



National Bank of Serbia

SOCIAL RESPONSIBILITY

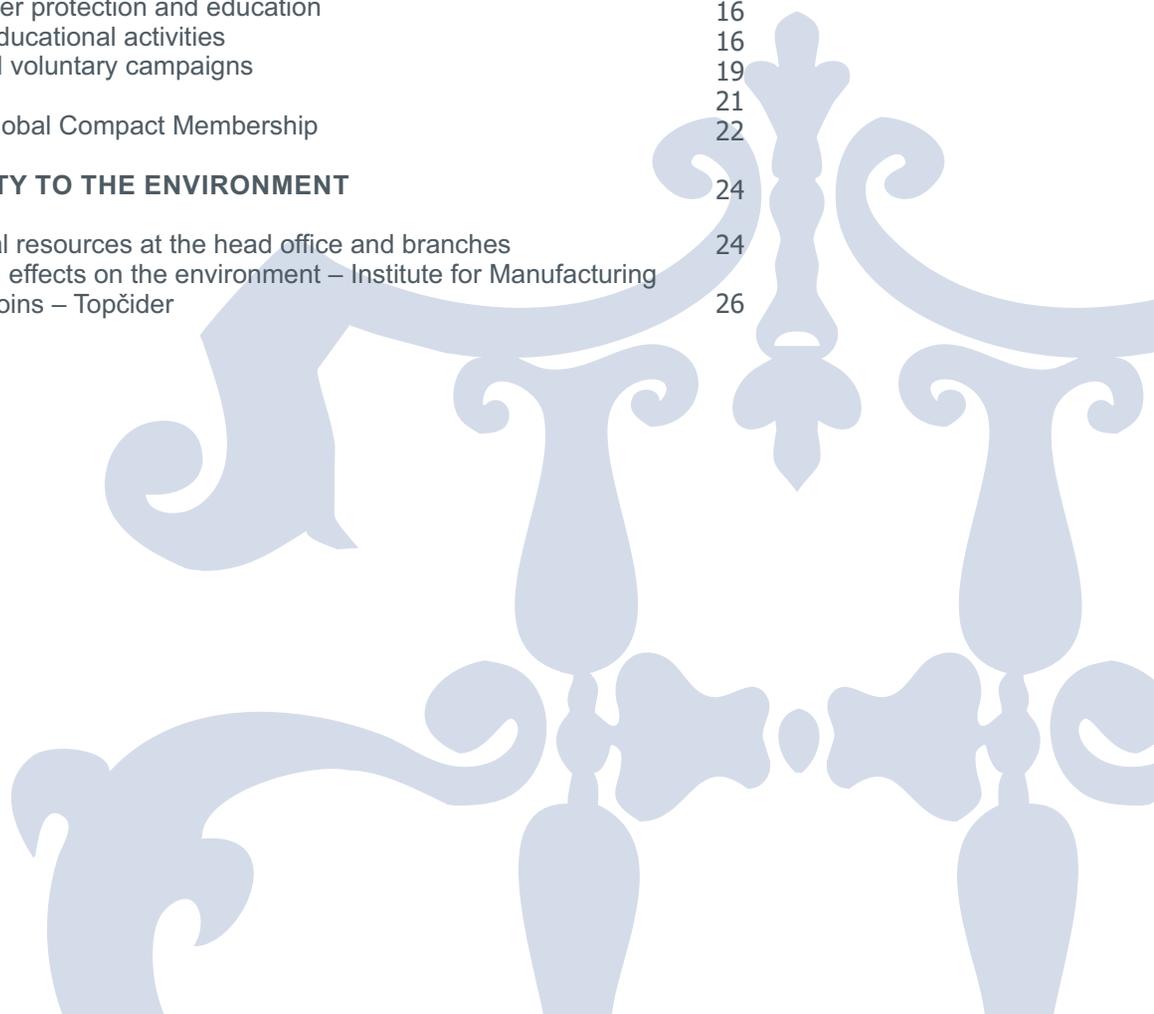


2021



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FOREWORD BY THE GOVERNOR



Serving in the public interest is the essence of NBS work. Our goal, the common denominator of all our goals, is and will be the welfare of citizens and corporates, of the country as a whole. For us, this is the core of socially responsible and sustainable business. This report, among other things, demonstrates how the NBS meets its objectives during yet another challenging year, investing great effort and commitment in their achievement.

In 2021, the year which will also be remembered as the pandemic year, a lot was done in the interest of citizens and corporates.

Serbia will post one of the best results in Europe in terms of economic growth – 6.4% cumulatively in the two pandemic years. It took us three quarters to go back to the pre-crisis level, whereas the time required to do the same after the 2008 crisis was as much as four and a half years. The exchange rate of the dinar against the euro was stable, changes were recorded in the second decimal point. At the same time, higher FX reserves were one of the pillars of stability and will remain to be in the coming period. Gold reserves, at a record high level, are an indicator of our proactive efforts and investment in the future. The average formal private sector employment went up by as much as almost 100 thousand from 2019. The most pronounced increases in employment were recorded in sectors that are the most important in terms of economic growth and development, primarily in manufacturing. The average net wages are also at their peaks, and they went up by 19.2% in the private sector in 2020 and 2021.

Despite the pandemic, an inflow of FDIs measured EUR 6.9 bn, and 2021 saw a record inflow of FDIs worth EUR 3.9 bn. This indicates that not only did none of investors abandon their plan for investment, but they also launched new significant projects during the coronavirus pandemic period. During this crisis the quality of banking sector assets was preserved with the share of non-performing loans below 3.5%, which is lower than the pre-pandemic level.

