GRI REPORT 2024

3Bank JSC Novi Sad

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Introduction from the President of the Executive Board

The previous year, although challenging in various aspects, both globally and locally, once again confirmed our commitment to remain a reliable support and partner to our clients in the realization of their business and personal goals, despite all the obstacles. The business model of 3 Bank, focused not only on achieving business but also social and environmental goals, has once again proven to be not only sustainable, but also necessary in times of increasing uncertainties that predominantly impact those who are most in the need of assistance.

We are extremely satisfied with the achieved business results. The loan portfolio grew by 11.3% and at the end of the year amounted to 26,4 billion dinars.

We have maintained a leading position in financing our key segments, farmers and entrepreneurs, as shown by the data indicating that as many as 52% of agricultural loan users and 34% of entrepreneurs are clients of 3 Bank. A slight increase in market share was also recorded in the retail lending segment, so at the end of 2024, the total market share of 3 Bank in the number of credit clients was 4.5%.

Client deposits also achieved the targeted growth and reached the amount of 21 billion dinars at the end of the year, which is a growth of 15% compared to the previous year.

We are a bank striving not only to make profit, but also to contribute to qualitative changes in society and the well-being of the community as a whole. In accordance with our mission and values, as well as an ownership structure consisting of some of the most famous banks in the field of green lending in Europe, in 2024 we remained faithful to the main goals of our activities: achieving a positive impact on the economy, society and the environment.

First of all, we maintained our focus on improving access to loans for categories of clients for whom this access is difficult, in other words - financial inclusion. As much as 72% of our clients in 2024 were from rural areas, while the share of so-called "underbanked" clients, i.e. clients who previously did not have access to credit, amounted to 40%.

In addition to social performance, with more than 1,500 "green loans" disbursed in 2024, we have made significant steps in one of the Bank's most important strategic directions and thus continued to contribute to the "green transition" in the Republic of Serbia.

A significant step forward was also made in the segment of digitalization, where, relying on the digital initiatives of the Republic of Serbia, we enabled farmers to use the Consent ID application to obtain a loan in just a few hours without having to visit the Bank, completely "paperlessly". In addition, by issuing a digital identity (eID) and through active education by our employees, we enabled our clients to use other eGovernment services and thus, in addition to financial inclusion, made a significant contribution to the inclusion of clients in the digital environment.

The said results were achieved thanks to the unreserved support of our shareholders, as well as the exceptional commitment and professionalism of our employees. On this occasion, on behalf of the Executive

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Board, I wish to thank them for their efforts, their willingness to further improve themselves and their commitment to developing a relationship of partnership and trust with our clients.

Vladimir Vukotić, the President of the Executive Board of 3Bank

Corporate Management

Until November 19, 2020, the sole shareholder of Opportunity Bank JSC Novi Sad was Opportunity Transformation Investments, Inc. (OTI) a holding company founded in June 2000 with the primary goal of holding ownership shares in Opportunity International partner banks. OTI founded Opportunity in Novi Sad in 2002 in order to provide financial services to micro and small entrepreneurs and support employment in the Republic of Serbia, and in 2007 was successfully transformed into a bank in accordance with permission from the National Bank of Serbia. On November 19, 2020, a transaction was conducted in which OTI sold 77.99% of Opportunity Bank shares to a consortium of investors. All investors, and now new shareholders, same as 3 Bank (the name of Bank was changed on 22 Nov 2021), are members of GABV -Global Alliance of Value Banks. In 2021, the members of the Executive Board purchased 2% of the shares from the shareholders based on the Management Share Ownership Agreement. Finally, in 2024, a new Management Share Ownership Agreement was concluded and it provided a framework for the acquisition of shares that includes the Executive Board and five senior managers, with the possibility of including more managers in the following years. The first purchase of shares was carried out in accordance with that agreement, so the shareholder structure as of December 31, 2024, is as following:

SHAREHOLDER STRUCTURE ON DECEMBER 31, 2024

Shareholders	No. of shares	Nominal value RSD per share	Total amount in RSD	%of ownership
Opportunity Transformation Investments INC.,	5,941	60,000	356,460,000	19.99%
Umweltbank Aktiengesellschaft	8,871	60,000	532,260,000	29.85%
GLS Gemeinschaftsbank EG	5,911	60,000	354,660,000	19.89%
Triodos SICAV II	4,140	60,000	248,400,000	14.00%
Legal Owner Triodos Funds b.v. / Triodos Fair Share Fund Nieuweroordweg 1	4,141	60,000	248,460,000	14.00%
Management shares	714	60,000	42,840,000	2.40%

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COMPOSITION OF THE BOARD OF DIRECTORS AS ON DECEMBER 31, 2024

First and last name	Represented by	Individual/Independent of bank	Finance experience
Andrew Pospielovsky	Independent	YES	More than 6 years
Frazer Hume	OTI	NO	More than 6 years
Zorica Stevanović	Independent	YES	More than 6 years
Jelena Bulatović	Independent	YES	More than 6 years
Georg Christoph von Carlowitz	GLS	NO	More than 6 years
Timotheus Gordinou de Gouberville Crijns	Triodos	NO	More than 6 years
Goran Bašić	Umwelbank	NO	More than 6 years

COMPOSITION OF THE EXECUTIVE BOARD AS ON DECEMBER 31, 2024

First and last name	Position	Finance experience
Vladimir Vukotić	President	More than 6 years
Novak Rakočević	Member	More than 6 years
Rajko Maljković	Member	More than 6 years
Slobodan Smiljković	Member	More than 6 years

Membership associations

1. GABV, International
2. MFC (The Microfinance Centre), International
3. Association of Serbian Banks, Serbia
4. Chamber of Commerce of Serbia, Serbia

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5. Chamber of Commerce of Vojvodina, Serbia
6. The German-Serbian Chamber of Commerce (AHK Serbia)

Description of Business Activities

The Mission of 3Bank is to provide financial services to all those who make a positive economic, social and environmental impact, with special focus on clients who have difficulty in accessing such services.

