

# COMMUNICATON ON PROGRESS REPORT



## 2013

BUILDING TEAM SPIRIT TOGETHER



**SOCIETE GENERALE  
MONTENEGRO**

# STATEMENT OF THE CONTINUED SUPPORT FOR THE GLOBAL COMPACT



Previous year has been challenging for the Serbian economy and Societe Generale Srbija could not stay immune to that. The year behind us, also witnessed the default of major players in the market.

However, Societe Generale Srbija demonstrated stability and strong commitment to continue to improve existing and to introduce new responsible practices. The role of business in the society is becoming more complex. A coherent strategic approach to CSR is increasingly important to the competitiveness of companies and the development of CSR should be led by companies themselves. But the integration that stands at the core of CSR – the integration of social, environmental, human rights, consumer's concern in the business strategy and operations is not possible without close collaboration with all stakeholders.

Societe Generale Srbija is not only the oldest bank in Serbia with founding foreign capital, operating in the country for nearly four decades, but is also among the pioneering companies on this market that, more than seven years ago, began to promote values of the wider public interest.

A handwritten signature in black ink, consisting of a stylized 'F' and 'C' followed by a long horizontal stroke.

Frederic Coin

President of the Executive Board  
Societe Generale Srbija

# GLOBAL COMPACT 10 PRINCIPLES



In its activities and initiatives, Societe Generale Srbija is bound to support and promote ten principles of the Global Compact.

## Human rights:

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights
- Principle 2: Businesses should make sure they are not complicit in human rights abuses

## Labour standards:

- Principle 3: Businesses should uphold freedom of association and the effective recognition of the right of collective bargaining
- Principle 4: eliminate of all forms of forced and compulsory labour
- Principle 5: effectively abolish child labour
- Principle 6: eliminate discrimination in respect of employment and occupations

## Environmental protection:

- Principle 7: Business should support a precautionary approach to environmental challenges
- Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility
- Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies

## Anti-Corruption:

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

# SOCIETE GENERALE GROUP



Societe Generale Group was founded in 1864 in France by a decree signed by Napoleon III aiming to improve economy, initiate growth, stimulate industrial investment and develop communication and social spirit. Societe Generale is one of the leading financial services groups in Europe. With its diversified Universal banking model, the Group combines financial solidity and a sustainable growth strategy with the ambition of being the relationship-focused bank, a leader in its markets, close to its customers, and recognized for the quality and the commitment of its teams. Above 154.000 employees across 76 countries, serve more than 32 million clients every day. Societe Generale Group improved its position in the international context, which is very important, despite the difficult economic conditions.

Societe Generale Group showed that the business activities can be transformed, adapted and evolve in accordance with clients' demands. The fact that the Group operates in accordance with the regulations of Basel III, places it in a position to look into the future with greater confidence.

Business activity areas include:

- Retail banking
- International Retail banking, Financial and Insurance services
- Corporate and Investment Banking, Private Banking, Asset Management and Securities Services



# ABOUT SOCIETE GENERALE SRBIJA



Societe Generale Srbija has been present on the local market for over 36 years while in 2013 the Bank recorded one of the highest growths in its history in the Retail sector and expanded its branch network to a total of 108 in cities across Serbia.

Since its existence in 1977, when the Bank opened a representative office in Belgrade, Societe Generale has been offering products and services to Corporate clients and as of 2001, the Bank expanded its services to individual clients - becoming a Universal bank. Societe Generale Srbija records constant growth in retail activities.

Societe Generale Srbija gained its reputation as a leading bank in the Serbian market through professionalism, quality service and team spirit, based on the standards of the Societe Generale Group. Mutual trust, respect for contractual obligations, the willingness for cooperation are some of the elements for the relationship that the Bank for decades proclaims with its customers, partners and stakeholders.

In 2013, Societe Generale Srbija managed to gain additional market shares and position itself as the 3rd largest bank by both loans and deposits. The Bank also became the leader by the number of granted housing loans.

The acquisition of KBC Banka client portfolio has significantly contributed to the growth of Societe Generale Srbija. By taking over a part of KBC Banka clients portfolio, Societe Generale Srbija took over nearly EUR 150 million in loans, over EUR 80 million in deposits and over than 30 000 clients. This was the first transaction of this kind in Serbia, marking the beginning of the consolidation process among foreign banks in the local market.