Owing to a favourable macroeconomic perspective of the country and effects of the past investments, in 2021 we increased Serbia's growth estimates throughout the year, which was also done by relevant international institutions. We are half a step away from investment grade, which brings up the value of every single company in the country. Early this year, Serbia, ahead of

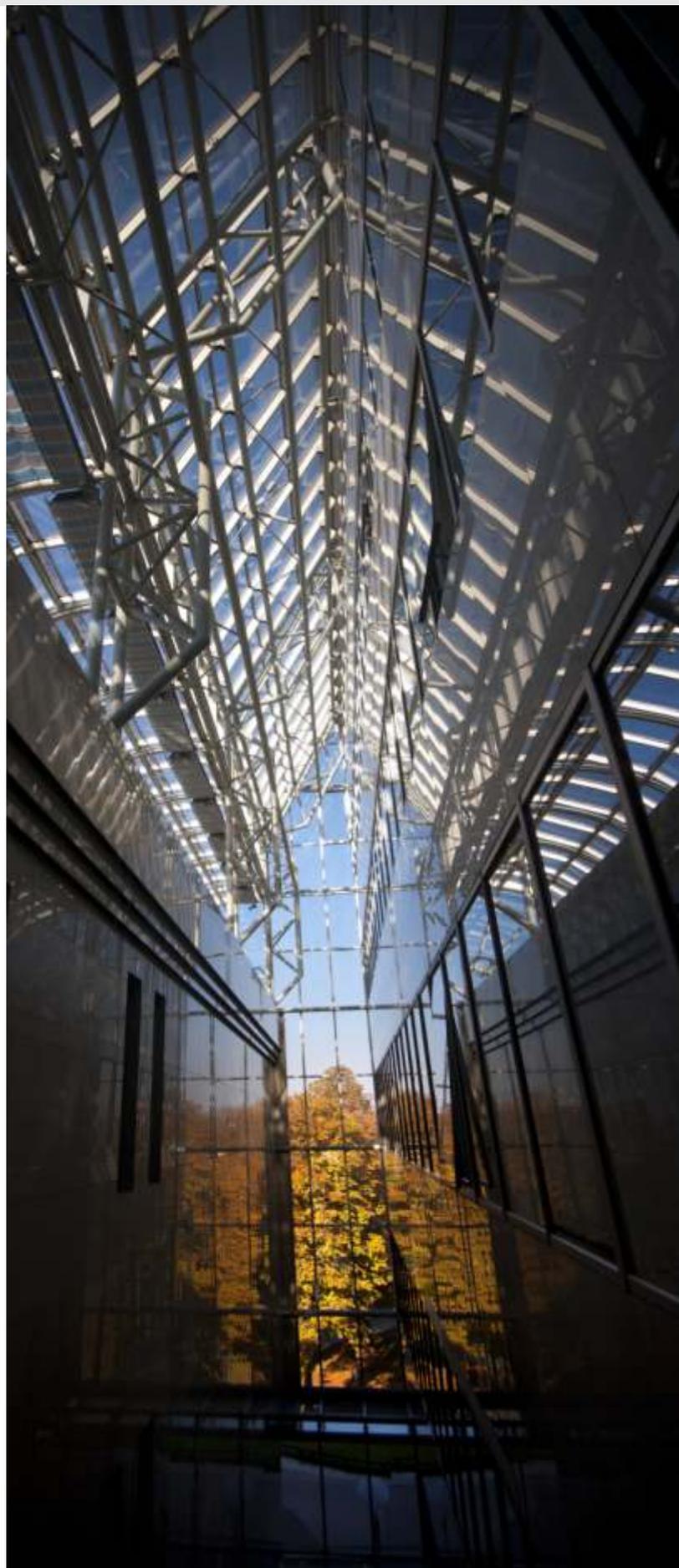
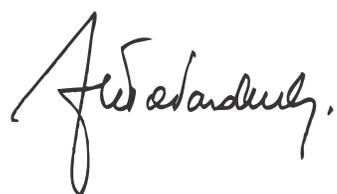
many other countries in the region and Europe, exceeded the pre-crisis level of economic activity and found itself on the road of robust and sustainable economic growth in the remainder of the year despite numerous challenges coming from the international environment. The NBS contributed to successful overcoming of these challenges with timely and efficient measures and activities which were fully coordinated with Government measures. When taking into account many uncertainties and challenges coming from the international environment we faced during the second year of the pandemic which necessitated our constant alert, caution and proactive approach and all that we achieved and preserved under such circumstances, we can be more than satisfied.

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

We are proud of our employees, who increasingly participate in our charity and voluntary work, taking their free time to help those in need.

In all organisational units of the National Bank of Serbia we take care of preserving natural resources and minimising damage to the environment in line with all appropriate legal norms as well as best practices in this area.

We will always do everything to reduce the negative impacts coming from the international environment no matter how global or great they are. It is our task to continue pursuing a responsible and adequate economic policy which yields results and to create conditions for sustainable growth and development, the centrepiece of which is the humankind and their welfare in the 21st century since there is no beginning without a human and no end without institutions.



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. In addition to the 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.