The Bank strives to aim every activity, service or product at some of the challenges of the community in which it operates. The Bank supports small entrepreneurs, small businesses and agricultural farms, to whom financial services are often unavailable, in order to enable clients to develop and often start their own businesses, provide a better life for themselves and their families, and create new jobs.

3Bank has positioned itself as a leader in providing financial services to small businesses, entrepreneurs and small farms in the Republic of Serbia, through the support of private entrepreneurship and opening new opportunities for the unemployed and economically vulnerable in Serbia. From its establishment until the end of 2024, 3Bank is in Serbia disbursed 460,005 loans in total amount of 1,298 million euros, enabling creating 77,675 new jobs and maintaining 380,345, existing jobs.

At the end of 2024, 3Bank had:

• A loan portfolio in the amount of 24,6 billion dinars and 21 billion dinars of savings

• 520 employees in 38 business units, including the Head Office

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Income Statement

in RSD 000

INCOME STATEMENT	31-Dec-24	31-Dec-23	% change
Interest income	5,209,765	4,446,095	17.2%
Interest expenses	(1,294,373)	(1,126,729)	14.9%
Net interest income	**3,915,392**	**3,319,366**	**18.0%**
Revenue from fees and commissions	51,520	67,923	-24.1%
Expenses from fees and commissions	(57,227)	(44,786)	27.8%
Net income from fees and commissions	**(5,707)**	**23,137**	**-124.7%**
Net gain / loss on change in fair value	(1,932)	0	-100%
Net income/expense from exchange differences	2,045	1,550	31.9%
Net income/expense from impairment of financial assets not valued at fair value through profit and loss	(447,022)	(224,917)	98.7%
Other operating revenue	65	1,629	-96.0%
Costs of salaries, fringe benefits and other personal expenses	(1,349,630)	(1,339,673)	0.7%
Depreciation costs	(147,926)	(135,141)	9.5%
Other income	81,413	13,041	524.3%
Other expenses	(1,207,679)	(1,025,457)	17.8%
PRE-TAX PROFIT	**839,019**	**633,535**	**32.4%**
Income tax	(131,777)	(94,019)	40.2%
Deferred tax profit/loss	6,281	(23,720)	73.5%
AFTER-TAX PROFIT	**713,523**	**515,796**	**38.3%**

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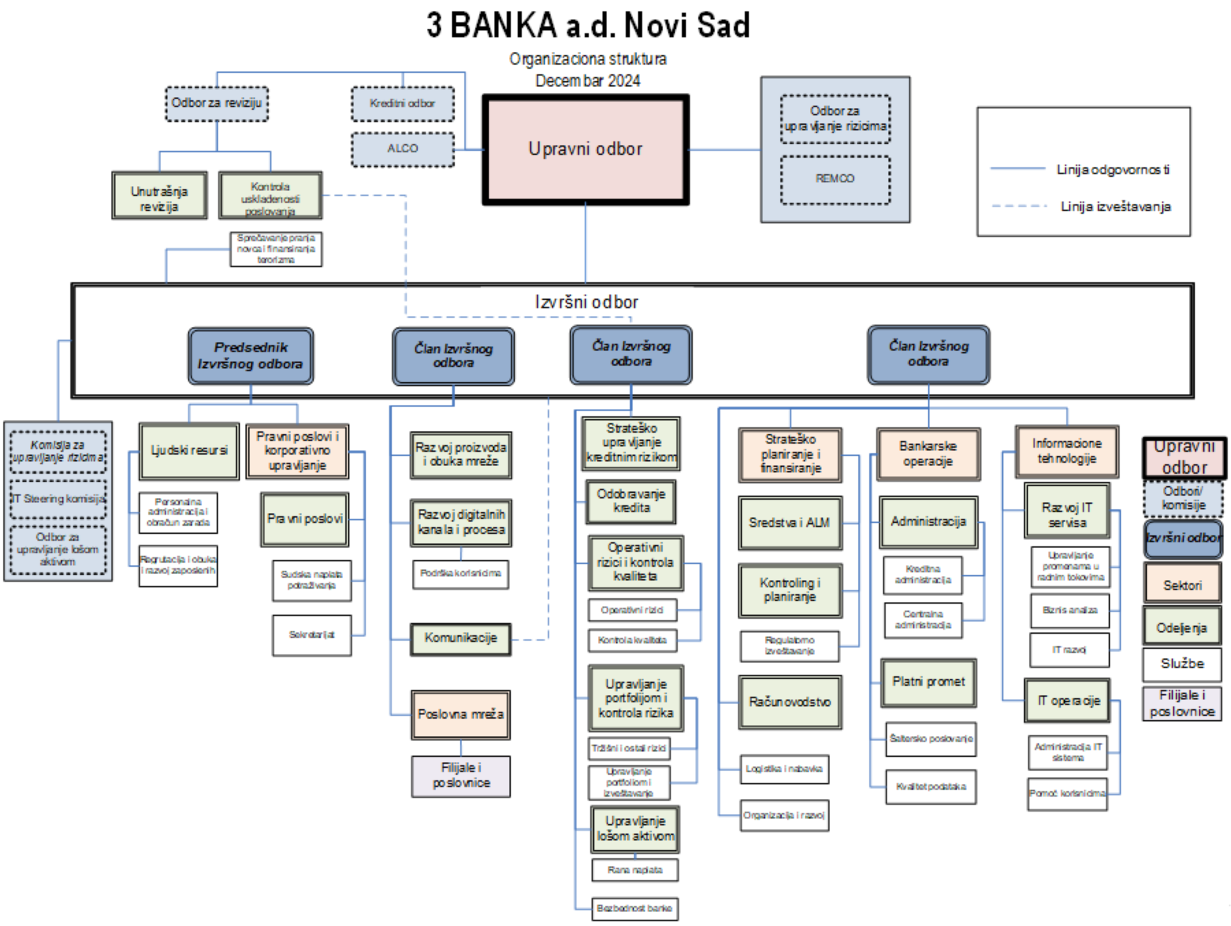
3Bank