# CSR APPROACH



Societe Generale Srbija as a part of big banking group is integrating Corporate Social Responsibility behavior in all of its business activities using high standards in HR policy, with clients, local community and environment. Taking into consideration that Societe General Group has its business activities in 76 countries of the world, social responsibility strategies in all subsidiaries is based on the same principles with adaptation to local priorities, requirements and conditions. As a member and one of the founders of the UN Global Compact agreement in Serbia, a member and one of the founders of the Business Leaders Forum, the Bank mobilized most important initiatives in the country gathering social responsible companies. Societe Generale Srbija focus in CSR is on social inclusion - professional integration through education of socially sensitive groups, as well as environmental protection.

Strategic guidelines for socially responsible business in Societe Generale Srbija are strongly based in our corporative values and they are being applied in accordance with the following priorities:

- Integration of principles of social responsibility in business activities
- Responsible management and HR policy
- Decrease of negative effects to environment

## OUR BUSINESS



Societe Generale Srbija has integrated principles of social responsibility into everyday business activities by creating socially responsible products and services and building responsible relations towards customers.

### “Blic Entrepreneur”

The Bank recognizes the greatest needs for further development of the Serbian economy - additional support to entrepreneurs. The Bank has been supporting the action “Blic Entrepreneur” in line with one its main business strategies – further support and development SB and SMEs.

The criteria based upon which candidates were rated, included profitability, productivity, liquidity, export potential, employment, technological innovation, contribution to the local community, the relationship to protect the environment and the socially responsible is the business.

The main goal of “Blic Entrepreneur” is to promote, strengthen and support already existing companies in Serbia by providing additional means for their 5 year business objectives. The winner receives a financial support from Societe Generale Srbija in the amount of EUR 20,000 to be further used for the entrepreneur’s manufacturing process and supply of raw materials.



## Environmental and Social Risk

Environmental and social risk assessment is included in the credit appraisal policy in order to determine the impact of environmental pollution risk and negative impact on the environment that is related to financing activities.

This procedure comprises a set of guidelines we follow in the process of granting loans, namely upon the assessment of the potential risk of the client's activities. It is aimed at enabling the bank to survey and manage the social and environmental risks related to all credit applications for financing in any sector. It presents a backbone of Social and Environmental Management System (SEMS) of the bank.



## Relations with clients

The Bank has been recognized for its transparent and fair relations with clients, which includes a clear definition of all contractual rights and building long-term relationships. We initiated a number of measures to improve the transparency and clarity of commitments between the Bank and our customers with the main objectives to: establish lasting relations with customers by adapted to their individual needs and constantly improve the quality of our services.





## Evergreen Club

In order to help older citizens, Societe Generale Srbija, added unique Evergreen package to its variety of banking services, which has the purpose to facilitate and embellish the everyday life of the elderly.

The Bank has set up its goal in line with building an image to become recognized as a safe bank for savings, good bank for loans and bank that is the right choice for pensioners.

Evergreen club provides special discounts (5-100%) on goods and services bought at the companies with whom Societe Generale Srbija established a partnership. The Bank has 350 partners across the country. Societe Generale Srbija for current and future pensioners offers Evergreen club package, where the client beside to the discount of Bank's partners with whom we have signed agreement and which also provide discounts, have the ability to raise cash and refinancing loans with more favorable terms than the standard with variable and fixed interest rates. The pensioners receives loan and Masterata credit card for free. Card is free of monthly charge fee during the loan repayment period.

Societe Generale Srbija is very conscious about the needs of its elderly clients, and that is why the Bank has implemented additional measures of commitment and care through Everegreen products, when it comes to this segment of clients.