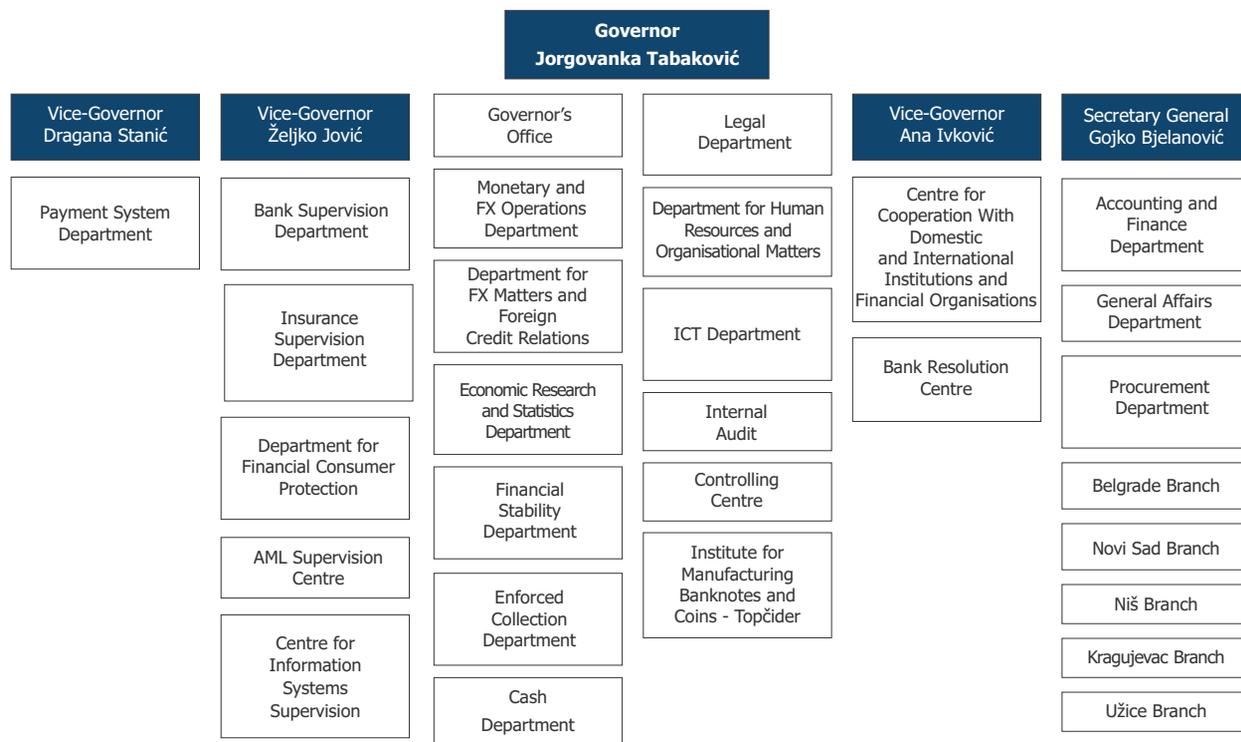
The position, organisation, mandate and functions of the NBS, as well as its relations with bodies of the Republic of Serbia and international organisations and institutions, are regulated by the Constitution of the Republic of Serbia and the Law on the National Bank of Serbia.

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 the 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 lessors, 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 pertinent laws, and in the areas of protection of rights and interests of financial service



consumers, 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 the 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, which do not fall under the remit of the Executive Board and the Council of the Governor, 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 the 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 Professional Conduct

Last year, NBS ethical and professional conduct standards continued improving.

The NBS regularly meets its obligations pertaining to the preparation of the Integrity Plan, in line with Guidelines for the Development and Implementation of the Integrity Plan adopted by the Anti-Corruption Agency. In 2021, we started preparing a new Integrity Plan (for the period 2021–2024), when the NBS Governor adopted the decision on establishing the working group for the preparation of the NBS Integrity Plan, and the decision on appointing NBS coordinator for NBS Integrity Plan adoption, implementation and reporting.

In 2021, the NBS issued five opinions on whether the work that an employee would perform outside working hours would create a potential conflict of interest or affect impartial performance of work. These were the following jobs: assistant professor, vice chairman and secretary of the professional association of IT auditors, actuarial calculation of provisions for pension severance pay and rewards for years of service, as well as a member of the management body of a college for technical and art studies. All the jobs were assessed as not being able to influence impartial performance of work of employees in the NBS. One gift of an employee was reported and assessed as suitable as it was of small value, and it was extended during the New Year's season when gifts are traditionally exchanged.

The NBS and its officials continued to regularly meet their obligations arising from the provisions of the Anti-Corruption Law and relevant secondary legislation. 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, reporting on the performance of work or activity at the moment of assuming public function etc.).

Public relations

External communication

Responsible, consistent and timely informing of the wider public about NBS operations and activities unfolded in 2021 despite the continued coronavirus pandemic and measures taken to prevent its spread, through intensive cooperation with the media and publication of information on the NBS official website and its subdomains, as well as through communication on social media.

Total 100 press releases were published, and 321 answers provided to journalist queries in 2021. As many as 64 statements and ten interviews were given for the print and electronic media. Also, 30 television and radio appearances were made by the Governor, Vice-Governors and other members of the NBS staff.

Due to the coronavirus pandemic and recommendations and measures of the Serbian Government aimed at containing the spread of the virus, two out of the planned four Inflation Report presentations for the public were organised (while the remaining two Reports were presented to the public through press releases and announcements on the NBS website).



Guverner Jorgovanka Tabaković istakla je da je odluka o uspešnom završetku prvog razmatraњ...



A tabular overview of press releases and answers to journalists' queries in 2021:

Press releases	Answers to journalists' queries	Statements	Interviews	Appearances in electronic media	Press conferences
100	321	64	10	30	2



Amid the COVID-19 pandemic which marked 2021, NBS Twitter and Facebook accounts had a significantly more important role in timely informing the public. The NBS published 4,449 tweets and recorded 2,434 followers (information published on the official Twitter account relates to the key policy rate, Inflation Report, FX reserves etc.). The NBS published 320 posts and had 2,360 followers on the official NBS Facebook page (opened to inform users about financial education, social responsibility, activities of the Visitor Centre and activities at the NBS exhibition hall in Slavija).



