







# SOCIAL RESPONSIBILITY TRENDS

Šiaulių Bankas (hereinafter referred to as the Bank) being a member of the international initiative Global Compact has assumed and complies with a constant commitment to strengthen its social responsibility and always follow the principles of the human and labour rights, environment

protection and anti-corruption. The Bank takes care of its employees, actively contributes to the community and society's projects seeking to improve the quality of life at large scale, sustainable economic development and environmental protection.

In its activity the Bank follows the 10 principles of the Global Compact

<b>HUMAN RIGHTS</b> 	<b>Principle 1</b>	We seek to	support and respect the protection of internationally proclaimed human rights in the area of our influence
	<b>Principle 2</b>		make sure that we are not complicit in human rights abuses
<b>LABOUR FORCE</b> 	<b>Principle 3</b>	We seek to	uphold the freedom of association and the effective recognition of the right to collective bargaining
	<b>Principle 4</b>		eliminate all forms of forced and compulsory labour
	<b>Principle 5</b>		abolish child labour
	<b>Principle 6</b>		eliminate discrimination in respect of employment and occupation
<b>ENVIRONMENTAL ISSUES</b> 	<b>Principle 7</b>	We seek to	support a precautionary approach to environmental challenges
	<b>Principle 8</b>		undertake initiatives to promote greater environmental responsibility
	<b>Principle 9</b>		encourage the development and diffusion of environmentally friendly technologies
<b>ANTI-CORRUPTION</b> 	<b>Principle 10</b>		We work against corruption in all its forms (including extortion and bribery)

<http://www.unglobalcompact.org/aboutTheGC/TheTenPrinciples/index.html>.

## CEO's WORD



The year 2015 proved to be exceptionally successful to Šiaulių Bankas - we achieved the best financial result over the entire history of the Bank. Concluding one of the biggest transactions last year, i.e. acquiring the bank Finasta AB and brokerage firm Finasta we have fortified our position in the investment market and also provided additional investment options to our customers.

Another important winning is an increasing number of clientele and their trust. The customer service quality survey carried out in the banking sector last year showed that the customer service quality in the Bank exceeded the banking sector average over the previous year and made the largest improvement among all banks operating in Lithuania. This gave use a large boost to make further improvements in servicing quality and continue implementing the customer-focused business strategy.

Last year we renewed our brand and introduced a new image strategy. Implementing it we have highlighted the

uniqueness of our bank and have set a goal to become one of the most valued Lithuanian brands both by the employees and the customers.

We are pleased that the Bank's growth and changes have been appreciated by such esteemed institutions as the influential international magazine The Banker and business and finance publication Global Finance which have recognized Šiaulių Bankas as the Best Bank in Lithuania 2015. Such recognition of our activities inspires to do even more. Working as a team we are able to implement a great number of useful projects.

Growing and becoming stronger, we have also paid much attention to the social responsibility - we have strengthened and improved relationships with the employees, customers, communities and the society. That is where our successful development is rooted in. Our accomplishments give a firm foundation for further improvements.

We kindly invite you to get acquainted with the social responsibility activities of Šiaulių Bankas in detail implementing which we have joined the UN Global Compact and follow the principles of human rights, improvement of relations with employees environmental sustainability and anti-corruption.

**Vytautas Sinius**

Chief Executive Officer of Šiaulių Bankas

A handwritten signature in blue ink, reading 'V. Sinius', written in a cursive style.

# ABOUT THE BANK

## Bank's Strategy

Providing financial services to private and corporate clients for almost quarter a century the Bank aims to be a reliable, flexible and attentive financial partner focusing on the country's potential and financial welfare of the population and business in Lithuania.

The Bank pays special attention to financing of small and medium-sized enterprises throughout the country. Actively participating in the business promotion projects initiated by the Government of the Republic of Lithuania as well as in housing renovation programme and business development in the country through funding of municipalities and regional projects the Bank significantly contributes to the business development in Lithuania.