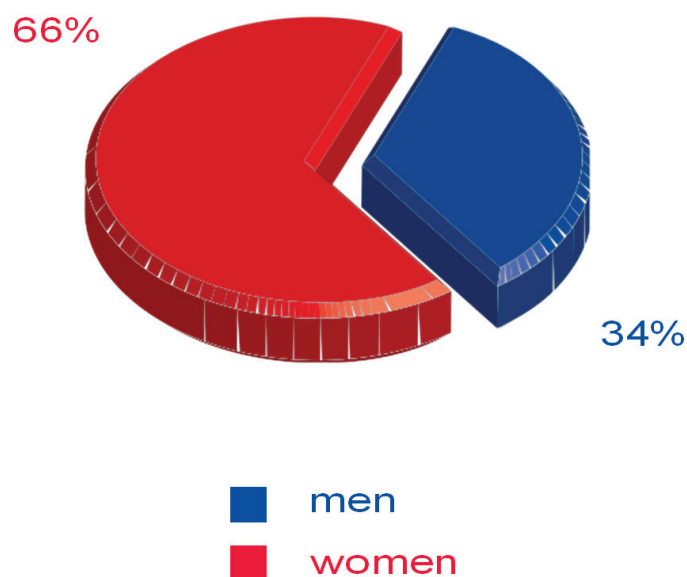
# OUR EMPLOYEES



Societe Generale Srbija employs 1397 people in 108 branches across the country. Priorities in the responsible HR policy are motivation and professional development, professional education, improvement of skills and competencies as well as creating a clear transparent policy of compensation and benefits for all employees.

From the total number of staff 95% of staff is employed with permanent contact, and 5% for a limited time. Women account 66% of total employees while 34% of staff is men.

## SGS GENDER STRUCTURE



## STAFF COMPOSITION BY AGE\*

Age	Number of employees
Under 30	219
31 – 40	819
41-50	233
51-60	118
61 +	8
TOTAL	1397

\*Data as of December 2013

Regarding the educational structure, around 71% of Societe Generale Srbija employees have college or university degree.



# ACTIVITIES

## Compensation and benefits

- Transparent salary policy that provides internal fairness and external competitiveness
- Quarterly and annual awards for the employees' performance and commercial results
- Annual performance bonus
- 25 vacation days
- More favorable conditions for the use of banking products and services
- Paid sick leave up to 30 days (20% more than the legal obligation)
- New Year gifts for children of employees
- Gift packages for newborn children of our employees
- Gift cards for weddings
- Awards for 15 years in the SGS and retirement
- Discount Club” - provides employees with the company staff discounts on goods or services

## Training and professional development

In 2013, Societe Generale Srbija organized 47 788 hours of training of which 35 233 internal and 12 555 external trainings. Our Bank collaborates with universities and colleges throughout the country in order to provide internship programs for students. In 2013 we organized internship programs for 93 students who attended 9 800 hours of internship.

## Diversity

In the frame of HR strategy, Societe Generale Srbija pays special attention to the principles of diversity that promotes gender equality, employment of people with disabilities and different national, religious or cultural orientation. It is important to stress that recruitment process is transparent and fair in accordance with the high standards of Societe Generale Group.





## **International Mobility**

Societe Generale pays special attention to the international career of its employees, as part of a global policy of professional development, which affirms the intention to support the development of employees at the same time contribute to the development of the company. Allowing the exchange of good practices, experiences and cultures, international mobility is a program that allows international career of Societe Generale's employees from any country whose talents can be used outside their home countries.

## **Volunteering**

Societe Generale Srbija is well known for nurturing its Volunteer Club. The Club consisted of 40 volunteers from different sectors of the organization. In 2014, the Volunteer Club membership grew and today it counts over 70 members.

Members of the Volunteer Club implement activities in field of Corporative Social Responsibility through a few NGOs the Bank collaborates with and their programs: UN Global Compact, Junior Achievement, Food Bank etc. In addition, a key initiative presented to volunteers was the need to support projects on the local level throughout the country.

Volunteers in the Club are colleagues from the whole network - Subotica, Sombor, Belgrade, Krusevac, Vranje and Nis.



# ENVIRONMENT

Societe Generale Srbija has made great progress in 2013 in the field of environmental protection. The Bank was awarded as the first company in the region of the Western Balkans, for successful implementation of the Building Managerial System in 108 branches.

Societe Generale Srbija is the first company in Serbia and in the Western Balkans to have implemented a Building Managerial System (BMS) across its entire branch network, which, in combination with LED lights, has generated energy savings of 35%. This unique system allows centralized management and monitoring of the technical equipment at distant locations, such as heating and cooling systems, lights (day/night modes), signage and electricity.