Website and publications

The official NBS website is intended for citizens with a view to informing, educating and offering assistance in protection of their personal interests, as well as for professionals, since it features the reports and publications containing relevant information on NBS operations.

Народна банка Србије www.nbs.rs/ - 12. Мај 2021. ***
 Постојећи режим девизног курса омогућава НБС довољно флексибилности и простора за вођење одговорне и кредибилне монетарне политике и спровођење одговарајуће стратегије кад је реч о девизном курсу, рекла је [#biznis.rs](https://www.biznis.rs/) за портал [Biznis.rs](https://www.biznis.rs/).

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 activities carried out to implement 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.

bit.ly/IT_Biznis



During 2021, the NBS published on the website its Annual Report on Activities and Results, Annual Financial Stability Report, Annual Monetary Policy Report and Semi-Annual Monetary Policy Report.

Other 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.

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Also published quarterly were the Report on Dinarisation of the Financial System and the Inflation Report. The Inflation Report presentations were livestreamed on the NBS website.

Available to the public are also the following 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.

At the Governor's proposal, the first NBS Working Papers Bulletin was prepared and published both in print and e-form. It contains staff papers on the current topics, including macroeconomics, monetary and fiscal analyses, as well as different tasks performed by the NBS. The plan is to publish the Bulletin regularly, at semi-annual intervals.

In 2021, two new chapters were added to the NBS website. Honouring the need of the Department for FX Matters and Foreign Credit Relations to inform the public, the new Bulletin Board – Public Delivery – Article 78 of the Law on General Administrative Procedure, was published on the main webpage. Also, in the part of the website pertaining to Supervision of Financial Institutions, a new segment was created and implemented – Digital Assets, with accompanying contents and a part that relates to legal regulations.

Through its subdomains Tvoj novac – www.tvojnovac.nbs.rs and Visitor Centre – www.centrazaposetiocce.nbs.rs, the NBS informed the public about its activities in the field of financial protection and education, exhibitions and workshops for pupils and students.



All information about the domestic DinaCard payment card and data about the DinaCard system as well as the list of all acceptors are available to the public through the link: www.dinacard.nbs.rs. This subdomain is increasingly visited, which indicates rising interest of citizens as well as acceptance of the system by corporates.

A new subdomain IPS-NBS was also launched, and it provides all relevant information about the advantages of and methods for instant payments.



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

On its YouTube channel (theNBSvideos), the NBS publishes recordings of conferences for the press and professionals presenting the Inflation Report and the Annual Financial Stability Report, NBS Governor's address to the public, as well as recordings about the history of the Bank, financial education and money, and other relevant content.



RESPONSIBILITY TO EMPLOYEES

Employee structure

The NBS, as a responsible employer, has set the care for employees as one of its priority objectives and is therefore continuously implementing the best practices of human resource management. Organisational culture nurtures and encourages trust, loyalty, transparency, equal opportunities, protection and respect for individual rights and needs, professional development and raising competency levels, job satisfaction, commitment, cooperation, team learning, progress and productivity.

In 2021, the employee structure continued to show variety along different dimensions – type of employment, gender, educational level and age.

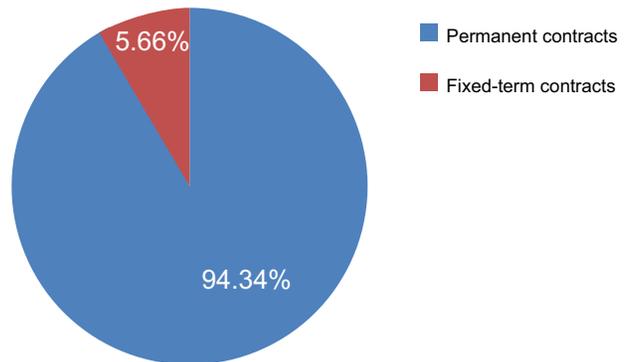
As regards the gender structure, like in the previous years, women (56.89%) outnumbered their male colleagues (43.11%).

In the past several years the NBS witnesses a trend of dominance of women in managerial positions (58.94% of the total number of managerial jobs).

In terms of the staff qualification structure, on 31 December 2021, the highest number of NBS employees were university (40.34%) and high school graduates (40.15%).

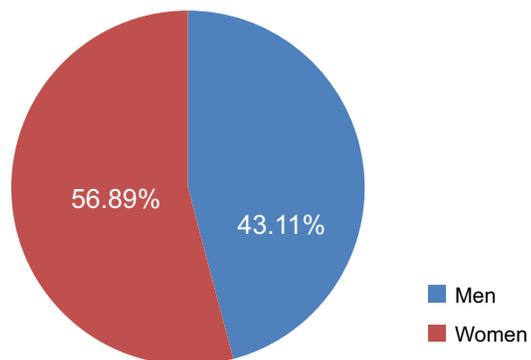
In terms of age structure, as in the previous years, in 2021, the two most prevalent age groups were 51 to 60 years (37.20%) and 41 to 50 (27.92%).

Chart 1 Structure of employees by type of employment



The principle of equal opportunities for all was fully applied, and this is how the NBS shows its commitment to fight against any form of discrimination.