Organizational Structure



Human Resources, Social and Personnel Issues

At the end of 2024, 3Bank had 520 employees. The representation of men (226) is lower than the representation of women (294), and continuous attention has been devoted to reducing the gender imbalance in managerial positions in the 21 to 30-year-old category. The Bank's Human Resources Department organizes regular employee trainings, both internal and external. The strategic goal in the field of human resources for 2024 was to consistently provide psychological security in the workplace.

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	Number		Number
Executive Board	4	Managers of mini regions	7
Higher management	5	Branches and credit offices managers	34
Middle management	46	Employees	424
Total			**520**

	Permanent employees		Temporary employees	
	Male	**Female**	**Male**	**Female**
Novi Sad region	15	16	14	4
Belgrade region	29	24	15	24
Nis region	17	20	4	10
Kragujevac region	24	22	3	5
Krusevac region	13	13	2	2
Valjevo region	26	14	1	12
Prijepolje region	10	5	0	6
Back Office	65	90	3	12
Sum	199	204	42	75

Management of Human Resources

The term human resources i.e. human potential refers to all employees of the Bank and implies their knowledge, skills, creative abilities, motivation and commitment that they invest in order to improve both business operations and personal competency, while adhering to the Mission and Values of the Bank.

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A Shared Responsibility

Meaningful, professional, dignified and inspiring management of the Bank's employees is the task of managers at all levels, as well as the Human Resources Department.

Line managers have the primary responsibility to ensure psychologically safe work environment where employees will feel appreciated and where the support and setting will be provided for them to express their full potential and commitment to the success of the Bank.

The Mission of Human Resource Department is to provide partner support and development along with professional guidance to managers aiming to deliver business results by optimizing the performance of our people and ensuring good working conditions.

The Human Resource Department Vision is to for the Bank to differentiate itself with good HR practices as an employer of choice on the labor market.

Selection and Recruitment

Long term success of the Bank depends on its capacity to attract, retain and professionally develop employees and this is the primary responsibility of all managers.

The main criteria for hiring employees are their knowledge, skills, attitude and personal values, regardless of race, gender, nationality, social origin, birth, and religion, political or other beliefs, financial status, culture, language, age and mental or physical disability.

Learning and Development

Employees at all levels are encouraged to continuously upgrade their knowledge and skills. Commitment to employee development is one of the key traits of the Bank as an employer.

Company learning in the Bank implies a structured series of activities aimed at building the necessary and anticipated competencies of employees in accordance with the strategic needs of the Bank. In the field of employee development, the Bank promotes the so-called Blended learning approach, i.e. a combination of different learning modalities according to the following principle: approximately 70% of learning is realized through work, 20% through mentoring of colleagues and 10% through formal learning and training.

The role of managers is to define training needs in agreement with their employees, keeping in mind the objective needs of the job, and to provide them with support and favorable opportunities for continuous personal and professional growth.

In order to enable employees to acquire additional skills and broaden their accountability, the Bank also promotes work in cross functional teams, extension of responsibility and broadening the job scope through collaboration on various internal projects.

Talent and Performance Management

The Bank promotes a workplace where everyone understands the importance of his/her work in achieving common goals.

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The line manages are encouraged to maintain continuous performance dialogue throughout the year with their employees.

The Bank ensures that the formal review process is conducted. This enables managers to acknowledge high performance of the employees and to award them accordingly. On the other hand, it also ensures that the low performance is managed timely and properly.

The promotion and succession planning are based on the sustained performance (WHAT/RESULT and HOW/BEHAVIOUR) and assessed future potential of an employee.

Rewards System

Depending on the positions, the Bank's rewards system consists of competitive remuneration package, variable pay and benefits, in accordance with Labor Law, Human Resources Policy Manual and Labor Agreement.

Work Environment and Conditions

The Bank is committed to providing to its employees a good working conditions and safe and healthy work environment. The Bank ensures security and safety at work in accordance with relevant legal requirements and Bank Human Resource Policy Manual.

Employee Relations

The Bank has built a culture based on trust, mutual respect and dialog and does not tolerate any form of harassment and discrimination.

The Bank strongly promotes transparency in communication, so that employees are encouraged to point out the situation if they believe that any aspect of the employment relationship has been violated.

Continuous retention rate monitoring and conducting surveys on employee satisfaction with the work environment.

With the aim of tracking and timely response to possible problems from the perspective of employees, the Bank monitors the retention rate of employees and measures employee satisfaction with the work environment.

Respect for Human Rights

The Bank respects all human rights guaranteed by the Constitution of the Republic of Serbia.

