The image is a composite of two photographs of a historic town, likely Matera in Italy, known for its cave dwellings. The left half of the image is a blue-tinted, semi-transparent overlay of the town's architecture. The right half shows the same town at night, illuminated by warm, golden lights from the buildings and street lamps, creating a dramatic contrast with the dark sky. The text is overlaid on the blue-tinted section.

**Overview of  
activities within  
the PBZ corporate  
social responsibility  
programme**

# Overview of activities within the PBZ corporate social responsibility programme\*

## INTRODUCTION

Since its establishment, Privredna banka Zagreb has been at the top of the Croatian banking sector and has had an important role and influenced the economic and social development of our society for many years. We act to fulfil the needs and expectations of all participants, from respecting the needs of our clients, employees, the development of local communities in which we operate, and respecting the environment to creating new values for shareholders. The success of those acts was confirmed by recognitions we received in the corporate social responsibility sphere: **“Employer, a Friend of the Family” (Poslodavac prijatelj obitelji) and the “Golden Index” (Zlatni index)** of the student population. Below we present some of the most important activities we carried out during 2019.

## CARE FOR EMPLOYEES

PBZ continues with its good practice of investing into its employees by adapting to their needs and encouraging them to reach their full potential. Some of the included activities are:

- upgrade of IT solutions for human resources, namely the internal eHR application and HRIS applications where the employees can access all of their data
- with the aim of continuously monitoring the potential and needs for development of the employees of the PBZ Group, we have launched additional evaluation programmes so employees can get feedback on their potential and opportunities for development
- we continued to implement internal mobility initiated at the strategic level. This guarantees us knowledge transfer, employee satisfaction and motivation increase, and represent the first choice for fulfilling open job positions
- given that the issue of engaging employees is becoming the main organizational challenge on a global level, PBZ completed the research on work engagement and made an additional in-depth analysis of the factors increasing engagement. Contemporary research shows that more than double the number of employees is motivated by a passion for their work compared to career ambitions; thus, by measuring work engagement of our employees, we wish to precisely determine the factors that may influence better engagement. Based on the results, we defined action plans that are being continuously implemented
- we have shown solidarity by aiding socially vulnerable categories of employees and their families, children of deceased employees and children of former employees
- we keep in mind the financial burden of our employees and educate and advise them via our Personal Finances Management programme on the ways to manage their

income and expenses; we participate in giving suggestions on re-programming debts in order to achieve financial stability

- under PBZ healthcare programme we have provided regular complete check-ups to all our employees and interns, follow-up examinations for employees with bone diseases and physical therapy, receive psychological support if needed, as well as preventive flu shots
- the PBZ Standard sports association has an average of 2000 members in 2019. The sports recreation and health improvement association was initiated for the purpose of achieving better health and general well-being of its members and, today, it offers, organizes and coordinates sports recreation and activities for its members across the Republic of Croatia and to continuously work on improving recreational and sports activities
- in 2019, 12 different sports meetings, competitions, and amateur leagues were organized in the country and abroad (over 300 participants). Two of these events included children of the employees/members of the association (over 100 children included)
- we encourage cycling culture so traveling to work with this most friendly means of transport is becoming more popular - only in the HQ there is a community of 120 employees cycling to work daily employees can also use locker rooms with showers for cyclists and we are continuously trying to provide more space for parking bicycles around the building. Cyclists have their own column on the Bank's Intranet, where we publish all news on improving cycling activities
- the main channel for internal communication is the monthly newspaper PBZXpress. It was launched in 2006 to improve internal multidirectional communication, strengthen affiliation with the PBZ Group, and improve job satisfaction. Since then it has been issued monthly, on 16 pages. The articles are written solely by employees – in 13 years we had over 730 authors. The newspaper has been published on recycled paper since 2018, with an available digital version.
- following the signature of the Diversity Charter in Croatia (2017), PBZ has increased the awareness of the importance of applying diversity and inclusion in everyday business through internal contest and thematic workshops with over 190 participants
- since 2014 Privredna banka Zagreb is named a Mamforce Company and is one of the first companies in Croatia to be awarded the certificate. Since then we continued to work on improving the practice in the field of family obligations and gender equality and the bal-

