

Overview of the activities within the Corporate Social Responsibility programme of PBZ

Appendix to the Annual Report

Introduction

Ever since its establishment Privredna banka Zagreb has been at the very top of the Croatian banking sector and for a series of years has been playing a significant role and producing impact on our society's economic and social development. Nowadays, being a member of a large international banking group - Intesa Sanpaolo, we stand for a dynamic and modern European bank that keeps its finger on the pulse of the market and its customers. Boosting trust and improving the relationship with all parts of society that interact with the Bank represents the condition of a continuous improvement of our business. With our actions we aim to meet the needs and rise up to the expectations of all participants, from caring for the needs of our customers, employees, developing the local communities in which we are a part of, caring for the environment to creating new value for shareholders. Below is an overview of some of the more significant activities carried out in 2011.

1. Education and professional growth

- we entered into cooperation with institutions of higher education both in the country and abroad in order to promote, co-create and implement learning programmes pertaining to finance and banking (here we would particularly like to single out our cooperation with 'Libertas' Business College)
- we organised student placements within the Bank and members of PBZ Group; a total of 28 students from various faculties and colleges carried out their internships within PBZ Group
- we have been continuously investing in the development of corporate knowledge through or project titled PBZ business colleges - in 2011 we enrolled the 5th generation of attendants (350 attendants per year)
- we introduced the new *on line library* service - finance, IT and management related

2. Care for employees

- the process of centralising the human

resources function at the level of PBZ Group was completed. This process has standardised all the HR activities and established a single HR platform at the level of PBZ Group (its advantages are: standardization of the business processes and operating methods at the level of PBZ Group; easier coordination, faster decision-making and more efficient control of staff functions)

- the process of improvement and upgrading of our eHR portal - eHR portal was set up for the employees of all members of the Group, e-printing of approved holiday request forms has been enabled, process of entry and verification of holiday schedules has been rendered automatic, the panel of education and records of daily working hours have been upgraded, and ultimately the HR documentation pertaining to all employees of PBZ Group was scanned
- in order to continuously monitor the potential and development needs of the employees of PBZ Group, we have been systematically running additional assessment programmes, and employees can now obtain feedback as to their potential and growth possibilities; accordingly, in 2011 internal job rotation was stepped up and key positions were filled in internally;
- in 2011 we also conducted a satisfaction poll in order to determine the key areas of employee satisfaction/dissatisfaction; based on the results further activities are taken in order to improve the results in the next period
- In the scope of our regular socio-economic activities, we gave financial aids to struggling employees and their families, children of the deceased employees, we agreed to give scholarships to two parentless children; purchase of school books was subsidized for the employees with children of school age; as part of ongoing cooperation, we arranged with our colleagues from Intesa Sanpaolo that children be sent to the Children's village Follonica Italy for a summer vacation; we also worked intensely on the foundation of Vinkovec rehabilitation camp

- As part of our employee healthcare programme, we organised regular full check-ups for both our employees and interns, control check-ups for the employees who suffer from the ailments of the skeletal system with physical therapy as part of the treatment and preventive flu vaccination.
- employees of Medimurska banka were included as members of the association, PBZ Standard, which organises recreation activities for employees; the range of sports has been expanded to the subsidiaries outside of Zagreb and the number of members increased to approx. 2,255
- the monthly bulletin PBZ Express, issued for the purpose of keeping employees up to date with novelties, also organised a humanitarian campaign called „Let's donate together“ in which employees were involved in the campaign of collecting toys for the parentless children living in the Children's home Lipik (over 200 packages were received)

Award 'Key difference' - PBZ is the winner of the award „Key difference“ in the category of gender equality, which aims to identify and promote employees that have implemented diversity into their work environment and have done so in a quality fashion. This is the first time this award has been given in the Republic of Croatia by the Office for Human Rights of the Government of the Republic of Croatia together with the Association for helping and educating victims of mobbing as their partner, and the Institute for Labour Market Development. The entire project was financed by the European Commission. There were 29 applications received, as well as additional 21 applications in the category of gender equality with the Bank as the winner in the mentioned category.

4. New communication channels and products

- Facebook profile - in order to enable as direct as possible and as intense as possible communication, we created a profile on the social network intended for all our

customers as well as for the public with novelties from the Bank and PBZ Group about our new products and activities in terms of corporate social responsibility.

**Pratite nas na
Facebooku!**



- Our range of products now also includes *PBZ Energo loans* for financing the purchase and construction of a residential property of a higher energy class A, A+ and B, and for improving the energy efficiency of an existing facility.



5. Donations and sponsorships

Privredna banka Zagreb aims to contribute and show its responsibility towards the larger community by sponsoring events and giving donations. In 2011 almost HRK 20 million in total was appropriated for sponsorships and donations, by which we supported many cultural and other events, sports events, science and education, numerous associations and individuals. By its long standing participation in the social life through donations and sponsorships, PBZ aims to contribute to the development and in general to a better quality of life in the Republic of Croatia.

