

# COMMUNICATION ON PROGRESS

## 2011



**STOPANSKA BANKA AD - SKOPJE**  
member of NBG group

On your side

## Contents

STATEMENT OF CONTINUING SUPPORT FOR THE GLOBAL COMPACT FROM THE CHIEF EXECUTIVE OFFICER . . . . .	3
HUMAN RIGHTS . . . . .	4
LABOR STANDARDS . . . . .	5
ENVIRONMENT . . . . .	8
FIGHT AGAINST CORRUPTION . . . . .	9





## STATEMENT OF CONTINUING SUPPORT FOR THE GLOBAL COMPACT FROM THE CHIEF EXECUTIVE OFFICER

### CORPORATE SOCIAL RESPONSIBILITY IS OUR PLEASURE

For the ninth consequent year Stopanska banka AD - Skopje (SB or the Bank) is an active partner of the world's leading voluntary corporate citizenship initiative - the UN Global Compact. The ten principles of the Global Compact are deeply embedded in the corporate culture of the Bank allowing us to practice our business in a constantly improving environment that always benefits from corporate citizens whose corporate culture is aimed towards the greater good.

During 2011 the focus was on broadening the field of our activity in social corporate responsibility connected to improving the community and activating the organization connected to us to take more active role in the social life.

Our core business activities provide us with the opportunities to help clients make better, more informed financial decisions that affect their families and circles. We also provide support, guidance and financial advice to growing companies that in turn provide growth opportunities for the community. The past years, as a Bank with the longest tradition we were committed to raising the financial literacy in the society, and it is in our future to set the grounds for banking services that provide reassurance, stress free cooperation, growing confidence and positive attitude towards the economy.

As we believe, our employees that interact with the multitude of clients on daily basis have the corporate culture embedded in their behavior which enables us to provide the much needed moral stamina to the spheres of our influence.

Our commitment for the future is to remain on the path set by the Global Compact and unify our core values of a responsible corporate citizenship into the society because only when progress and growth are based on solid and socially recommended grounds they are indeed long term and sustainable. We shall remain transparent, open for dialogue, innovative and perceptive of the society requirements that need to be met.

Gligor Bishev PhD  
Chief Executive Officer  
Stopanska banka AD - Skopje, Member of NBG Group

## HUMAN RIGHTS

### **Principle 1:**

Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence; and

### **Principle 2:**

Businesses should make sure they are not complicit in human rights abuse.

## COMMITMENT AND SYSTEMS:

- The Bank implemented in 2011 the SAP HR module that allows for bigger transparency in management of human capital. The software is developed according to the commitment of the Company for strong protection of employee personal data
- Continuous investment in training and improvement of human capital is confirmed by the Business plan for 2012-2016

## PRACTICAL ACTION AND MEASUREMENT OF OUTCOME

- Implementation of procedures and operational standards as well as clear definition of job descriptions



## LABOR STANDARDS

### **Principle 3:**

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

### **Principle 4:**

Elimination of all forms of forced and compulsory labor;

### **Principle 5:**

Effective abolition of child labor; and

### **Principle 6:**

Eliminate discrimination in respect of employment and occupation

## COMMITMENT AND SYSTEMS:

For Stopanska banka, primarily a service company, the employees represent the biggest asset and the key to growth and success. Therefore we have embedded a corporate culture that stimulates talents and stimulating working environment, provides real opportunity for development and growth, where rewards are based on clear measurement and regardless of age, gender or nationality.

At the same time, we consider our employees, our team as a significant part of society and we therefore invest in their abilities and skills that allow them to further develop their life/work balance and provide support to a society changing for the better.

Our employees are involved in policy and procedures development, strategic issues management and we mentor each other thus contributing together to the Bank progress and performance.

## PRACTICAL ACTION & MEASUREMENT OF OUTCOME

Freedom of employees association:

- The Labor Union of SB operates openly and independently and has membership of 841 employees. SB openly supports membership to the Labor Union without any discrimination on grounds of this membership. SB HR officers advocate all labor union rights to the new employees.
- SB continuously sponsors sport and recreation activities organized by the Union

As proof that SB continues to support equality with no regard to sex, age and nationality in 2011 out of 25 senior line managers, 16 are women.

With the budget for training and education that is annually increasing we have improved the academic level of our employees. In 2011 the number of employees with post-graduate degree has risen to 53.

As new technologies and services are developed and promoted to clients the need for employee training grows each year. This investment in our employees enables us to grow even further and remain innovative leaders on the market:

#### a) Internal trainings

As the growth of the company relies heavily on the abilities and development of employees internally we manage to execute a wide variety of trainings that allows for knowledge to be shared across the company and allows employees to gather wider perspective on the business. In 2011 2534 employees (multiple counts) participated in trainings for SAP, HR issues, third sales channel management, VIP client management, Insurance, CMS software, Maturity gap, Newly approved loans, Project Management, Operational risk, Sales techniques, Phone banking, e-banking, MIFID, Western Union, Archiving operations, BPO, Trade finance, Credit policy and Corporate Banking, Business continuity plan, Anti money laundry and financing terrorism prevention, Subsidized government loans etc.