\*The PBZ Group/Bank has not prepared the Non-financial statement as required by the Non-Financial Information Legislation availing of the exemption introduced by the local regulation, as being a subsidiary undertaking, which information is included in the Consolidated non-financial statement presented by Intesa Sanpaolo S.p.A

# Overview of activities within the PBZ corporate social responsibility programme

(continued)

## CARE FOR EMPLOYEES (CONTINUED)

ance between employees' professional and private life, which was acknowledged with the award "Poslodavac prijatelj obitelji" (Employer, a Friend of the Family)

- We have organised special movie projections for the Bank employees' children during Christmas seasons, providing the opportunity for family gatherings and creation of new shared moments. The projections were attended by 815 of children and as many as parents, friends, and companions.
- The Čigra PBZ corporate kindergarten, opened in 2012, is currently attended by 85 children. By opening the kindergarten, we have become one of the few employers that provides its employees with better working conditions in this way. This type of care points to the focus that the PBZ Group places on family as the most important life value and its employees as the most important resource. The kindergarten so far enrolled 623 children. The Bank Management Board's decision to co-finance a part of the kindergarten costs for each enrolled child represents additional value for employees.

## THE "EMPLOYER, A FRIEND OF THE FAMILY" (POSLODAVAC PRIJATELJ OBITELJI) AWARD FOR 2019

The Ministry of Demography awarded the "Employer, a Friend of the Family" (Poslodavac prijatelj obitelji) award for 2019 to companies with the most quality solutions in their effort to be a quality partner to the employees and providing more than just prescribed working conditions. The Award was awarded to Privredna banka Zagreb in the large business category, and the Bank was recognised as the best example of a business that implements measures for family-work balance in its category.



The aim of the project is to raise awareness among employers and the public in order to understand the needs of employed mothers and fathers, encouraging the society to protect and strengthen families and putting forward positive measures implemented by the employer, directed at improving the employees' life quality.

## OCCUPATIONAL HEALTH AND SAFETY

In response to the need of a further standardization at international level in relation to Occupational Health and Safety, PBZ has adopted the Rules for Occupational Health and Safety Management Systems extended to all the International Subsidiary Banks of Intesa Sanpaolo Group. The definition of a OH&S referent in the Bank has been the first step towards a new framework for enforcing the management system of all activities related to the matter, in coherency with the Parent company's strategy on Occupational Health and Safety and with the ultimate goal of fulfilling with the ISO 45001 international standard.

## EDUCATION AND PROFESSIONAL DEVELOPMENT OF THE EMPLOYEES

In 2019, 3844 employees of the Bank participated in at least one developmental or educational activity and a total of 27,340 training days were achieved, i.e. 158,398 hours of training. On average, we have realised 7.1 training days per employee.

- The Bank regularly invests in the development of corporate knowledge under the "PBZ Business School" project. In 2019, 94 new employees enrolled in the 13th generation of participants and there were 236 active participants of some form of the programme during the year.
- 5 new courses were launched on the LMS platform, including the Continuous Education Programme for the Members of the Bank Supervisory Board and Management Board
- in 2019, educational activities were focused on harmonisation with the regulatory requirements—we have established three internal regulatory registers of employees qualified to provide investment services (including 326 newly certified employees), insurance (including 774 renewed certificates and 139 new certificates) and participating in the credit process.
- 1,709 PBZ Group's employees completed the internal training "Prevention of money laundering"
- 1,847 PBZ Group's employees completed the internal education and examination "Compliance"
- 3,044 days of training were spent via e-learning and/or online channels

- 272 employees were strengthened for coping with changes during 'Change Management' workshop as part of introduction of new service model in branches
- The Bank financially supported more than 38 their employees in studying graduate and post-graduate studies, as well as (co-)financed participation in expert professional associations for 21 employees
- in 2019, the PBZ Group offered the possibility of completing the mandatory internship and practice for 27 students and pupils
- a continuously high level of cooperation with Croatian and international universities with the aim of encouraging, jointly designing and providing educational programmes in the field of finances and banking