Chart 2 Gender structure of NBS employees



Gender structure of employees at managerial levels

	Officials		Managers of basic organisational units, branches and the Institute		Middle and lower management		Total	
	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
Men	2	40%	28	47.46%	55	38.46%	85	41.06%
Women	3	60%	31	52.54%	88	61.54%	122	58.94%
Total	5		59		143		207	

Chart 3 Gender structure of management staff

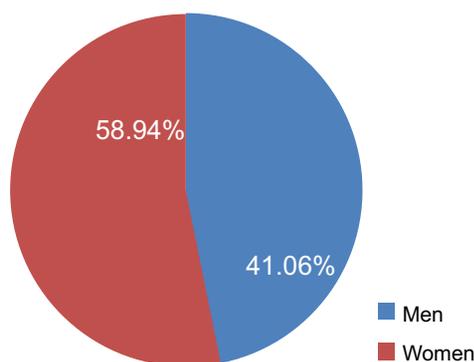


Chart 4 Staff qualifications structure

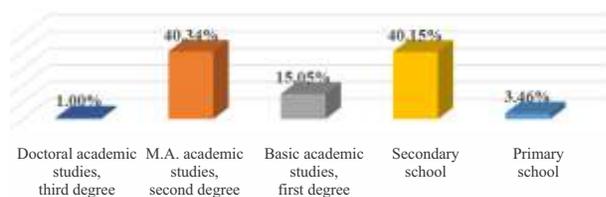
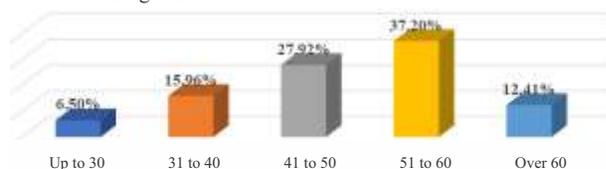


Chart 5 Staff age structure



Education, professional development and training

To raise professional capacities of staff so they could do their current and planned jobs, in 2021 the NBS enabled them to attend university studies, training aimed at acquiring different professional titles, certificates and licences and participate in seminars, courses, workshops, counsellings, conferences and similar events aimed at professional development.

In 2021, the NBS financed the costs of education in higher education institutions in the Republic of Serbia for 11 employees and the acquisition of different licences and certificates for 30 employees.

Staff professional development enabled learning new knowledge, competencies and skills, i.e. acquiring licences, certificates and other documents required for performing certain types of jobs, improved professional capacities of organisational units and contributed to more efficient performance of tasks under the NBS mandate. In this way, the NBS as an employer also met its obligations arising from the Law governing fire protection, health and safety at work, etc.

The contents of seminars, conferences, specialised courses and workshops on various topics of central banking attended by employees were adapted to the current and future challenges faced by the central bank in performing its statutory tasks. The lecturers were experts from central banks, the International Monetary Fund, the European Money and Finance Forum (SUERF), the Official Monetary and Financial Institutions Forum (OMFIF), SWIFT, the Bank for International Settlements, the World Bank, the European Bank for Reconstruction and Development, national insurance supervision agencies, etc.

Due to the current coronavirus pandemic it was impossible to hold the usual seminars in the country and abroad with live participation, and central banks and international and local educational institutions organised seminars in the form of online webinars followed by over 240 staff members.

The NBS organised internship for 88 university students providing them with an opportunity to complement their theoretical knowledge from college with work experience.

Chart 6 Staff education

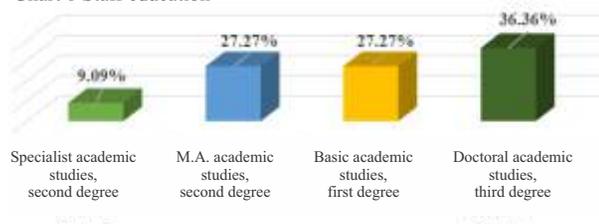


Chart 7 Professional development

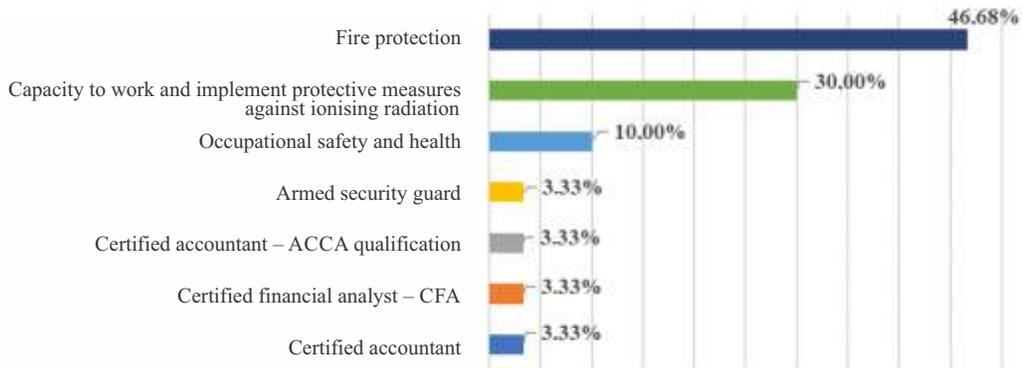


Chart 8 Employees' development



Occupational safety and health

As a responsible employer, the NBS takes 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, electrical insulation poles, boots and gloves). 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

accordance with the Workplace and Work Environment Risk Assessment Act of the NBS. 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 (protective footwear, 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 2021. All necessary prior training for new employees and periodic training for safe and healthy work of employees were implemented in the basic organisational units. All injuries at work in the basic organisational units were reported and duly recorded.

In line with the procurement plan for 2021, the NBS carried out the public procurement of services related to occupational safety and health, such as the services of occupational medicine, examination of work conditions and check-ups of the work equipment, as well as the procurement of goods such as first aid kit, protective masks, clothes and gloves.