Respect, commitment, professionalism, good will and accuracy are the main working principles of the Bank, ensuring long-term and mutual trust-based relationships in communicating and cooperating with partners and clients. In 2015, actively contributing to such projects as the euro adoption and joining the Single Euro Payments Area (SEPA)

which were important to the entire country, the Bank simultaneously carried out rearrangements in its organizational structure and activities which had been mainly related to better serving of the clients and expanded range of financing and investment services.

The weighty operating result of the Bank for 2015 confirmed that focus on domestic market, business continuity, flexibility and fast decision-making consistently strengthened the Bank and opened new prospects for the company's growth.

Being one of the biggest Lithuanian capital banks and having a solid support of its major shareholder, the European Bank for Reconstruction and Development (EBRD), the Bank successfully consolidated its positions in the Lithuanian financial market over the recent years and plans to continue to grow in a focused and purposeful manner, thus, contributing to the country's economic development.



# ABOUT THE BANK

The Bank accepts deposits, issues loans, executes money transfers and documentary settlements, exchanges currency for its clients, issues debit and credit cards,

provides financing for trading, invests in securities and trades in them as well as performs other activities set forth in the Law on Banks of the Republic of Lithuania and the Charter of the Bank.

## Subsidiaries of the Bank

As of 31 December 2015, the Bank had the following directly controlled subsidiaries supplementing the Bank's activities and expanding the range of provided services:



Finance and operating  
lease activities



Investment management  
activities



Real estate  
management activities



Real estate  
management activities



Real estate management  
activities



Development of residential  
apartment area



Consumer financing  
activities



Life insurance options

## Moreover, as of 31 December 2015 the Bank

- indirectly controlled subsidiary Sandworks UAB (real estate management activities);
- directly controlled the following subsidiaries held-for-sale:
  - Trade Project UAB (real estate development activities);
  - Investicinio Turto Valdymas UAB (real estate management activities);
- ŽSA 1 UAB, ŽSA 2 UAB, ŽSA 3 UAB, ŽSA 4 UAB, ŽSA 5 UAB (real estate development activities)
- indirectly controlled subsidiary Žalgirio Sporto Arena UAB held-for-sale (real estate management activities)

# ABOUT THE BANK

## Acquisition of the bank Finasta AB and brokerage firm Finasta AB

As of 17 July 2015 the Bank acquired 100 per cent of shares of the bank Finasta AB and brokerage firm Finasta AB, thus, gaining a control over these entities.

Paying for these shares, the Bank provided 21.35 million of Bank's shares of a new share issue to Invalda INVLA AB for subscription. The nominal value of these shares comprised EUR 6.19 million.

The issue was registered and Invalda INVLA AB acquired ownership with respect to the shares of the new share issue only upon receiving permission from the supervisory authority, i.e. the Bank of Lithuania to make the amendments to the Bank's Charter related to the capital increase.

The Issue registration procedure was closed and the amended Charter registered on 14 September 2015.

At the beginning of 2016 the bank Finasta AB and brokerage firm Finsata AB were reorganized by way of merger with the Bank.

## Bank's shares

The Bank's shares are quoted on the Baltics Main List of the NASDAQ stock exchange.

Like every year, in 2015 the Bank participated in the annual event of Baltic Market Awards (BMA) marking the best investor relations practices among Nasdaq Baltic listed companies.



The investor relations assessment showed that the Bank comprehensively disclosed the information - the Bank's statements have been evaluated favourably - the annual financial statements and annual report have scored 17.4 points.

# BANK'S BUSINESS PHILOSOPHY



## Mission

Our strength is in our roots. By providing financial services, we increase the well-being of Lithuania's people and businesses, and we grow together with them.