## CARE FOR THE COMMUNITY

### PBZ volunteers



The most beautiful gift we can give to each other is help and support. Keeping this in mind, Privredna banka Zagreb acts as a signatory of the Volunteering Charter (2019) and has continued with the traditional charity campaign titled "PBZ volunteers" in which, besides donations, our volunteers with joint forces provided assistance to institutions that care for people with lower socioeconomic status, people with disabilities, and children with disabilities. The goal of the action is to provide immediate help and also to strengthen the connection between our employees and the users and employees of institutions that care for the most vulnerable groups of citizens (Association "Mali Zmaj"; the Ambidexter Club Zagreb, Caritas House of St. Aloysius Stepinac in Brezovica, Children Day Care "Dr. Antun Bogdan" in **Čakovec**; Centre for education of Persons with Disabilities "Juraj Bonači" Split; Center for education of Persons with Disabilities "Ivan **Štark**" in

Osijek; Public kitchen and social self-service Zadar; Public kitchen of the Varaždin Dioceses; Dubrovnik Dioceses Caritas—office and warehouse). The action was carried out in eight cities: Varaždin, **Čakovec**, Osijek, Dubrovnik, Split, Rijeka, Zadar and Zagreb during December. This was our fifth volunteering action since 2016, where we included 379 colleagues in total.



### The Art of Saving

Within the international initiative of Intesa Sanpaolo and project Art of Saving which introduced strategic volunteering for the purpose of educating young people on finances, PBZ formed a team of 50 EduVolunteers who have conducted 215 workshops in 57 schools cross Croatia. Since 2017, our volunteers have been organising workshops in elementary schools with educational formats provided by the Intesa Sanpaolo's Museum of Saving, called "Children and Savings" and "It's up to you", and in secondary schools called "Financial Adviser" The great interest the schools have shown also motivates us to develop new socially responsible initiatives and educations within the project. That was why our volunteer prepared



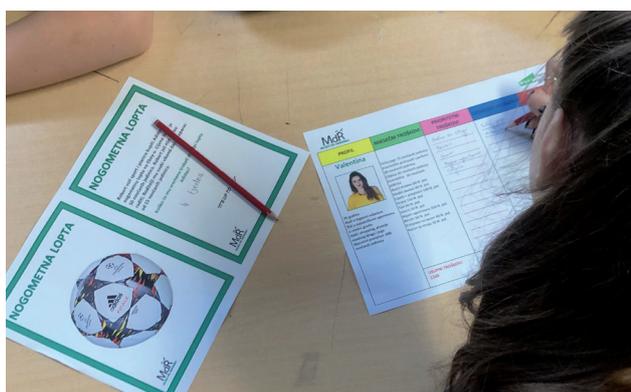
# Overview of activities within the PBZ corporate social responsibility programme

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## CARE FOR THE COMMUNITY (CONTINUED)

### The Art of Saving (continued)

an additional education for older students in elementary and secondary schools under the topic "Internet Safety". In cooperation with the Croatian Chamber of Economy, as part of the "The More We Know, the Better We Understand" (Više znamo, bolje razumijemo) project, the Bank has participated in the education of secondary school students in Zagreb for a fourth year in a row. The main topics of the education are connected to the basics of financial literacy, such as concepts and principles of bank business, savings and insurance deposits, payment cards, Internet payment, mobile banking, and personal finance management.



### STEM Scholarships

In 2019 we initiated a scholarship programme for STEM students for a period of three years (2019-2021) and awarded 30 scholarships to senior STEM students by the end of the year. The idea behind the scholarship program is to encourage the students to achieve outstanding results by enabling them to focus more only on their student obligations.



### The "Golden Index" (Zlatni indeks) Award

Privredna banka Zagreb won the "Golden Index" (Zlatni indeks) award in the special trust award category. This

award is awarded by the eStudent Association to a company with prominence for exceptional activities and great contribution in several categories over several years, supporting student initiatives, and considering the students to be the capital of the future.