The Decision on Establishing the Committee for Drafting the 2021 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 good cooperation with branches and the Institute for Manufacturing Banknotes and Coins – Topčider on the uniform application of regulations in this field.

In the conditions of the coronavirus pandemic, the NBS consistently applied 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 2021, the Institute implemented activities to improve occupational safety and health, in accordance with the requirements of the SRPS ISO 45001 standard, in order to create a safe working environment and eliminate risks through continuous improvement in this field, as confirmed by the verification of the certificate.

In 2021 special attention was paid to the implementation of recommendations for system improvement given during the external examination in 2020. One of the recommendations was to more clearly determine the method of evaluating the achievement of the goal, the goal being the raising of employee awareness about occupational safety and health. The method of evaluation

was the regular examination of application of occupational safety and health measures through the assessment of certain parameters subject to examination (use of protective equipment, orderliness of work premises, safety devices on working equipment, work premises adequately equipped with signs, instructions etc.). The achievement of the set objective was evaluated by the analysis of the obtained data and their comparison.

Also, in production halls of the Institute, labels were posted on work equipment (machines, devices, plants) – Instructions for safe operation, along with the pictogram of the corresponding personal protection tool that is used when handling the particular equipment.

For the sake of raising employee awareness about the importance of occupational safety and health, employees in management positions were trained regarding management obligations and responsibilities via presentations on the MOODLE platform.

As part of the implementation of the 2021 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, a complete adaptation and reconstruction of wardrobes and sanitary facilities was undertaken at the new mint building (Coin Production Department). Also, in order to improve working conditions, the existing lighting was replaced by led lighting at three production rooms in the Production Plant Building and lighting replacement will continue during 2022.

The 2021 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 envisages a complete reconstruction of premises involving purchase and instalment of new work equipment at the Department for Chemical Preparation and Galvanization. The works should be completed in 2022.

As part of Programme implementation in 2021, in order to reduce or eliminate the risks of injury by dangerous surfaces the employees come in touch with, the floors of the new mint building were refurbished or completely replaced – at the premises where motor vehicle plates are produced and at the

Production Plant – card production premises. It is planned that the floors at the Institute should be replaced continually, in stages, in all production plants.

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 2021, six 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 2021, the Department for Financial Consumer Protection continued to actively help financial service consumers in exercising their rights by informing and educating them. We strived to help citizens understand the role of the NBS, especially in the area of protection of financial services consumers.

Since almost the entire 2021 was marked by the pandemic, and in the prior year 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, 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, in plain, easily understandable wording. A total of 913 consumer queries were answered, 79% of which concerned banks.

We made clear to many financial services consumers the terms under which numerous banks increased their payment service fees.

The conditions for organising panels were significantly aggravated due to the pandemic, so only two educational panels were held between 1 January and 31 December 2021, one live and the other online. In spite of the efforts of employees engaged in educational activities to organise online panels, there was a lack of interest among local partners.

In addition, in 2021, the NBS Information Centre received 18,528 telephone calls and e-mails from consumers. The majority of queries related to banking services, exchange operations and enforced collection.

In 2021, a total of 1,616 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 could 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 (26%), notably loans.

Exhibitions and educational activities

In the course of 2021, exhibitions, educational and cultural programmes of the NBS intended for the wider public recorded a turnout of 726 visitors – 120 at the NBS Kralja Petra building and 150 at the NBS building at Slavija square. Educational workshops were attended by 456 students.

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 for the public, starting from 16 March 2020. Subject to the prior consent, the exhibition-educational hall at Kralja Petra 12 was visited only by domestic and international guests of the NBS.

Since citizens were unable to come and visit the Visitor Centre or take part in educational programmes of the NBS, the following video content was prepared and posted on the NBS website: “Dinar – Our Money”, “Serbian Painters and Sculptors of 20th Century – Selection from NBS Collection”, “NBS Banknotes from WWII until Today”, “Money of the Principality and the Kingdom of Serbia” and “Money of the Kingdom of Yugoslavia”. The NBS also prepared five presentations: “Money Through History”, “Counterfeit Money and How to Recognise It”, “NBS – Role and Tasks”, “Inflation” and “Savings”, as well as a book of impressions.

The video content is accessible at the subdomain of the Visitor Centre, as well as on social networks: Facebook, Twitter and YouTube.

Exhibitions

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

“7th Handicraft Fair of Serbia’s Muscular Dystrophy Association” and

“Humanitarian Exhibition of Paintings of Serbian Painters and Applied Arts Artists”

In addition, the national folk-dance ensemble “Kolo” filmed its concert at the hall of the building.

Financial education of children and youth

Global Money Week

For the purpose of marking the Global Money Week from 22 to 28 March, the Exhibition and Education Unit prepared five video presentations for children and youth and made them publicly available. The presentations,



posted on the subdomain of the Visitor Centre, cover the following topics: Money Through History, Counterfeit Money and How to Recognise It, NBS – Role and Tasks, Inflation and Savings.

World Savings Day

This year again, from 31 October to 5 November, the NBS marked the World Savings Day by a series of educational activities for children and youth. With the observance of the epidemiological measures, workshops “Counterfeits” and “Me and My Budget” were held on 2 November at the Economic-Trade School “Knjaz Miloš” and the secondary school “Takovski ustanak” in Gornji Milanovac.

As of 1 November, the NBS made available on its website, i.e. the subdomain of the Visitor Centre, video content about the Money of the Kingdom of Serbs, Croats and Slovenes and the Money of European Countries, prepared on the occasion of the World Savings Day.