Principles of Human Resources

Human resources management represents a shared responsibility of the management and Human Resources Department, which is guided by the following principles in its daily work:

1. Employees are the Bank's most import resource i.e. potential
2. All employees shall follow to the Mission and Values of the Bank
3. The Bank ensures impartial employment process

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4. The Bank does not employ persons under 18 years of age, thus ensuring compliance with the Labor Law and Human Resources Policy Manual.
5. The Bank takes care of career development of its employees
6. The Bank provides adequate training to all employees
7. Employee performance is assessed by the annual appraisal form that measures work performance and employees' respect for the Mission and Core Values of the Bank
8. All employees are entitled to advancement in accordance with results achieved and their potential
9. The Bank targets the median salary level compared with banking peer group in Serbia.
10. The Bank provides adequate working conditions for employees in accordance with the Law and best practices
11. The Bank monitors, investigates and documents all injuries incurred in the course of regular business activities
12. Rights, duties and responsibilities of the employees and the Bank as an employer are more closely defined in the HR Policy Manual.

Principles of Compensation System

There are 6 basic principles in Bank's Salaries structure:

Fairness - Principle that is fair to both the individual and the Bank.

Internal justice - A fairness criterion that directs an employer to establish salary logic that correspond to each job's relative value to the organization.

Competitiveness - Specific to a particular job and the conditions at the banking labor market for the skills needed. Pay ranges that are comparable to those offered by local and regional employers for similar positions. Also, the principle takes into account the criticality as well as the deficit of a specific position in the labor market.

Performance based - Individual performance, organizational performance, and the needs of the Bank are considered when determining salary.

Transparency - A commitment by the Bank to be transparent and inform all employees about any changes in the compensation system.

Living wage concept – Bank aspires for the continues prosperity of its employees and aims to provide the living wage that will cover basic living needs by paying attention to living standards in cities and purchasing power index.

The Bank shows interest in a market compensation survey on an annual basis, which provides market data across a selected peer group within Serbia, covering cash compensation and non-cash compensation comparison.

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Banking Operations Results

Lending to farmers

Since its establishment in Serbia in 2002, the Bank has continuously provided support to the development and operation of registered agricultural farms, regardless of whether they are commercial or non-commercial.

From the very beginning of its operations in Serbia, a very important target group for 3 Bank has been clients who live and work in rural areas, are engaged in agricultural production, as this is their only or additional source of income.

In this manner, 3Bank strives to contribute to self-employment, giving farmers the opportunity to start their own micro and small production while supporting their efforts to increase and modernize intensive agricultural production. This way 3Bank, in accordance with its mission, supports the development of rural areas and local communities and, considering the importance of agricultural production, society as a whole. Given the unfavorable demographic trend in rural areas, caused by the decades-long migration of young people to urban centers, the Bank has further intensified its support to young farmers in 2024 and in collaboration with the Serbian Foundation for Entrepreneurship developed a special line of credit intended for beginners and young agricultural households operating for less than two years. By doing so, the Bank aims to assist primarily young people in staying and building their future in the rural while simultaneously contributing to solving the problem of aging and abandonment of villages.

Although farmers faced great challenges in 2024, the Bank achieved a 12% increase in the amount of loans disbursed, while the loan portfolio increased by 6% compared to 2023.

Lending to entrepreneurs and small businesses

Business loans approved by 3 Bank are intended for all registered entrepreneurs and private companies in Serbia.

Loans are granted for business activities in the production, services and trade sectors, and our goal is to stimulate the development of entrepreneurship and thus contribute to creating new jobs and reducing unemployment.

At 3 Bank, loan support to the business sector is comprehensive, from empowering small business ideas for beginners, to providing support and enhancements to entrepreneurial ventures, regardless of the size of the project or the size of the company. We care for both the small and large needs of the business sector in order to enable them to adequately respond to current or challenges in the realization of investments. In 2024, the Bank, in collaboration with the U.S. Development Finance Corporation (DFC), developed a special line of credit aimed at improving business operations for small businesses, providing them with access to long-term financing sources without the need for additional collateral.

In 2024, 9% more loans were disbursed compared to the previous year, while the loan portfolio grew by 14% compared to 2023.

Lending to pensioners and employees

As in previous years, the Bank has focused its attention on creating specific retail products and services in

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order to reach even more clients with difficulties accessing financial services, especially those in rural areas of Serbia and low – income groups targeted by the 3Bank.

Loans for pensioners and employees allow a wide range of people with limited access to financing to utilize our products thereby improving the standard of living of their households and family members.

In 2024, 20% more loans were disbursed compared to the previous year, leading to the loan portfolio growth of 16% compared to 2023.

Green financing

In 2024, the Bank expanded its offer of "green" loans in cooperation with the European Bank for Reconstruction and Development (EBRD) and thus continued to contribute to the green transition in the Republic of Serbia. Loans intended for the installation of energy-efficient doors and windows, insulation, heat pumps and solar panels enable clients, especially those in rural areas, to achieve savings in energy consumption, improve living conditions and reduce CO_2 emissions simultaneously. During the year, 1,595 loans were disbursed for these purposes, and the portfolio reached approximately EUR 4.8 million, reflecting a 150% growth compared to 2023.

The Business Model

The Bank specializes in providing loans and other financial services to entrepreneurs, micro and small businesses and agricultural households in the Republic of Serbia, as well as to other clients who have limited access to financial services.

The Bank offers clients financial products tailored to their specific needs, ensuring the highest possible quality of services and continuously contributing to the development and economic prosperity of the community. Proportionally to the results achieved, the living standards of our employees also grow.

The Bank collects funds through deposit products of an educational nature, promoting the importance of small depositors through its pricing policy.

A strong relationship with investors allows the Bank to ensure further strengthening of capital in the medium term (through capitalization or subordinate loans) and other sources of financing, primarily from the Bank's shareholders and international financial institutions.

Sustainability Approach

The Mission of 3 Bank is to provide financial services to all those who make a positive economic, social and environmental impact, with a particular focus on clients who have difficulty in accessing such services.