## Bank's values

- Trust
- Professionalism
- Respect
- Responsibility

# EMPLOYEES

The Bank and its employees are making one big team. The business strategy may be successfully implemented and the set objectives achieved only by fostering the long-term relationship with staff, creating a single value-based

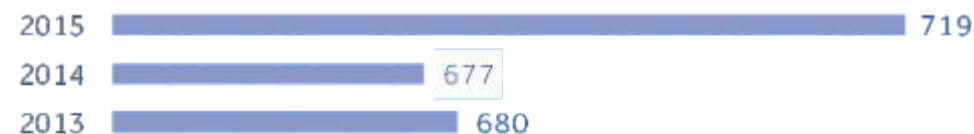
organizational culture, a supportive working environment, and encouraging the individual self-realization. The Bank pays special attention to this area.

## Overview

As of 31 December 2015, the Bank employed 719 employees. The number of employees in 2015 increased by 6 per cent comparing to 2014. They are provided with

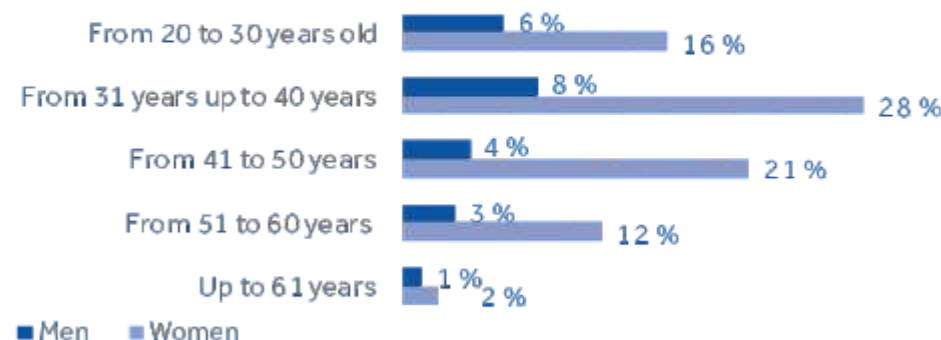
equal career opportunities despite of their age, gender, ethnicity, religion, etc.

## Number of the Bank's employees in 2013-2015\*



\* Data at the end of the respective year.

## Employees by age and gender\*



\* Data as of 31 December 2015



# EMPLOYEES



## The Bank's Value Rooting Project

Seeking to strengthen self-awareness of the employees as the most important part of the organization, to increase their motivation to implement the personal professional ambitions and to show initiative pursuing the Bank's common goals, the Bank continued the value rooting projects started in 2014.

In 2015, almost 800 employees of the entire group of the Bank took part in the simulation games based on the real

work situations at the four Value Forum events where they had extensively analysed the values educed and confirmed during the Conference of Values held in 2014. These events contributed to the better understanding of common values as well as their significant impact on each person individually and on all staff together, they led to the better understanding of colleagues, their behaviour and needs and allowed further improving the internal communication and the micro-climate at the Bank.

# EMPLOYEES

## Assessment of the Organizational Culture at the Bank

To go even further in improving the working environment and atmosphere, the Bank has initiated an external employee opinion survey: in October - November 2015 the specialists

of the Faculty of Social Science of Klaipėda University conducted a survey in the form of questionnaire to assess *the Organizational Culture of Šiaulių Bankas AB*.

### The survey encompassed 12 criteria (consisting of 5 statements each)

values	rituals, traditions	symbols	vision, mission, and goals
attitude to clients	history	leadership	team work
heroes	communication within the organization	innovations	social responsibility

The survey helped figure out what is important to the Bank's employees, what factors determine well-being, create favourable micro-climate and, also, allowed to identify the current situation, assess the emotional environment, and to find out how much the Bank's employees tend to pursue the set goals.

In 2014-2015 the Bank was focusing on the value-based organizational culture and the renewed brand.

The the main leitmotif of the Bank's re-branding is growth, harmony, and stability. We all seek to grow. For customers it is important that we are the Bank, which helps them to grow,

which provides strength as if it were the basis of everything, the roots of everything.

The survey indicated that the Bank's organizational culture is being implemented and the goals of the Value project are being realized successfully as traditions, symbols, vision, mission and goals are well understood.