## DONATIONS AND SPONSORSHIPS

With donations and sponsorships, Privredna banka Zagreb is looking to contribute to and show responsibility towards the wider community. During 2019 a total of HRK 4 million was earmarked for donations and sponsorships supporting projects in the area of culture, science, education, and sports events. Through its long-term participation in the country's social life in the form of donations and sponsorships, PBZ wishes to contribute to the development and, overall, a better quality of life in the Republic of Croatia. PBZ actively participates in numerous social projects which are aimed at improving the standard of society as a whole, hosted by establishments, institutions, associations, and often the Bank itself initiates a string of community service projects. Donations are granted for various programmes in the education, culture and sports areas in order to improve health, and they are, first and foremost, intended for children and socially vulnerable groups, such as donations for the Humanitarian Charity for Croatian Children, Ana Rukavina Foundation Charity, Children's Disease Clinic Zagreb, Krijesnica Association, and providing support to the heritage of traditional cultural manifestations of Varaždin Baroque Evenings, Jazz is Back BP Festival Grožnjan, Festival of Kajkavian Songs and numerous other.

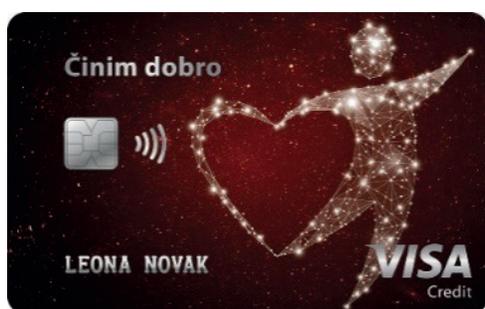
PBZ also provides continuous support to a large number of projects in the field of culture, sports and science, thus contributing to the long-term development of these social areas. During 2019, we supported numerous cultural events, such as our sponsorship for the *MONTELUPO ROSO SECRET Nine centuries of Tuscany Ceramics* exhibition created in cooperation with the Italian Institute for Culture and the Museum of Arts and Crafts, or the sponsorship of the cultural and historical manifestation *Medieval Summer Fair "18th Rabska fjera"*.

## CHARITY PROJECT "DOING GOOD EVERY DAY"

The American Express Card with a Heart was presented on the market in 2008. It was created to provide aid to extremely important projects for the further growth and development of the community. For each payment with this card, the PBZ Group donates HRK 1 to the charity project "Doing good every day", thereby, assisting the project "Monitoring Children with Neurorisks" by the Ministry of Health and the project "For a Better Life for

Children in Social Care Homes” initiated by the Ministry of Demography, Family, Youth and Social Policy. The Visa Card with a Heart, that from January 2020 replaces the American Express Card with a Heart, requires no entrance and membership fee for the first year of using the card, and PBZ Card donates HRK 15 from every membership fee of the principal cardmember and HRK 10 from every membership fee of the supplementary cardmember from the second year of using the card. Other Premium Visa PBZ Card cardmembers may contribute to the project by donating their Premium Rewards points. Alongside this, donations are possible on the Internet site [www.cinimdobro.hr](http://www.cinimdobro.hr) for all Visa, Mastercard, and Maestro cardmembers, regardless of the issuing bank.

This long-term and continuous project of helping the community in which we operate garnered exceptional results in 2019, as well. From 2008, when the project was launched, to the end of the last year we have raised more than HRK 19 million. By the end of last year, a total of 40 donations were realized, including 29 donations to hospitals around the country for acquiring medicine equipment and eleven donations to social care institutions for buying the necessary equipment. During 2019, three important new donations were made within the scope of this project, to the following beneficiaries: The Rehab Center “Mala Terezija” in Vinkovci, General Hospital “dr. Ivo Pedišić” in Sisak, and Educational Center Ivanec. All donations are further described on the project website: [www.cinimdobro.hr](http://www.cinimdobro.hr).