The concept of sustainable banking is based on the principle of achieving growth and profit in alignment with the achievement of social and environmental goals. We have incorporated these principles in our strategic goals. Our goal is not just to make a profit, in addition we also want to create a positive impact on people, the

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community and the environment. 3 Bank implements its activities in a way that maintains a balance among all three goals, ensuring that the achievement of one goal does not jeopardize the other two.

3 Bank is a member of the Global Alliance for Banking on Values (GABV http://www.gabv.org). Over sixty GABV members from around the world work toward a common goal: achieving sustainable economic and social development, with special emphasis on preserving the environment and supporting individuals in realizing their potential, thus strengthening the communities in which they live and work.

Our core values are:

People first

We strive to encourage positive changes in the lives of our employees, clients and the community itself.

Sustainability

We are focused on social and environmental impact, as well as our Bank's sustainability which is reflected in everything we do.

Transparency

Being direct and honest is an integral part of our culture. This is how we build trust.

Inclusiveness

Equal rights to financial services for all. We pay special attention to those who have difficulties in accessing banking services.

Innovation

We are constantly striving to improve ways in which we operate and service our clients.

Community Impact

With all its activities, 3Bank strives to contribute to the communities in which it operates.

Projects

In cooperation with the daily newspaper Blic, with the support of the Ministry of Finance and the Chamber of Commerce of Serbia, the Bank organized the competition "Heroes of microbusiness" for the third consecutive year with the aim of contributing to the development and promotion of entrepreneurship. The competition was open to the smallest businesses, with a maximum of 5 employees, whose stories should motivate others to pursue entrepreneurial endeavors, achieve prosperity for themselves and their families, while also contributing to the development of the local communities in which they live. With significant media support,

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the project was successfully implemented, and the ceremony was attended by the Minister of Finance and Vice President of the Government of the Republic of Serbia.

In the second half of the year, the Bank also organized a competition for young farmers up to 35 years old. The Bank has actively supported small agricultural farms since 2008, witnessing the unfavorable trend of the abandonment and aging of villages, caused by the migration of young people from rural areas to large urban centers. During that period, the average age of farmers in the Bank's portfolio increased by as much as 5 years. On the other hand, the Bank's clients include some young farmers who opted for a seemingly tougher route but succeeded in building the lives they want. With this competition, the Bank aimed to use the successful stories of young farmers to motivate other young people to follow the same path, contributing not only to the quality of their lives, but also to the development of rural areas and villages and society as a whole. The competition was supported by the General Secretary of the Ministry of Agriculture who participated as jury member and helped in achieving significant visibility for the contest.

Education on Sustainable Development

3 Bank, through its official social media accounts and the Bank's website, publishes educational content on the importance of preserving the environment and the ways in which we as individuals can contribute to it. With educational articles, photos, infographics, and news sharing from this sphere, we aim to make the topic of sustainable development as relevant as possible for every individual and contribute to strengthening awareness of the goals of sustainable development.

Digital Literacy

3 Bank, in cooperation with The Office for IT and eGovernment, enabled registered farmers to digitally sign their loan documentation on-site, eliminating the need to visit the Bank. In this manner, the loan approval process has been streamlined for clients, while lessening the environmental impact through decreased printing. In order to provide the added value for clients, the Bank created an informational brochure that aids clients in learning and understanding how to utilize electronic services through eAgrar, eAdministration, eTax, eHealth, obtain documents and access various other benefits. For the same purpose, the Bank has created an educational page "Digitalize yourself easily" on its website.

Sustainable Development Goals (SDG) Management

The Sustainable Development Goals are a universal call to action to eradicate poverty, protect the environment and ensure peace and prosperity for all as part of a new UN global plan for sustainable development.

With an aim to further strengthen the concept of sustainable development, 3Bank, in cooperation with external consultants, developed a road map to integrate the ESG concept into daily operations, with implementation as a main focus during the strategic period.

To support the achievement of sustainable development goals, 3Bank focuses its activities and impact on the following five Sustainable Development Goals:

1. No poverty

First UN Sustainability goal is to end poverty in all its forms everywhere. In line with this goal, the Bank provides support to rural clients, clients with difficult access to banking services and low-income clients.

GOAL	SDG - KPI`s	Unit	Jan-December 2024
	Loans to rural clients*	%	72
	Loans to underbanked clients**	%	41
	Loans to low income clients***	%	28

In accordance with the introduction of new products, intended for new segments of clients with limited access to financial services, 3Bank has defined KPIs for 2024. The goal is that a minimum of 65% of the portfolio consists of clients living in rural areas, and 35% of clients who face difficulties in accessing financial resources.

*Credit clients of 3Bank are categorized as "rural" if they have an address outside the cities (the definition of the city is in line with the Law on Territorial Organization of the Republic of Serbia).

**The share of these so-called "Underbanked" clients in monthly loan payments is measured as the percentage of credit clients who do not have previous loans recorded in the Credit Bureau. This share is measured only for clients who take their first loan in 3Bank.

***The Bank applies an internal methodology for measuring the share of clients with lower than average incomes in the Republic of Serbia, which is in line with the Household Budget Survey conducted quarterly by the Statistical Office of the Republic of Serbia.

2. Zero hunger

The zero-hunger goal aims to end world hunger, achieve food security and improved nutrition and promote sustainable agriculture. In line with this goal, the Bank finances agricultural households and agricultural production, thus helping to diversify the food market and food availability.

GOAL	SDG - KPI`s	Unit	Jan-December 2024
	Loans to agro clients	%	34

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3. Decent work and economic growth

This goal aims to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. The Bank finances start-up entrepreneurs, micro SMEs and agricultural households, which together with regular loans also leads to the growth of clients.