At this point, based on expert advice, the Bank is focusing on other areas of the organizational culture, certain actions are planned and carried out with the purpose to increase the employee engagement and micro-climate improvement.

# EMPLOYEES

## Development of Communication and Cooperation

In order to assist the employees to improve the efficiency of their performance and to develop the positive relationships and work environment, the cycle of seminars People, Change and Results was conducted in 2015, where the Bank's employees analysed their work arrangement processes and various internal servicing aspects under the guidance of business consultants.



This measurement allowed the employees contributing to efficiency of their and 'colleagues' work figuring out what should be changed and how to change it. The employees

After the training, the staff has conducted internal service quality measurements which indicated that the quality of the internal serving at the Bank reaches 8.5 points (out of 10).

are fostered to compile a further plan on how to make their performance more efficient. Due to the benefits of this measurements there are plans to continue it.

## Optimization of the Bank's structure and improvement of working conditions

Given the fact that the success of the business is strongly influenced by the organization structure which is well understood by the employees as well as by clear distribution of duties and responsibilities, in 2015 Bank carried out the network structure improvement project.

The departments were clearly distinguished according to their scope of activities, responsibilities and administrative subordination with a typical office structure.

At the end of 2015 the Bank had four operating branches in

Vilnius, Kaunas, Klaipėda and Šiauliai. 10 branches and 10 customer service points became customer service centres. In order to enhance the efficiency the Bank was implementing the departmental structural changes in the course of entire 2015.

Taking care of comfortable and work-friendly environment, the Bank keeps investing into modernization of premises, furniture, equipment, etc. The funds assigned for this purpose have been increasing several years in turn.

# EMPLOYEES

## The Bank's investments to improve the work conditions



## Employee Training

The Bank is investing into the professional training and personal improvement of its employees. In 2015 special attention was focused on preparation and smooth integration of the new employees and those who had just returned from their maternity leave.

For this purpose a programme for the Bank's new employees was launched last year. Expertise and professional skills were shared and arising issues were discussed during a few day trainings conducted by the Bank's specialist, i.e. internal mentors. Professional knowledge of the employees was continuously extended during the trainings that were arranged in 2015 on regular basis.

Getting ready for the employee trainings, the Bank's internal coaches participated in the internal trainers training program conducted and guided by the external consultants. The participants of this programme have gained extensive knowledge of adult education, developed audience management and oratory skills, improved their abilities of making quality presentations.

All members of senior management and the employees participated in various events and trainings depending on the character of their work both in Lithuania and abroad.

## The Bank's investment into the Employees' training





# EMPLOYEES

## Annual Performance Appraisals - Feedback

In increasing management efficiency and pursuing the best possible operating result, in 2015 the Bank was continuously using the unified system of the annual performance appraisal launched in 2014. In compliance with the aforementioned system the immediate supervisors regularly discussed the implemented works and planned projects with their employees, figured out the employees' competences required for their successful work and value-based behaviour

and cleared out the expectations related to the employees, senior management and the Bank including career possibilities and training needs, also, form annual goals of the Bank's units.

In 2015 the system of performance appraisals was completely implemented to all the employees of the Bank and its subsidiary companies.

## Employee involvement in development and deployment of innovations

The Bank aims to make its employees more involved in the joint projects where they would be able exchange their ideas, knowledge, experience and would improve as specialists. Each employee may register his/her

suggestions or ideas using the information system or e-mail them to the department in charge for the product development. In 2015 the employees were more actively submitting their suggestions as compared to 2014.

## Suggestions provided by the employees and their implementation in 2014 and 2015:

	2014	2015
Suggestions provided in total:	32	42
of which are implemented	7	8
implementation of which have been started prior to the suggestion	4	4
of which are accepted for implementation	1	5
of which are being considered	9	12

Note. This summary does not include the suggestions which were postponed or rejected.