Cooperation with educational institutions

In 2021 the NBS held the following workshops: “Distinguished Persons Featured on Dinar Banknotes”, “Counterfeits” and “Me and My Budget” in Belgrade, Niš, Valjevo, Lazarevac and Gornji Milanovac.

At the invitation of the First Economic School in Belgrade, the NBS organized a quiz tournament



“Distinguished Persons on Dinar Banknotes” for students of seven economic schools (Economic and Trade School in Sopot, High School in Barajevo, Second Economic School, High School in Grocka, Economic School “Nada Dimić”, Fifth Economic School “Rakovica” and First Economic School).

Cooperation with the Ministry of Education, Science and Technological Development of the Republic of Serbia

At the invitation of the Institute for the Improvement of Education – Centre for Programme and Textbook Development, working under the auspices of the Ministry of Education, Science and Technological Development, an NBS representative participated in a working group for the preparation of financial literacy programmes for primary schools, aimed at introducing financial literacy into the primary school curriculum. After several months of joint work, preparation of materials and constant communication and meetings with other working group members, target group-tailored materials were developed for the four programmes within the NBS's remit.

Cultural events

International Day of the Francophonie

On the occasion of the International Day of the Francophonie, on the subdomain of the Visitor Centre,

interested visitors were able to look at the catalogue accompanying the exhibition “Belgrade–Paris 1886–2012. History of Cooperation”. The exhibition was first showcased at the Banque de France in Paris and subsequently at the Gallery of the NBS Slavija building.

Museums for 10

The Museums for 10 event was held from 12 to 18 May 2021, under the slogan “Future of Museums: New Ideas, New Practices”.

In a video presentation, the NBS featured the exhibition “20th Century Serbian Painters and Sculptors from the NBS Arts Collection”. The exhibition showcased 21 representative works of art of the most prominent Serbian authors from that period and the selected works illustrate the important processes in Serbian painting before and after 1950.

European Heritage Days

From 15 September until 15 October 2021, the NBS marked the European Heritage Days by showing two thematic films: Money of the Principality and the Kingdom of Serbia and Money of the Kingdom of Yugoslavia.



Humanitarian and voluntary campaigns

Driven by a desire to support the entire community with its responsible attitude through various forms of humanitarian actions, in 2021 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 and visible humanitarian and voluntary campaigns. The total cash value of the humanitarian activities of NBS employees in 2021 amounted to RSD 1,078,765.

Traditional Eastern humanitarian exhibitions of children and youth with developmental disabilities and elderly persons were held in Novi Sad and at the NBS head office in Belgrade. In view of the epidemiological situation, the exhibitions were organised with one representative of each participating association and without the presence of children who made the handicrafts. Employee interest and turnout was nevertheless remarkable. Associates for social responsibility were very satisfied by the purchase of decorative and use handicrafts, with around RSD 13,600 dinars collected in Novi Sad and RSD 78,200 in Belgrade. The collected money will increase the budgets of user associations and enable them to purchase more materials for creative workshops, which have an important role in maintaining users' mental and physical health.

The humanitarian action in Niš was dedicated to helping to a multi-member family. Employees of the Niš branch

collected RSD 36,100. As proposed by the Centre for Social Work in Niš, the collected money was used to purchase household appliances for a family with five children, lacking regular income, from the Ledena stena settlement in Niš. The purchased household appliances facilitated everyday life for the family.

In the humanitarian action of the Užice branch, employees collected RSD 27,000 for users of the Residential Home for Adult and Elderly Persons – Zabučje. The collected money was used to purchase personal hygiene substances for Home users, which helped to improve the quality of life of the elderly in Užice. Also, a smaller amount was used to purchase sweets and snacks for gathering and socialising at the Home, which is very important for preserving users' mental health. The decision on donation was made in cooperation with the Centre for Social Work in Užice.

Employees in the Novi Sad branch participated in a humanitarian action of collecting used clothing and school equipment for users at the Children and Youth Drop-In Shelter in Novi Sad. Apart from school equipment, employees also collected 40 packages of used clothing for children at the Shelter, from infants to 19-year old teenagers. NBS employees from Belgrade also participated by donating clothing, toys, board games.

Employees at the head office and the branch in Belgrade participated in a socially responsible action of collecting food and clothing for users of the Soup Kitchen in Belgrade, to mark the International Day for the Eradication of Poverty. A total of 250 packages/625kg of canned food, ready meals and other foodstuffs were collected, worth RSD 93,620, together with 300 packages of used clothing. One part of foodstuffs was used to prepare warm and cold meals, while the other part was packed and distributed to users.



Traditional New Year's humanitarian exhibitions of handicrafts made by children and youth with disabilities and elderly persons were held at the NBS head office and the Novi Sad branch. Due to the epidemiological situation the exhibitions involved one representative from each of the organisations involved, while children who made the objects did not attend. NBS employees again supported the creative endeavours of the most vulnerable members of our society and showed empathy and humaneness. At the great satisfaction of social responsibility associates, RSD 124,500 was collected in Belgrade and RSD 16,800 in Novi Sad, which will be a great support for creative workshops and implementation of activities involving users.

In a humanitarian action the employees of the Kragujevac branch, in cooperation with the association “Kolo srpskih sestara” organised the action “Let's Make Children Happy by Showing We Care”. The employees collected sweets and snacks for children from socially vulnerable families in Kragujevac and managed to collect 33 packages worth around RSD 33,000.

