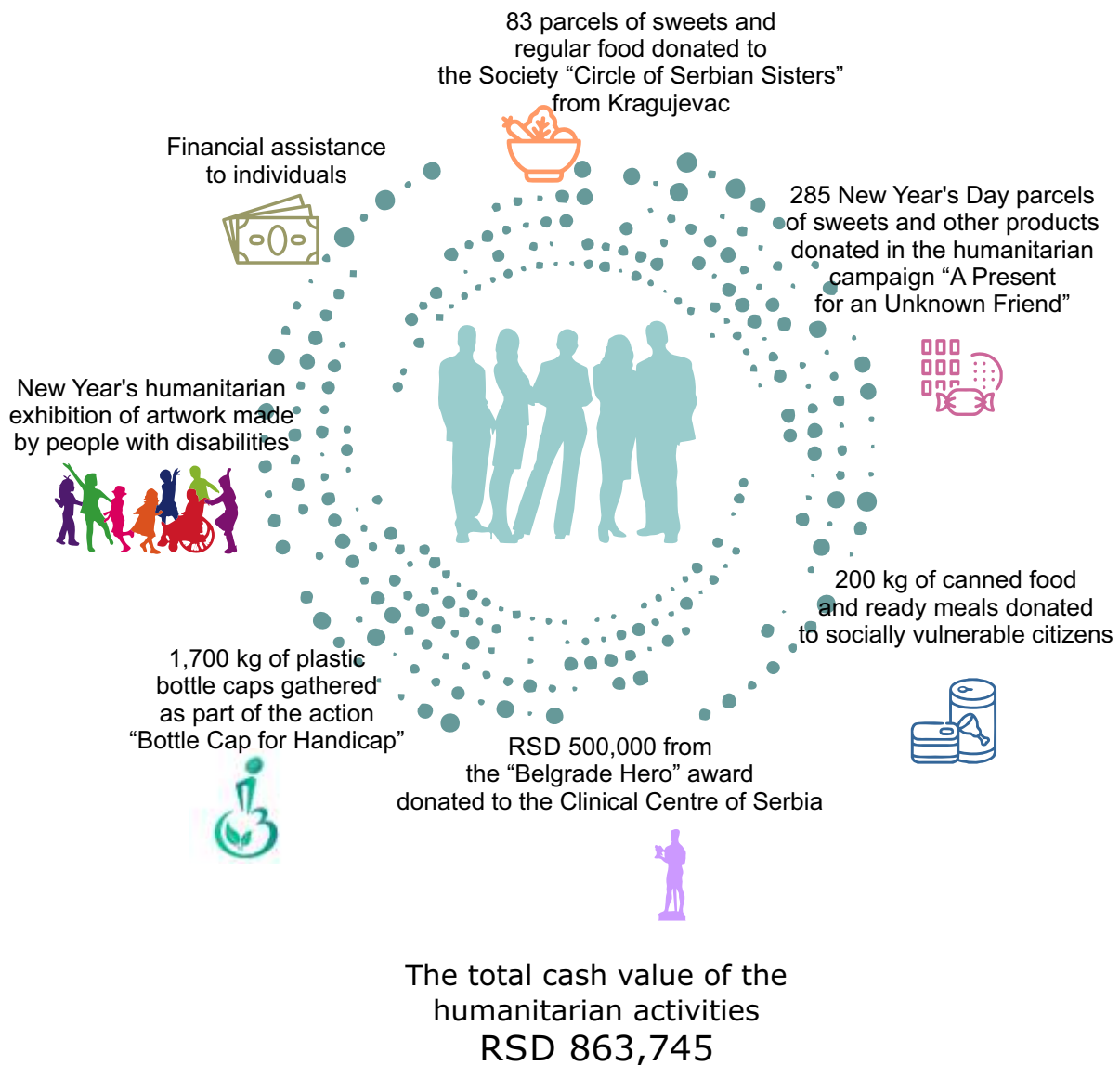
For more information on all the activities of the United Nations Global Compact in Serbia, please visit [www.ungc.rs](http://www.ungc.rs).

## **Ten Principles of the UN Global Compact**

The Ten Principles of the UN Global Compact in the field of protection of human and labour rights, environmental protection and the fight against corruption are based on: the Universal Declaration of Human Rights, International Labour Organization's Declaration on Fundamental Principles and Rights at Work, Declaration on Environment and Development, and United Nations Convention against Corruption.



# HUMANITARIAN ACTIVITIES OF THE NATIONAL BANK OF SERBIA IN 2020



# RESPONSIBILITY TO THE ENVIRONMENT

## *Preserving natural resources at the head office and branches*

In 2020, the NBS continued to behave responsibly towards the community and the environment. Waste formed in the process of current and investment maintenance of facilities and equipment is handled in

### Thermal energy

Season	Kralja Petra (kwh)	Nemanjina (kwh)
2013/2014	602,762	1,599,411
2014/2015	743,531	1,612,680
2015/2016	767,565	1,512,820
2016/2017	891,447	1,774,939
2017/2018	845,208	1,547,080
2018/2019	750,990	1,417,530
2019/2020	734,051	1,127,090

### Water

Year	Kralja Petra (m <sup>3</sup> )	Nemanjina (m <sup>3</sup> )
2014	2,861	12,480
2015	3,271	12,632
2016	3,014	12,730
2017	1,142	12,698
2018	1,291	12,696
2019	1,330	12,209
2020	3,541	11,620

### Electricity

Year	Kralja Petra HT (kwh)	Kralja Petra LT (kwh)	Nemanjina HT (kwh)	Nemanjina LT (kwh)
2014	605,340	221,580	2,432,240	920,110
2015	627,000	210,600	2,059,890	1,091,320
2016	580,200	201,600	2,012,210	1,051,240
2017	597,256	182,298	2,050,203	862,497
2018	495,257	148,502	1,676,482	874,308
2019	365,090	115,994	3,796,216	1,286,504
2020	351,161	125,631	4,385,966	1,542,767

HT – High tariff  
LT – Low tariff

accordance with the Law on Waste Management. Agreements on the provision of services for the collection, transport and treatment of waste of several index numbers were concluded with the authorised companies. The sorted waste is properly and temporarily stored in a dedicated packaging, and then handed over to the authorised companies for final disposal. Records on the waste generated and handed over are kept regularly, and measures are taken to reduce the waste.