GOAL	SDG - KPI`s	Unit	Jan-December 2024
8 DECENT WORK AND ECONOMIC GROWTH	Loans to business clients	%	37
	New jobs created	Nr	7.227

4. Responsible consumption and production

The goal of responsible consumption and production aims to ensure sustainable patterns of consumption and production. The Bank has adopted the principles of reducing the overall internal impact on the environment, reducing energy consumption (and the use of green electricity), paper, waste and reducing the CO_2 footprint.

GOAL	SDG - KPI`s	Unit	Jan-December 2024
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Climate impact intensity	tCO_2/ FTE	1.41

5. Climate action

The climate action goal aims on take urgent action to combat climate change and its impacts. The Bank integrates environmental issues with social, cultural and economic aspects. In the lending process, we take into account aspects of environmental protection. The Bank uses a list of exclusions, measures the impact of the portfolio according to the PCAF standard as well as GABV scores and reports in accordance with GRI principles. The Bank is one of the signatories of the GABV 3C Carbon initiative, as well as Fossil Fuel Non-Proliferation Treaty.

During 2024, 3Bank issued its GRI and PCAF reports.

Regular reporting of SDG goals is carried out on a monthly basis for the Bank's management, within monthly EB reports, and on a quarterly basis for the Bank's Board of Directors, within quarterly EB reports. Special advisory group at the Board of Directors level reviews SDG reports in more details on a semi-annual basis.

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Investments in environmental protection

To support the achievement of sustainable development goals, 3Bank focuses its activities and impact on the following five Sustainable Development Goals: No poverty, Zero hunger, Decent work and economic growth, Responsible consumption and production and Climate action.

In accordance with the principle of materiality, and taking into account business goals, broader economic and social context sustainability, as well as the results of research conducted on stakeholder attitudes, 3Bank has identified the following topics as material:

1. Economic Presence
2. Anti – corruption
3. Energy
4. Water
5. Emissions
6. Waste
7. Employment
8. Training and education
9. Non-discrimination

Through its Sustainable Development Goals Policy, the Bank aims to ensure that its business activities promote sustainable development, while caring for the environment. The Bank strives to ensure that the business projects it finances do not have negative environmental impacts, *i.e.*, that they are designed to be conducted with consideration of their environmental impact and in accordance with the applicable statutory framework of the Republic of Serbia. In addition, the term "environment" is used in the broadest sense, encompassing not only the environmental aspects but also the protection of employees and issues related to local communities, i.e., social issues.

The Bank is committed to monitoring impact of the Bank and its consumers on the environment, as well as facilitating dialogue with parties of interest.

The most significant activity in the field of environmental protection is the disbursement of green loans. The Bank, in cooperation with the GEFF program developed by the EBRD with the support of donors, began to grant loans to registered agricultural farms for the replacement of carpentry, the insulation and energy-efficient heating systems in houses, with a grant of 15 to 20 percent of the investment. After the farmers, this type of loan was offered to others segments of clients who did not have access to this type of financing before - pensioners and employees. During the year, a total of 1,595 green loans were approved, and 1,129 loans were verified. The impact of verified credits contributed to avoiding 675 tCo2 GHG emissions.

The Bank has also launched the "Green Champion" competition to motivate branch employees to approve green loans. The competition aims to raise employee awareness of the environmental impact and GHG emissions, by showing them ways they can make an impact by disbursing green loans. This is achieved by measuring emission generated by the branch (by paper, fuel, energy consumption), and on the other hand,

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the GHG emission avoided through approved green loans. The best branch and the best employee are the ones who contributed to the GHG emissions reduction the most. In order to protect the environment, the Bank is working on the development of products and services that will meet environmental goals, as well as those related to social impact and prosperity through:

- further increasing the employee awareness about environmental risks in the lending process;
- improving reporting and measurements in relation to the Bank's impact on the environment;
- Implementing positive measures to reduce CO2 emissions, conserve energy, reduce material consumption such as paper and recycle waste.

The Bank continues to monitor and optimize its business processes, including digitalization where possible, with an aim of streamlining processes and reducing the volume of printing.

Hazardous and non-hazardous waste is submitted for recycling and destruction, with full implementation of the Law on Waste Management.

In 2024, the Bank procured promotional material used in client acquisition and promotion (pencils) from suppliers who could provide goods from recycled materials.

Within its own activities and business processes, the Bank constantly strives to reduce the negative environmental impacts of its activities, such as:

- care about the occupational health and safety of its employees,
- publication of information and data on environmental impact, on the Bank's website and internal magazine in order to increase employee awareness of the environmental impact,
- reporting on the environmental impact of the loan portfolio in accordance with PCAF standards,
- improving the Bank's energy efficiency class during the design and adaptation of business premises through the use of new materials and a movement towards the use of renewable energy sources,
- enabling the classification of waste within all business premises it uses.

The Bank is dedicated to monitoring the impact that Bank and loan users have on the environment, as well as facilitating dialog with stakeholders.

Energy Consumption

Rational consumption of non-renewable energy sources is an integral part of the strategy of 3Bank.

1. The Bank has procured the energy from the Renewable sources from the power supply provider. The green energy provided from EPS is entirely originating from hydroelectric power (solar and wind part is insignificant). We have a contract with “Elektroprivreda Srbije” for using 100% renewable energy in all our outlets.

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2024	
Heat	1095 GJ[1]
Electricity	3620 GJ

Transport

Considering that one of the Bank's strategic objectives is to operate in rural regions, direct access to clients is of great importance to us. Transport-related emissions are a significant issue, making this topic one of the Bank's key priorities. Fuel consumption is monitored, including work-related travel, as well as employee transportation while acquiring clients. Employees engaged in client acquisition use their personal vehicles, and all related expenses are reimbursed in accordance with the HR Policy. The significance of the impact is assessed on the basis of CO2e emissions from annual mileage in relation to FTE.