In a traditional humanitarian action “A Package for an Unknown Friend” held in the second half of December, employees at the Belgrade branch turned out in great numbers and jointly prepared and donated 381 New Year's packages worth RSD 270,000. They also collected 90 packages with used clothing. The first quantity of 81 packages was delivered to children and youth with developmental disabilities from the Day Care Centre “Neven” in Pančevo. With the help of our long-standing associates, the organisation “Mali Veliki Ljudi”, 196 packages with sweets and snacks and 40 packages of used clothing was handed over to children from the home “Kolevka” in Subotica, while 104 packages with sweets and snacks and 50 packages with used clothing were delivered to children at the Home for Children with Developmental Disabilities in Veternik.

Through collection and sale of secondary raw materials which NBS employees sorted in their offices, an income of RSD 385,945 was generated and donated, according to the financial plan. This year, the funds went to the Drop-in Shelters for Children and Youth – RSD 179,472.50 to the Novi Sad shelter for the purchase of technical appliances for unimpeded functioning of the shelter, and RSD 179,472.50 to the Belgrade shelter, for the purchase of winter footwear for users.

In 2021, NBS employees gathered around 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”. Employees were continuously encouraged to take part in the action and the quantity of bottle caps collected helped to purchase three orthopaedic tricycles for three children aged from 7 to 14. Given that this action incurs no costs either for the NBS or its employees and yields results, while also involving members of employees' families, it is considered very important and will be continued going forward.



The NBS will continue to carry out humanitarian and voluntary campaigns, broaden the circle of social responsibility associates, 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. The donations and humanitarian contributions are set out in the NBS annual financial plan and the level of funds is determined by the Council of the Governor of the NBS. In 2021 the NBS earmarked RSD 2,470,000.00 for these purposes.

The Institute for Manufacturing Banknotes and Coins – Topčider produced and donated plaquettes to the “Dositej Obradović” Foundation. It also produced benefit cards “For Our Heroes” intended for employees, engaged persons and volunteers in the COVID-19 system, within the project organised by the Serbian Government. With a view to helping children from Kosovo and Metohija, in cooperation with the Ministry of Internal Affairs, the NBS donated passport forms.





Membership in 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 for 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, for years back 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, these activities were not implemented in 2021.

The collaboration will continue in 2022, 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.

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 2021

625 kg of canned food,
ready meals and other foodstuffs
and **300 packages**
of used clothing donated
to socially vulnerable
categories in Belgrade

**4 humanitarian
exhibitions**
of artwork made by
people with disabilities

1,700 kg of plastic
bottle caps
gathered as part of the action
“**Bottle Cap for Handicap**”

381 New Year's packages
and **90 packages** of used clothing
donated in the New Year's action
“**A Present for an Unknown Friend**”

Humanitarian actions
at NBS branches
in Niš, Užice, Kragujevac
and Novi Sad

Funds collected through employees'
sorting of secondary waste were
donated to the
**Drop-in Shelters for children
and youth**
in Novi Sad and Belgrade.

Total cash value of
humanitarian activities
RSD 1,078,765

RESPONSIBILITY TO THE ENVIRONMENT

Preserving natural resources at the head office and branches

In 2021, the NBS continued to behave responsibly towards the community and the environment. Waste formed in the process of current and investment

Heating

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
2020/2021	776,752	1,786,020

Water

Year	Kralja Petra (m ³)	Nemanjina (m ³)
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
2021	3,482	12,177

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
2021	320,897	105,713	3,344,984	1,286,148

HT – higher tariff
LT – lower tariff

maintenance of facilities and equipment is handled in 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 122,568.40, while income from PET packaging recycling came at RSD 76,307.00. 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	21,820.00	99,140.00
Novi Sad Branch	1,131.80	6,315.40
Kragujevac Branch	4,900.00	14,553.00
Niš Branch	320.00	2,560.00
Užice Branch	/	/
Total	28,171.80	122,568.40



Organisational unit	PET packaging	
	Quantity (kg)	Income (RSD)
Head office and Branch in Belgrade	3,590.00	75,390.00
Novi Sad Branch	131.00	917.00
Kragujevac Branch	/	/
Niš Branch	/	/
Užice Branch	/	/
Total	3,721.00	76,307.00

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

In accordance with the principles we committed to as early as 2014 in introducing internationally recognised standard ISO 14001:2015, in 2021 the NBS invested great efforts and demonstrated great dedication and readiness to improve the set up Environmental Protection Management System.

Owing to planned waste management, each year the Institute earns proceeds from the sale of secondary raw materials which are then reused. In 2021 it sold around 160 tonnes of secondary raw materials and handed over to authorised operators around 30 tonnes of dangerous waste for further processing and treatment.

In accordance with the regulations, the Institute regularly monitors the issuance of pollutants into water, air, and earth. The results of measurements in 2021 confirmed that all production processes were implemented in accordance with the legal standards of environmental protection, which was additionally confirmed by regular and extraordinary inspection examinations conducted in 2021 by the City of Belgrade Administration, Environmental Protection Department, water and tourist inspections.

To meet the legal obligations under the Waste Management Law, the Institute prepares its Waste Management Plan, which is updated every three years. The third version of the plan was adopted in 2021, covering also other organisational units of the NBS which generate waste. The wider coverage of organisational units was proposed by the Internal Audit, which underscored sound waste management practice of the Institute.

As the operations of the Institute are continuously improved, striving for excellence, we search for new models and methods of improvement. Thus, certification firms are engaged to competently, consistently and impartially assess our compliance with the relevant standards. Through their supervision and examinations each year they make observations and give recommendations for improvement. The recommendation in 2021 was to broaden the waste control lists

of the Institute based on the model applied by the Ministry for Environmental Protection. After the analysis, the recommendation was accepted, and the control lists were broadened in order to improve the waste management system.



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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.