Employees at the Maintenance Division, in charge of monitoring energy consumption and implementing energy efficiency measures, keep track of the developments in the area of enforcement of the Law on Efficient Use of Energy, following the websites of the Ministry of Mining and Energy and the Faculty of Mechanical Engineering in Belgrade, as well as of the authorised training organisations.

The Bank's building at Slavija is considered highly automated. All the rooms have presence detectors that automatically activate temperature regulation. The system switches on at about 6 am and heats the premises to 19°C. When employees arrive, the temperature rises to optimal 22°C. When a window opens, the heating or cooling system automatically stops operating.

### Waste sorting at the head office and branches

At all NBS locations, employees have been sorting secondary raw materials (paper, PET packaging and mixed waste) since 2009. From paper selling, the NBS collected RSD 157,840.20, while income from PET

packaging recycling came at RSD 78,397.30. Funds collected in this way are intended for humanitarian purposes and donated to non-profit organisations, associations, educational or health institutions.

Since 2008, employees have been continuously learning about the importance of separating secondary waste. The brochure “Guide through Recycling” was published for that purpose, along with several motivational texts in the internal newspaper.

Organisational unit	PAPER	
	Quantity (kg)	Income (RSD)
Head office and Branch in Belgrade	21,660.00	133,120.00
Novi Sad Branch	643.20	1,929.00
Kragujevac Branch	3,960.00	11,761.20
Niš Branch	660.00	6,060.00
Užice Branch	710.00	4,970.00
Total	27,633.20	157,840.20



Organisational unit	PET packaging	
	Quantity (kg)	Income (RSD)
Head office and Branch in Belgrade	3,290	78,040.00
Novi Sad Branch	51	357.00
Kragujevac Branch	/	/
Niš Branch	/	/
Užice Branch	/	/
Total	3,341	78,397.00

## *Reducing harmful effects on the environment – Institute for Manufacturing Banknotes and Coins – Topčider*

As an institution that advocates a cleaner environment, the Institute for Manufacturing Banknotes and Coins – Topčider constantly monitors, controls and measures the quality of all aspects of the environment it impacts. The Institute's environmental protection activities are harmonised with legislation and relevant standards, and relate to:

- *wastewater treatment* within the plants of the Institute. Due to the proximity of the natural recipient – the Topčiderska river, and the obligation to release the production effluent into the sewer, additional external quality controls of the released effluent are carried out, and the obtained results are in accordance with the current regulatory requirements;
- *groundwater quality control*, carried out by piezometers, installed in the previous period. The results are within the prescribed values and in line with law;
- *measuring atmospheric emissions* from fuel combustion for the production of heat energy. A certified laboratory regularly measures, monitors and controls emissions, confirming that the air quality is in accordance with the set standards.

Waste management has been recognised as highly important for improving responsible behaviour, with a view to minimising the generation of waste and increasing the recycling rate. Various types of non-hazardous and hazardous waste require efficient management, which implies the following:

- sorting of waste according to the place of origin;
- labelling waste in accordance with regulations (related to waste labelling);
- temporary storage of waste in controlled conditions;
- handing over waste to long-standing partners for final disposal.

The Waste Management Plan was revised and all types of waste were identified.

Risks and opportunities in the field of environmental protection are constantly analysed based on the Risk Register and Risk Management Plan. The following projects have been recognised as an opportunity for improvement:

- introduction of natural gas and modifications to the boiler room for fuel switching in mid-2022;
- gradual replacement of the existing lightning with LED lights by organisational units.

The NBS cultivates the long-standing practice of good cooperation with the Ministry of Environmental Protection and inspection authorities, and communication with them takes place through the submission of the following reports:

- on the quantities of hazardous and non-hazardous waste handed over to operators for final disposal;
- on the quantity of imported hazardous chemicals;
- on the fees charged and paid quarterly for products imported by the NBS, which will become special waste streams after use.

In 2020, the NBS disposed of 32,000 kg of hazardous waste and 148,264 kg of non-hazardous waste.

Members of the Environmental Management System team (EMS team), which consists of employees of the Institute, fill in checklists on a quarterly basis on the classification and disposal of hazardous and non-hazardous waste in all organisational units. Also, twice a year, the team for the control of stored flammable substances monitors the condition of the plants and compiles a report based on which all irregularities in the storage and handling of flammable chemicals in the workspaces are eliminated.

In accordance with the principles of responsible behaviour, the Institute continuously raises the awareness of its employees about the importance of environmental protection. Training courses are conducted online by uploading presentations on the Moodle platform and SharePoint portal, printing brochures and distributing them to production units, discussing the importance of a healthy work environment, etc.



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This is our Communication on Progress  
in implementing the principles of the  
United Nations Global Compact.

We welcome feedback on its contents.