# EMPLOYEES

## Fostering and Support to the Employees

Like every year, in 2015 the employees were fostered financially through the monetary payouts paid on a quarterly basis for their professionalism, initiative and responsibility as well as for the efforts to achieve the Bank's goals.

Besides, in 2015 the Bank launched the sales promotion system the purpose of which is to foster the customer service managers and loan officers personally on a monthly, quarterly basis and at the end of the year and at unit and regional scale by publishing their success stories, granting certificates, providing with additional days off or premiums and prizes for the best results achieved.

The Bank's employees are congratulated on personal occasions. The employees facing difficulties are provided with financial aids and other necessary support.

The Bank fosters the long-term relationships with its employees. At the end of 2015 the percentage of the employees who have been working at the Bank for more than 10 comprised 25 per cent. These employees were honoured with the Bank's badges and premiums.

## The Bank's Employees spending their free time together

The Bank plays an important role fostering the leisure of its employees which they spend together and arranging events willingly attended by the big part of the Bank and its Group's employees.

One of the most significant and already traditional event is the Summer Holiday arranged by the Bank annually. The Summer Holiday 2015 took place in the Lithuanian folk museum in Rumšiškės



# EMPLOYEES

## Health-care of the Employees

Taking care of the employees' health is another important area of the Bank's social responsibility. In order to promote a healthy lifestyle and physical activity, the Bank supports the employees' volleyball, basketball and karting

teams participating in the inter-bank sports tournaments, as well as various sports initiatives such as running marathons, cycling hiking, orienteering competitions, etc.

Each year the Bank applies the preventive measures ensuring good health:

it compensates part or expenses for subscribers of the particular gyms

pays for flu vaccination

arranges the general health checks for the employees at the Bank

Moreover, the Bank pays 100 per cent compensation for the first two days in case of the employee's illness ( the Law of the Republic of Lithuania requires to pay 80 per cent).

More than 250 employees took advantage of this social guarantee in 2015. The Bank paid for 372 illness days in 2014 and for 505 in 2015, i.e. for 133 days more.

## Spread of Information

Strengthening relationships with the employees and motivating them, the Bank focused on internal communication. Internal communication was also important for the implementation of the social

initiatives encouraging the employees to join them. The Intranet was the most actively used internal channel for communication, the messages also were sent to the e-mail addresses of the employees.



# CLIENTS

## Increase of Customer Servicing Quality

Implementing the customer-focused strategy and fostering close and long-term relationships, the Bank continuously monitors and evaluates the quality of customer service seeking to improve it.

In 2015, a unified customer servicing culture was actively developed at the Bank alongside with the introduced customer service standard to ensure the growing increase of the customer satisfaction and their loyalty as well as to allow cultivating employees' communication and customer servicing skills.

## Progress in Customer Servicing Quality

In November - December 2015 *Dive Lietuva* conducted the customer servicing quality level research in the banking sector. These results showed that the general customer service quality indicator of the Bank had exceeded a banking-sector average of 87.6 % and reached even 90.3 % which corresponded the highest level of the customer servicing.

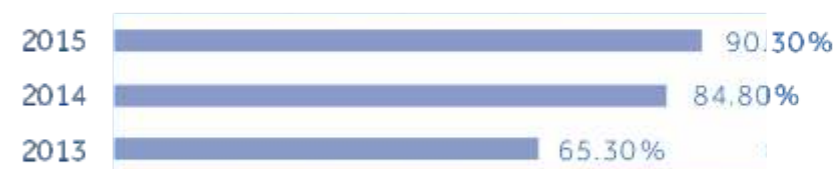
The Bank arranged staff trainings, conducted a survey and carried out measurement of service quality in order to assist the employees to perceive the standard better and to improve the customer serving level.

In September - October 2015 the researcher *Dive Lietuva* conducted surveys to figure out the level of the Bank's costumer satisfaction and the net promoter score (NPS). The results showed that

- the general customer satisfaction indicator reached 94.2;
- the net promoter score (NPS) was 91.