2024	
tCO2e fuel (Diesel and Petrol)	109

Paper consumption

The Bank continues to monitor and optimize its business processes, including digitalization where possible, with an aim of streamlining processes and reducing the volume of printing.

2024	
Paper consumption (t/Co2)	3.77

Bank has adopted principles of reduction of internal impact on the environment, reduction of energy consumption (and using green electric energy), paper, waste and reduction of CO2 footprint. Bank will make a meaningful difference through reduction of the climate impact of our operations intensity measured in tCO2e per year/FTE.

[1] https://www.inchcalculator.com/convert/kilowatt-hour-to-gigajoule/

	2024
Scope 1 emissions (tCO2e)	622
Scope 2 emissions (tCO2e)	112
GHG emissions intensity per FTE (tCO2e per FTE)	1,41

Waste

Disposal methods are determined in accordance with the Law on Waste Management and bylaws in this area (Regulations, regulations), the 3Bank's Waste Management Plan, which accompanies the document on the movement of waste depending on its category (hazardous / non-hazardous). At the beginning of each year, and no later than March 31, the annual report on the waste of the waste producer for the previous calendar year is submitted on the GIO1 form. Form GIO 1 is filled in through the information system - NRIZ and additionally submitted to the Agency on the forms that are printed from the information system NRIZ.

In 2024, 3Bank had 2980 kg of hazardous waste which was submitted for recycling and destruction, with full implementation of the Law on Waste Management.

Additionally, 3Bank supports civic initiative CAP FOR HANDICAP, which promotes better and improved quality of life for people with disabilities. This action, well-known throughout Serbia, implies collection of plastic caps and lids which are later recycled in order to provide the necessary equipment and orthopedic aids for people with disabilities, thus preserving the environment at the same time.

Water

Bank has no specific standards set for the quality of effluent discharge. Bank uses local municipality effluent receiving network. Organization produces common water discharge from water sinks, kitchens and toilets. Total fresh water withdrawal from all areas is 3560,2 megaliters per year 100% from third-party water. The data have been compiled based on the municipal utility service invoices for 2024.

City	Total m3	City	Total m3
Novi Sad	420	**Topola**	28
Novi Beograd	60	**Obrenovac**	60
Subotica	24	**Bačka Palanka**	52.2
Kragujevac	76	**Aleksinac**	36

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Šabac	36	**Velika Plana**	48
Stara Pazova	48	**Novi Pazar**	128
Kruševac	64	**Prokuplje**	60
Valjevo	56	**Smederevo**	40
Užice	120	**Mladenovac**	16
Jagodina	40	**Bajina Bašta**	36
Zaječar	108	**Žabalj**	36
Kraljevo	88	**Vršac**	36
Pirot	152	**Loznica**	184
Leskovac	60	**Niš**	188
Požarevac	60	**Vranje**	108
Sremska Mitrovica	940	**Prijepolje**	52
Pančevo	60	**Ivanjica**	40

Anti-corruption and Bribery

By the Compliance Policy adopted by the Board of Directors, the Bank has determined compliance standards which contains ethical principles of the Bank, principles of professional banking practice, compliance with the code of ethics and professional banking practice, principles of client protection as well as compliance with laws and other regulations.

By the aforementioned Policy, the Bank has particularly determined rules according to which every form of direct and indirect bribery and corruption is prohibited. The Bank does not tolerate any type of bribery and corruption, including activities related to bribery and corruption.

As defined by the Compliance Policy, corruption is as an abuse of authority given to a person, with an aim of achieving personal benefit.

As defined by the Compliance Policy, bribery means to directly or indirectly promise, offer, grant or accept an unjustified advantage to a person or from a person in order to perform or refrain from performing an act in the exercise of his/her official duty.

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In order to oppose bribery and corruption, the Bank has defined in Compliance Policy special rules for giving, offering and accepting gifts and invitations, dealing with persons acting on behalf of the Bank (third persons), making facilitation payments, sponsorships and donations, conflict of interests etc.

Gifts represent a type of benefit, whatever the monetary value, given to a person or legal entity that are grated mostly for reasons of gratitude or for enhancing one's image, without expecting any specific return service. Employees of the Bank may give or receive gifts and invitations from clients or third persons only if the gift meets the conditions strictly prescribed by the Compliance Policy.

Dealings with third persons refers to dealings with all persons who directly or indirectly perform specific services in the name or on behalf of the Bank, as is the case with advisors, intermediaries, consultants, service providers, etc. For the purpose of effectively preventing corruption and possible financial damage and damage to Bank reputation, special precautions must be taken when commissioning such third persons as they can be made use of for indirectly paying bribes. The Compliance Policy prescribes in detail special measures that must be applied in dealings with third persons.

Sponsorship means supporting a person, group or organization by financial means, contributions or services. In return, the public's awareness of the sponsor is increased through the activity or sponsored party and the brand or the name of the sponsor is given a positive connotation. In contrast to donations, sponsoring has a commercial orientation and provides a business advantage to both parties.

Donations are given for the good of the community, often within the scope of a company's corporate social responsibility activities and without the expectation of any specific service in return. The Compliance Policy prescribes special conditions that must be met in order for the Bank to be a sponsor, or to donate.

A conflict of interest arises when individuals have personal interest that may interfere with, or appear to interfere with, the independent exercises of judgment in business dealings. Employees must avoid situations in which decisions made on behalf of the Bank would be influenced by personal interests, which is why existing, potential and perceived conflicts of interest require careful management. The Compliance Policy distinguishes between two types of conflicts of interest that may indicate potential corruption: internal that relate to employees and external that relate to clients and third persons.