#### b) External trainings

The abundance of knowledge on banking topics available in the country and in the region is always enticing the Bank to provide employees the opportunity to gather this knowledge and apply it in their everyday jobs. During 2011 employees visited 19 conferences and seminars outside the country and 40 within the country. Altogether 130 employees visited these events enriching the knowledge base in the Bank.

#### c) Professional Development

In support of academic upbringing employees are supported in their ambitions with scholarships and other means. During 2011 the Bank supported 3 PhD students and 2 EMBA students.

#### d) Budgeted for 2011 75.000eur

The web site of the Bank, the social networks and the contact center aid the collection of CV's from prospective employees, mostly University Graduates or post-graduate students.

The humanitarian spirit of the company was motivated by the first massive organization of a humanitarian aid action all over the country. Employees and their families donated clothes, domestic equipment, books, shoes and so on, in cooperation with the Macedonian Red Cross. Over 5 tons of help was gathered by the employees and the action was accredited by the Red Cross association as one of the most successful in the year.

Besides that, the company increased its' sponsorship and donation budget to 130.000eur for 2011 and supported major events in the country - medicine, religion, music, film, educational, environmental, leisure and so on.



## Health and Safety at the Workplace:

- Annual medical examination for all SB employees, fully financed by the Bank which includes advanced examinations far more detailed and extensive than mandated by the law, specially for employees above 40 yoa.
- During the year, SB continued training of employees on handling emergencies, health issues and improving the hygiene level.
- Smoking is strictly forbidden in all areas of the Bank, and we are raising employees awareness of the risk hazards of smoking.

Whistle Blowing Policy is in place and fully functional since 2005 allowing employees to anonymously report unethical behavior without fear of retaliation.

## COMMITMENT FOR THE FUTURE

Following the long tradition, Stopanska banka will continue to promote its culture of an attractive work place that offers aspiring talented employees real growth opportunities and value for their effort. At the same time, the Bank provides balance between work, life and leisure promoting family values and supporting employees both personal and work lives. The Bank fosters creativity on the work place and high professional standards with strong emphasis on business ethics. Therefore the Bank will:

- Continue improving the working conditions
- Maintain a framework of equal training and development using sophisticated technologies
- Providing employees the opportunity for better balance between work and life



## ENVIRONMENT

### **Principle 7:**

Businesses should support a precautionary approach to environmental changes;

### **Principle 8:**

Undertake initiatives to promote greater environmental responsibility; and

### **Principle 9:**

Encourage the development and diffusion of environmental friendly technology

## PRACTICAL ACTION AND MEASUREMENT OF OUTCOME

- Internal training and education of employees on using web/phone based services that reduce the need for paper, transportation and electricity mainly in banking but applicable in all areas of life
- Use of e-mail to distribute monthly statements that reduces need for paper and transportation (postal) services
- Improvement of transportation fleet - low consumption vehicles, outsourcing some transportation to major transportation companies etc.
- Reducing of paper, energy and water consumption
- Sponsor and supporter of "Trash fashion 2011" - event for high school students that created fashion designs from recycled materials as an educational process in understanding the importance of recycling in today's consumer society

## COMMITMENT FOR THE FUTURE:

- The environmental challenges grow with every passing year and it is crucial that each new generation is faced with the solutions that provide a better future for the environment. The impact that SB has on a large population of clients is used to benefit the common goal - improving the environment. Through constant investment in new better performing and energy efficient technology, through training, use of web solutions and waste management, through donations/ sponsorships of ecology related products the Bank takes active role in the community.



## FIGHT AGAINST CORRUPTION

### **Principle 10:**

Businesses should work against corruption in all forms; including extortion and bribery

## COMMITMENT AND SYSTEMS

- As a financial institution with broad influence over a small market and a rich legacy and tradition SB is strongly committed to fighting corruption in any form it may appear (bribery, extortion, fraud, nepotism and cronyism)
- The Bank has a fully functional Anti money laundry and Prevention of Terrorism Financing Department that has implemented the MANTAS software and strictest methods of operations

## PRACTICAL ACTION AND MEASUREMENT OF OUTCOME

- Constant in-house training and regular e-mail information is distributed to employees (throughout the entire hierarchy) regarding prevention of money laundry and terrorism financing.
- Regular upgrade and revisions of relevant internal procedures and policies
- Increased number of employees involved in Money laundry detection and prevention
- The monthly remuneration of the Supervisory Board members for 2011 is transparently communicated with SB shareholders, clients and institutions (using the web site and the annual report)
- Group procurement standards were applied in 2011 maximizing the transparency of the process



**STOPANSKA BANKA AD - SKOPJE**  
member of NBG group

On your side

[www.stb.com.mk](http://www.stb.com.mk)