Comparing to other banks operating in Lithuania the Bank made the biggest progress over last year - it has improved a customer service quality indicator by 5.5 per cent rising even by four positions.

## The Bank's general customer satisfaction indicator in 2013 - 2015\*



\* Market comparison studies by *Dive Lietuva*



# CLIENTS



## Accessibility and Convenience of the Bank's Services

While rendering financial services the Bank is making big investments to make financial service available to each client despite of his/her nationality, gender, age, place of residence, etc.

For this purpose, the Bank is adjusting the new banking trends to the customers' needs, making services available through the various electronic channels and is serving customers directly in the Bank's customer service points throughout Lithuania taking into account the more remote areas of the country and the needs of older people.

As of 31 December 2015, the Bank had 70 regional customer service points in 38 cities and towns of the country. This is one of the widest networks among the commercial banks in the country.

The Clients are able to execute the number of financial transactions not only in the customer service centres using the services of the customer service managers, but also through stationary e-channels installed in the places, thus, speeding up their payments.

In 2015, the Bank facilitated the start-ups steps, enabling a future company to open an accumulative account with the Bank on-line, to sign an agreement of this account using an electronic signature and to form an authorized capital of the company undergoing the procedure of establishment. It is planned to make this option available to the current customers of the Bank through the e-banking system SB Linija.



# CLIENTS

## Feedback

The Bank aims to reward customers for using the Bank's services and loyalty creating additional value and expressing attentiveness to them.

In cooperation with Kraujolaboratorija.lt, the Bank grants a free research of blood and a loyalty card *Our Blood* to those customers who exchange their Visa payment card to a MasterCard payment card. The Project has been carried so far.

## The Code of Good Banking Practices

The Bank has signed and complies with the Code of Good Banking Practices which encourages to foster the bank-to-customer relationship, good banking practises determining the basic principles and requirements set out for performance (including those not specified in the legal acts)

Cherishing its clients and fostering relationship with them the Bank commemorated the International Clients' Day by treating the clients visiting the customer service points with the Lithuanian apples - 2 tones of apples and many good emotions had been shared with the visitors .

as well as the target behaviour pattern. The Bank strictly complies with the provisions of confidentiality while providing information about its customers.

# CLIENTS

## Delivery of Information to the Clients

The Bank publishes its quarterly and half-year performance results on its website by providing the financial statements and announcing comprehensive annual report once a year.

The Bank also responsibly and transparently inform its clients about the activities using appropriate information feeds.

The information to the clients is delivered in the following ways:

- in the customer service points of the Bank
- on the website of the Bank
- on the on-line banking system SB Linija
- on mobile application of the Bank
- via e-mails
- by customer information telephone
- by SMS
- in media
- in the social websites

Before joining the Single Euro Payments Area (SEPA), the individuals, companies and organizations were actively informed about the approaching changes in the area of payments through all possible feeds, while the corporate customers were invited to the special free seminars arranged by the Bank.

On 2015, the Bank responded to 18.230 written enquiries, accepted 59.595 calls and 488 claims.



# COMMUNITY AND SOCIETY

In order to promote small and medium-sized businesses and economic development in regions and to reduce differences between them, in 2015 the Bank continued focusing on the multi-apartment building renovation and

introduction of its financing options to the public. It was also engaged in education of entrepreneurs and persons planning to start their own businesses, and supported entrepreneurship enhancing initiatives.

## **Reducing differences among the country's regions**

We would like to draw your attention to the fact that large part of the apartment renovation projects is being implemented not in the biggest Lithuanian cities which allows reducing economic development differences in the regions:

- not only the external appearance of the multi-apartment houses is improving;
- the population is also provided with a possibility to reduce the heating bills and increase the energy efficiency in residential premises;
- the signed contracts with companies administering these projects and construction contractors allow creating a number of jobs.

All this has a positive impact on both the regions and entire country's economy.

The Lithuanian municipalities that where the renovation is most active: municipalities of Ignalina, Druskininkai, Molėtai, Anykščiai, Jonava and Kelmės regions .