5.1. Donations

Donations in 2011

Science and education	HRK 1,913,000
Sports	HRK 2,881,000
Culture	HRK 1,203,000
Social solidarity	HRK 4,228,800
Other	HRK 1,306,000
Total	HRK 11,531,800

PBZ actively participates in a series of socially useful projects and supports financially a great number of humanitarian and social institutions. Among the donations given in 2011 we would like to single out the following ones:

- Caritas campaign titled "For a thousand joys". The purpose of the campaign is to raise funds for 1000 Croatian families with low income. For the ninth year in a row we were part of the great Caritas campaign raising funds for the foundation "For a thousand joys". In addition to donating money, PBZ also financially supports the campaign by purchasing a Caritas Christmas card. This year, the funds were used for supporting families with both parents- bread winners unemployed
- Donation to the Foundation for humanitarian demining of Croatia „Mine free Croatia“ - worth HRK 700,000 for clearing mines in central Vukavar-Srijem County area, Municipality of Stari Jankovci
- Donation to the University in Dubrovnik for procurement of equipment and devices necessary for the implementation of university studies and carrying out of scientific research. Procurement of a mechanical engineering simulator is one the priorities of this aspiring University, as without it there cannot be quality teaching that meets the requirements of practical maritime university studies.

A series of donations were given for scholarships to students and pupils:

- Cooperation with Krapina-Zagorje County - six scholarships were given to gifted students that come from low income families and four scholarships to students of medicine, which happens to be a deficit profession in the County.
- Donation to the National Foundation for the support of Pupil and Student Standard: the Foundation gives government scholarships to gifted students and supports special programmes that contribute to better living and cultural standard of students. The key role of the Foundation is to financially support the best and the most successful Croatian students, but also to support those students whose

university degree will allow them to apply for quite demanding jobs and thus give a new boost to the economic development of the Republic of Croatia.

- Donation within the campaign "Step into life" that provides scholarships to young people who turned eighteen, are just out of an orphanage and foster families and want university education

Substantial funds were donated to raise the level of healthcare in numerous health institutions throughout the Republic of Croatia. Some of them are:

- Hospital of Pula - funds were donated for the procurement of medical equipment necessary for high-quality services in minimally invasive surgery
- General Hospital Pakrac - funds were donated for the procurement of an electrosurgical platform necessary for quality treatment and patient safety
- County Hospital Čakovec - funds were donated for the procurement of an ultrasound used in examinations of blood vessels and soft tissues which, by applying various probes during emergency check-ups, raises the work quality of radiologists, physicians specialising in internal medicine and surgeons,

5.2. Sponsorships

Sponsorships in 2011

Science and education	HRK 954,000
Sports	HRK 5,544,000
Culture	HRK 1,079,000
Other	HRK 878,000
Total:	HRK 8,455,000

With its sponsorship policy as well as the promotion of its brand, PBZ aims to provide financial support and incentive to a great number of projects pertaining to culture, sports and science and thus contribute to the development of the Croatian society. In 2011 we would like to put an emphasis on cultural sponsorships by supporting various cultural events and institutions:

- Cooperation with the Museum for Arts and Crafts - PBZ happened to be the

main patron of a large cultural project, Art déco and art exhibition in Croatia between two wars. The works were showcased in the Museum of Arts and Crafts in an area of 1200m² with 750 items on display - ranging from sculpture, paintings, photography, architecture, metal, fashion and accessories, glass, ceramics to furniture. Art déco was showed in the works of fine and applied arts, and the culture of living in the 1920s and 1930s periods. The exhibition lasted seven months with a total of 76,552 visitors (7,105 from abroad).

- Cooperation with the Modern Gallery Zagreb with its permanent exhibition of the top works of the Croatian artists of the 19th, 20th and the 21st century. All those works represent master pieces of landscape art, figurative art and abstract art as well as of portrait and animalistic sculpting. Being the main patron of the Modern Gallery, over the past years PBZ helped purchase new master pieces, painting and sculptures alike
- Various cultural programmes and institutions PBZ supports include sponsoring

the Croatian National Theatre in Zagreb which celebrated their 150th anniversary in 2011, the Croatian National Theatre in Varaždin, the traditional ethno event called „Rapska fjera“, the Kastav Summer Festival and many others.

- The support of several years to one of the most renowned cultural events in Croatia - **Sinjska alka**, a tournament being organised for almost as long as three centuries, respecting the old customs. It has been taking place without interruption ever since 1715, and this unique spectacle has been recognised by Unesco as cultural world heritage.

6. Impact on the environment

In 2011 we adopted the Environmental Policy with a view to clearly defining and emphasising our points on this exceptionally important and ever-present issue and in order to set up an official framework for further activities within PBZ Group.

We have continuously been keeping track of our energy consumption and with various activities aim to reduce the consumption, while raising awareness of our

employees on the importance of caring for the environment. On a regular basis we have been sending our employees personalised e-mails so as to remind them about mandatory shutting down of their PCs after office hours, turning off their-conditioning and heating over the weekend, separating used paper from other waste for recycling purposes. We have even introduced a special column in PBZ Express bulletin called Zeleni kutak for employees, where we deal with the environmental topics and aim to raise awareness about this problem.

Double sided copying of documents, which we introduced as our standard setting, reusable envelopes and other activities in that direction have resulted in a substantial decrease in the consumption of paper, which is clearly shown in the below table:

PAPER CONSUMPTION

2008	579,854 kg
2009	518,849 kg
2010	503,525 kg
2011	445,471 kg

In 2011 we also introduced recycled envelopes and have been trying to replace the old envelopes whenever possible.

A pilot project was launched for the purpose of reducing the emission of CO₂. With that in mind we procured an electric scooter for our Business Centre Dubrovnik in order to minimize the use of cars for short-distance trips and consequently the emission of CO₂. We plan to acquire a couple of more for the needs of our coastal business centres.



Sinjska alka 2011



Eco scooter