The BMS was primarily implemented at Societe Generale Srbija Head Office after its construction in 2006, making the building one of the most modern in the Serbian banking system.

## ENVIRONMENT DATA CHART

INDICATOR	2012	2013
Total number of buildings occupants	1374	1409
Number of occupied buildings	111	116
Surface area occupied by the entity (Société Générale Srbija) (m²)	29,153	29,986
Number of occupied buildings of which you are the owner	19	21
Surface area of occupied buildings of which you are the owner (m²)	10,806	11,256
Premises (offices) (m²)	9,022	8,537
Sales offices (agencies) (m²)	17,342	18,960
Warehouses (archives, supplies...) (m²)	2,317	2,317
Computer rooms (m²)	340	340
Company dining facilities (m²)	132	132
Number of certified or eco-designed m² (m²)	/	0
Surface area per occupant (m²)	21,2	21,3
Water consumption (m3)	14,036	16,827
Water consumption per occupant (m3/occupant)	10,22	11,94
Overall cost of water consumption (EUR)	14,410	17,321
Electricity consumption from suppliers (KWh)	5,204,708	4,911,906
Net electricity consumption (KWh)	5,204,708	4,911,906
Electricity consumption per occupant (KWh)	3,788	3,486
CO2 emissions due to electricity consumption T CO2)	3,768,21	3,850,93
Heating oil and diesel oil consumption (car consumption Excluded) (KWh)	151,162,00	174,774,19
Fuel oil consumption (KWh)	151,162	174,774

INDICATOR	2012	2013
CO2 emissions due to heating oil consumption (T CO2)	41,01	47,42
Natural gas consumption (KWh)	230,927	284,557,16
Gas consumption (KWh)	230,927	284,557,16
CO2 emissions due to natural gas consumption (T CO2)	46,55	57,37
Consumption of externally produced steam or superheated water (KWh)	1,997,503	1,547,397
CO2 emissions due to consumption of externally produced steam or superheated water (T CO2)	1,446,19	1,213,16
Total energy consumption (KWh)	7,584,300	6,918,634,35
CO2 emissions due to energy consumption (T CO2)	5,301,97	5,168,88
Total energy consumption per occupant (KWh)	5,520	4,910
Total energy consumption per occupied square meter (KWh)	260,16	230,73
Air-conditioned surface area (m²)	26,836	27,669
Percentage of air-conditioned surface area (%)	92,05	92,27
Overall cost of energy consumption (electricity, gas, fuel, etc.) (EUR)	605,000	573,960
Quantity of office paper (classic and recycled paper) bought (T)	88	97
Quantity of recycled office paper bought (T)	5	0
Quantity of office paper (classic and recycled paper) used per occupant (kg/occ)	64	/
CO2 emissions due office paper consumption (T CO2)	178,60	198,85
Part of consumption in recycled paper (%)	5,68	0
Quantity of paper used for customer statements of account and quantity of personalised envelopes (T)	30	30,5
Quantity of paper used for business documents, including letterhead (excluding printer paper which must be included in "office paper" data) (T)	39	57
Total Quantity of paper used (T)	157	184,5
Quantity of paper used per occupant (kg/occ) (kg/occ)	114	/
Total paper cost (EUR)	118,125	125,998
Distances covered for business trips by plane, SHORT- haul	3,519	2,600
Distances covered for business trips by plane, MEDIUM- haul (500 km < medium < 1600 km) (Km)	67,236	99,100
Distances covered for business trips by plane, LONG haul (1600 km	5,011	34,100
Distances covered for business trips by plane (Km)	75,766	135,800
Distances travelled per passenger for business trips by plane (Km)	55	/
CO2 emissions due to business trips by plane (T CO2)	8,13	14,82
Number of long term lease cars and cars belonging to the entity	79	80
Average CO2 emission rate for the fleet of cars under long-term lease or owned by the company (g CO2/ km)	167,35	145
Distances covered for business trips by cars (Km)	1154,130	1,128,396
Distances travelled on business trips by car per occupant (Km)	840	/
CO2 emissions due to business travel by car (T CO2)	167	164
Global distances covered for business trips (Km)	1,231,646	1,264,196