## CARE FOR ENVIRONMENT

The main concepts on which our environmental policy is based are the reduction of waste, gradual improvement of energy efficiency and sustainability, and paying attention to the consequences our decisions have on the environment and the society. In alignment with the Intesa Sanpaolo’s rules and approach on the matter, we continuously monitor our energy consumption and undertake various activities aimed at reducing it, while raising employee awareness on the importance of environmental care. We regularly send personalized e-mails to our employees reminding them to be sure to turn off their computers after working hours, to turn off air conditioning and heating during the weekend, to separate wastepaper from other waste to be recycled. For the purpose of promoting environmental protection and raising the awareness about this burning issue, we carry out campaigns for World Environment Day on each June 5. This day is marked on the anniversary of the UN conference held in Stockholm (1972), which was dedicated to the environment and when the UN Environment Programme (UNEP) was adopted.

Wastepaper, biowaste, plastic, and mixed waste are collected separately and are taken over by a contracted company, which disposes of it in an environmentally friendly manner. The contracted company also separates, collects and removes hazardous waste, such as cartridges, pursuant to the law and regulations.

In line with the new Environmental Protection Act, our two waste management department heads both completed a three-day training course in December of 2015.

### Consumption of paper

The double-sided copying of documents, which we introduced as a standard setting, reusable envelopes and other similar activities have resulted in a permanent reduction of paper consumption, which was 357.600 kg this year. Over the last seven years, we have managed to cut paper consumption by about 100,000 kg and steadily increase the use of recycled paper. Likewise, since June 2012, all envelopes and printing paper used by the Bank are made from recycled paper, including the A4 paper for automated paper stacking.

### Energy consumption

Installing LED lights for the purpose of cutting down energy consumption for lighting has become standard practice. When replacing worn-out equipment, attention is given to having such equipment replaced with one of optimal characteristics. Instead of classic light

# Overview of activities within the PBZ corporate social responsibility programme

(continued)

## CARE FOR ENVIRONMENT (CONTINUED)

### Energy consumption (continued)

bulbs, LED technology lights are used, air-conditioners are replaced with inverter technology with a higher energy efficiency level, elements with high-quality insulation properties are used for construction materials, LEDs are used for advertising signs, and heat recovery ventilation is installed.

As a result of these efforts, we became an official partner of the **GreenLight programme** in January of 2013.

In 2019, we consumed a total of 19,431.7 MWh. At the level of the PBZ Group (including Slovenia and Bosnia and Herzegovina), a total of 24,069.1 MWh was spent.

In 2019, the following energy efficient equipment was installed in the Bank's business premises:

- LED lights installed in Kutina, Zagreb Dubrava, Zagreb Cibona, Čakovec Park, Split Kod kazališta, Split Pojišan, Split Gripe, Slavonski Brod Centar and Vinkovci Duga Ulica branches
- air-water heat pumps were installed in the Pula Šijana (2 pieces) branch
- air recuperators were installed in the Slavonski Brod Center and Vinkovci Duga Ulica branches
- VRV heat pump was installed in the Split Pojišan i Split Kod Kazališta branches
- Data Logger was installed in the Kutina, Zagreb Dubrava, Čakovec Centar, Split Gripe and Opuzen branches

We take a series of active measures in order to contribute to reducing carbon dioxide emissions. The Bank's old vehicles for carpooling were replaced with eco-friendly vehicles with low CO<sub>2</sub> emissions. The company carpooling system includes:

- 49 % of the cars meet the Euro 5 standard
- 51 % of the cars meet the Euro 6 standard

In 2019 in the Bank has been purchased the first electric car for the company fleet.

As far as future plans are concerned, we will continue to implement measures in accordance with our Rules for the environmental and energy policy and Sustainability rules for the purchase and use of paper and derivative material to encourage responsible use of natural sources, especially the efficient use of energy and paper, and proper waste management. Also, we will aim to improve employee training and to inform and raise public awareness on environmental issues.

**For more information on our projects and initiatives, please visit PBZBlog <http://pbzblog.pbz.hr/>**