With a purpose of raising employee awareness that corruption and bribery are strictly prohibited, the Compliance Department conducts Compliance training for all Bank employees at least once a year. The integral parts of Compliance training include topics where employees learn about zero tolerance, potential risks, recognition methods, reporting procedures for corruption or bribery cases, relevant internal acts that employees are required to follow and contact persons for any matters related to corruption and bribery. In addition, all employees have access to the Compliance Policy.

Research and Development Activities

In 2024, the Bank conducted numerous researches and focus groups with credit and deposit clients in order to determine their needs and expectations for the future with an aim of developing products and processes

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tailored to different client segments.

The key takeaways from the focus groups, which determined the further direction of the Bank's digital initiatives, is that clients are ready for digital process, while still wishing to maintain a personal connection with their advisor, who guides them and assists them in utilizing digital tools.

The Bank continued to develop products and services tailored to customer needs, along with achieving social, ecological and development goals. Most of the activities during the previous year were focused on:

Development of Products and Services Tailored to Customer Needs

During 2024, the Bank worked on developing credit products aimed at small entrepreneurs and farmers to provide access to financial services in the initial stages of their business development (start-up). In addition, research has shown that one of the key obstacles in the further development of these segments is the absence of long-term financing due to the inability of clients to provide mortgages and other collateral. Therefore, the Bank adjusted its products and facilitated access to long-term investment loans for agricultural farms, entrepreneurs, and legal entities and provided loans with a guarantee scheme supporting for the said target groups.

A significant part of the activities in 2024 was focused on the research and development of loan products from the "green agenda", which should support the Bank's efforts to, with the strong support of shareholders, actively contribute to the environment protection and to become one of the leaders in lending in this segment in the future. In 2024, the Bank expanded its products for improving energy efficiency to new target groups, such as employees and pensioners.

Development of Digital Channels and Processes

The specificity of client groups characterized by a low level of digital literacy and a business relationship based on personal contact determined the further development of the digital agenda in the Bank. By relying on digital initiatives of the Republic of Serbia (eID, eSignature, eAgrar, eTaxes, etc.), the Bank enabled disbursement of loans to farmers at their premises in less than an hour, completely "paperless", while maintaining personal contact with the client in order to raise the level of both financial and digital literacy. In this way, the Bank contributes to the digital inclusion and education of a large share of the population and creates a basis for the future development of mobile and other online applications.

Future Development of the Bank

An accent in the coming years will be placed on:

- Continuation of sustainable growth in business, agriculture and population with increased market share in clearly defined segments;
- Further development and growth the share of green portfolio in 3Bank
- Continuation of digitalization of business activities with a focus on digital products and services aimed at customers;

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- Increasing operational efficiency, improving the process and speed of service, in order to efficiently manage a large number of clients who do not have easy access to financial services;
- Increased activities to diversify sources of funding as a prerequisite for ensuring long-term stable growth;
- The development of innovative savings products that will enable savings to client, with smaller cash amounts, both in the RSD and the EUR.

Statement of use	**3Bank JSC Novi Sad has reported the information cited in this GRI content index for the period from 01.01.2024 – 31.12.2024 with reference to the GRI Standard** **Annual reporting cycle**
GRI 1 used	**GRI 1: Foundation 2021**
Contact person	**Dragana Đorđević, Secretariat Unit Manager, ddjordjevic@3bank.rs**

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	3,4,5,6
GRI 2: General Disclosures 2021	2-2 Entities included in the organization's sustainability reporting	24
GRI 2: General Disclosures 2021	2-3 Reporting period, frequency and contact point	24
GRI 2: General Disclosures 2021	2-4 Restatements of information	-
GRI 2: General Disclosures 2021	2-5 External assurance	-
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	2,3,4.5
GRI 2: General Disclosures 2021	2-7 Employees	6,7
GRI 2: General Disclosures 2021	2-8 Workers who are not employees	-
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	3,4
GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body	-
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	4
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	22,23

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GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	2
GRI 2: General Disclosures 2021	2-23 Policy commitments	22,23
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	22,23
GRI 2: General Disclosures 2021	2-28 Membership associations	4
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	3,4,11,12
GRI 2: General Disclosures 2021	2-30 Collective bargaining agreements	9
GRI 3: Material Topics 2021	3-1 Process to determine material topics	17
	3-2 List of material topics	17
	3-3 Management of material topics	17
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	5
	201-2 Financial implications and other risks and opportunities due to climate change	17,18
GRI 205: Anti-co—rruption 2016	205-1 Operations assessed for risks related to corruption	22,23
	205-2 Communication and training about anti-corruption policies and procedures	22,23
GRI 302: Energy 2016	302-1 Energy consumption within the organization	19
	302-2 Energy consumption outside of the organization	-
	302-3 Energy intensity	19
	302-4 Reduction of energy consumption	19
	302-5 Reductions in energy requirements of products and services	-
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	-
	303-2 Management of water discharge-related impacts	-
	303-3 Water withdrawal	-
	303-4 Water discharge	-
	303-5 Water consumption	21
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	20
	305-2 Energy indirect (Scope 2) GHG emissions	20
	305-3 Other indirect (Scope 3) GHG emissions	-
	305-4 GHG emissions intensity	16,17,18,19,20

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	305-5 Reduction of GHG emissions	16,17,18,19,20
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	20,21
	306-2 Management of significant waste-related impacts	20,21
	306-3 Waste generated	21
	306-4 Waste diverted from disposal	-
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	9,22,23

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