# COMMUNITY AND SOCIETY

## Events, Projects and Initiatives for Business Promotion

The Bank is actively involved in supporting and organizing conferences, seminars, training sessions, in which the existing and potential customers are introduced with the business financing options and other services relevant to them.

For several recent years the Bank has been participating in events *Verslas Veža* taking place in different cities in Lithuania. In 2015, the Bank introduced financing and other entrepreneurship - enhancing options in such events as, for example, the international conference *Investment Plan for Europe: Are We Ready to Accept the Challenge?* arranged by Šiauliai Chamber of Commerce, Industry and Crafts or in the business conference *Innovative Business: Have All Possibilities Been Exhausted?* arranged by Kaunas University of Technology, etc.

The Bank also contributed to the practical conference *Business Development Forum 2015* in Kaunas, provided financial support to the conference *Export Development and Investment Attraction* arranged by Šiauliai Industrialists Association as well as to for the promotion of business initiatives launched by the Lithuanian Free Market Institute , to the business nominations granted by the Utena Business Information Centre Business and other projects.

The Bank's specialist working in regions cooperate with the Lithuanian Agricultural Advisory Service and regularly arrange meetings with the farmers all over Lithuania .

# COMMUNITY AND SOCIETY

## Enchantment of links between Business and Studies and Aids

In the light of the country's business prospect, the Bank is strengthening links between business and studies in various ways.

In 2015, the Bank traditionally assigned its nominal scholarships to two students of Vytautas Magnus University studying in the field of finances for their academic achievements and constant striving for improvement.

The Bank has also sponsored

- publishing of the textbook Strategic Management: Synthesis of Strategies of Companies and National Economy written by prof.hb.dr. Aleksandras Vasiliauskas;

- in autumn 2015, at the beginning of school year, the Bank granted a textbook *Economics in 31 Hour* issued by the Lithuanian Free Market Institute to part of the Lithuanian schools.

Being open to the university students, the Bank every year takes students of the various study programmes for the apprenticeship and arranges trainings for them at the place of employment, the Bank provides an opportunity for the future labour market participants to gain necessary experience, knowledge, and contributes to formation of their job skills In 20145more than 60 students had their apprenticeship at the Bank.





# COMMUNITY AND SOCIETY

## Support for Communities and Residents of the Towns and Cities

Being the Lithuanian bank, the Bank pays much attention to upholding traditions cultivated by the communities residing in towns and cities of the country as well as to their cultural life.

The Bank assigned EUR 37.5 thousand for such support in 2015. The major share of this support went to the projects of communities, culture and sports.

Last year the Bank provided traditional support to 1 September celebration arranged in Vilnius, to Šiauliai town holidays such as *Šiauliai Days* and *I am a small resident of Šiauliai*, to *Marijampolė Town Days 2015* and the harvest festival *Sūduvos Kraitė*, to Panevėžys agricultural festival

*Harvest 2015* and to other town holidays and cultural events arranged in Alytus, Joniškis, Šilutė, etc.

The Bank has been sponsoring Šiauliai basketball team *Šiauliai* for several years in turn. Being a social partner of Vilnius College it granted a support to supplement the exhibition of the Money Museum of business practical training firm VIKO Bankas at the Faculty of Economics.

In cooperation with the donation portal [www.aukok.lt](http://www.aukok.lt) managed by the public undertaking *Projects of Goodwill* the donations boxes were placed with the Bank. In 2015 the Bank's customers donated EUR 2312.47. The collected funds were transferred to the public undertaking *Projects of Goodwill*

# ENVIRONMENTAL ISSUES

In order to preserve the biodiversity and eco-systems as well as to reduce the global warming effect, the Bank encourages to save energy and increase its efficiency.

## Impact on Energy Efficiency Increase in the Country

One of the most important facilities at the country's level is the Multi-apartment House Renovation (Modernization) Programme significant to entire Lithuania. The Bank has been significantly contributing to it through renovation project financing since 1999. The Bank is the financing leader of multi-apartment house renovation in Lithuania.