INDICATOR	2012	2013
Distance travelled for all business trips per occupant (Km)	896	/
Total transportation cost (EUR)	135,090	157,536
CO2 emissions due to business trips (T CO2)	175,62	178,44
Total CO2 emissions taking into account the CO2 emissions avoided thanks to green electricity (T CO2)	5,656,2	5,546,2
Total CO2 emissions per occupant (T CO2)	4,12	3,94
Distances travelled for business trips by cars on long-term lease or belonging to the company (Km)	1,154,130	1,128,396
CO2 emissions due to business travel using cars on long-term lease or belonging to the company (T CO2)	167,35	163,62
Total CO2 emissions (T eq. CO2 )	5,797,64	5,725,54

Source: SG Planethic Reporting 2012/2013



Special attention Societe Generale Srbija, in cooperation with the humanitarian organization “Mali Veliki Ljudi” is dedicated to children with disabilities, without parental care. An innovative project in Serbia, hypo therapy program consists of working with and enhancing children with a variety of physical, emotional or cognitive disabilities development through spending time with special trained horses.

Professional team, which participated in the project, said that hypo therapy is a treatment of great importance for the development of children. It complements the standard, authorized therapeutic procedures. Societe Generale Srbija has recognized the importance of hypo therapy in the socialization of young people with special needs in the future will give their maximum contribution. Implementation of the project was realized in collaboration with the Equestrian club “Bojčin”.



The cooperation with the humanitarian organization “Food Bank Serbia” has been realized for 7 consecutive years. During 2013 the Bank achieved remarkable success: employees of Societe Generale Srbija collected about 5 tons of food for the elderly who live in difficult conditions. In 2013, the Bank’s employees collected 36 percent more food than during the previous year, which represents a significant step forward, in the employee awareness towards helping those in need.



The “Inclusive Academy”, in cooperation with the Youth with Disabilities, is being conducted for the third year in a row. The Academy is recognized as a major training program for people with disabilities.



Students’ Inclusive Academy significantly improved their knowledge and skills, increasing the employment opportunities. From a total of 28 participants were trained in both cycles, 18 participants completed an internship at Societe Generale Srbija for a period of 2 months, while 40 volunteers so far were employed on program as a lecturer and mentor professional practice for participants.

In 2013 Societe Generale Srbija was awarded with VIRTUS prize (2012) for the Inclusive Academy program, in the category of corporate volunteering. Business Leaders Forum and Smart Kolektiv also awarded Societe Generale Srbija for the corporate volunteering in the category “Measuring results” for the Inclusive Academy program. The Bank was awarded for the methodology of tracking and measuring the effects of this program that lead towards improving employment opportunities of people with disabilities.



The event “Our Belgrade” is traditionally held in cooperation with the Forum leaders and Smart Collective. This event Societe Generale Srbija supported for years, with the goal of motivating companies that are involved in similar activities, to help the local community and the environment. The goal is that employees actively contribute to solving problems in local community, through volunteer program, and strengthen team spirit and corporate values. Key roles in this event were volunteers Societe Generale Srbija and they had diversified activities.





The Cooperation of Societe Generale Srbija with “Junior Achievement” was realized for the second year in a row. The Bank has become a major partner in the framework of student companies. This project provides support to young people in their professional development, through getting new professional experience in youth entrepreneurship.



Students, who were “employee” in these companies, during the school year, gain knowledge about the market economy and entrepreneurship. High school students in this project have a business mentors and SGS employees were worked in this field. With their support, students have successfully leading their companies, from inception, through the creating business plan, to the closure of the company.

At the national competition for the best students’ company, jury composed of employees of Societe Generale Serbia, awarded first prize to students Company “Petrako.” They will represent Serbia at the European Championships in London, with its product - paper boxes for “polite seed nibbling”. Societe Generale Srbija was awarded by the long-term partnership with the voluntary sector - VIRTUS award, thanks to the cooperation with Junior Achievement.





**Societe Generale Srbija**  
**Bulevar Zorana Đinđića 50a/b**  
**11070 Belgrade [www.societegenerale.rs](http://www.societegenerale.rs)**