To make this programme run faster and smoother, in cooperation with the European Investment Bank, the Bank contributed to this programme as the investor: by the end of 2015 the Bank assigned EUR 50 million of its own funds.

By the beginning of 2016 under the new under the new administrators financing programme:

- the bank provided 1240 preliminary endorsements regarding signature of credit agreements (the total value of these agreements - 300 million euros),
- 860 of which have been signed (total value - 190 million euros).

# ENVIRONMENTAL ISSUES

## The Bank's e-systems saving resources

In pursuit of the environmental objectives in 2015 the Bank purchased and had been employing an electronic document management system and improving other systems in place

to reduce the internal use of printed documents. It was also developing and promoting the electronic services, thus, reducing the need for external printed documents.

Paper consumption at the Bank in 2013 - 2015:

Year	Paper consumption, in tones	Number of trees required to produce this paper
2015	57.8	1 387
2014	58,3	1 399
2013	80,2	1 925

The consumption of paper over these years has reduced by 28 per cent, thus, preserving 538 trees.

Note. According to calculations of the project Coservatree ([www.conservatree.org](http://www.conservatree.org)) approximately 24 trees are used to produce 1 tone of office paper while 8-12 trees are enough for the same amount of newspaper paper.

The electronic car booking system installed by the Bank allows the employees to plan their business trips in groups using a smaller number of cars with lower fuel

consumption, which on its turn, helps reducing the atmospheric pollution.

## Plant Preservation Initiative

During the Christmas period in 2015 the Bank decorated its customer service points with Christmas trees in flowerpots. These trees kept until the spring 2016 were replanted in the respective green zones. The Bank is planning to repeat this initiative annually.

A solid forest planting campaign called Investments into the Lithuania's Future (already carried out in April 2016 by the Bank Group's employees and the customer) is planned as an integral part of the aforementioned initiative.





# PREVENTION OF CORRUPTION

The Bank pays special attention to anti-corruption processes. In order to avoid possible conflicts of interests,

**Code of Conduct of Šiaulių Bankas which included the following key principles:**

- honesty;
- responsibility and reporting;
- respect to the law, human and human rights;
- impartiality, objectivity and fairness;
- exemplary behavior.

This Code of Conduct determines what behaviour patterns can be treated as the corruption cases subject to zero-tolerance.

the Bank's employees have to submit economic interest declaration on annual basis.  
The employees have undertaken to comply with the

The Bank is responsibly paying all taxes to the state of Lithuania, it complies with all applicable laws and transparently arranges and participates in tenders.



# ANTI-MONEY LAUNDERING

The bank responsibly pursues the provisions of anti-money laundering and counter terrorism financing, it consequently implements current requirements, creates new anti-money laundering and counter terrorism financing measures and applies them in the bank's activities:

- identification of customers, customers' representatives and beneficiaries;
- collection and verification of information on business purpose and nature (Know Your Customer);
- monitoring of business relationships and transactions;
- identification of suspicious transactions and delivery of such information to Financial Action Task Force, etc.

The current and new anti-money laundering measures are prepared in compliance with the legal acts of the Republic of Lithuania regulating anti-money laundering and counter terrorism financing, international organizations (FATF (Financial Action Task Force) - an inter-governmental group acting against anti-money laundering and counter terrorism financing, etc.) including, however, not limited to, legal acts of the European Union and United Nations, provisions of the USA Patriot act and following the best banking business practices.

The Bank acts in compliance with requirements set forth in the *Foreign Account Tax Compliance Act* (FATCA) identifying USA reportable accounts and informing the competent authorities with regard.

The Social Responsibility Report is published on the website of Šiaulių Bankas AB at [www.sb.lt](http://www.sb.lt) and provided for the UN GlobalCompact partners. The report is also available for all parties of concern.

CONTACTS

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