



INSTITUT IGH, d.d.

2020

NON-FINANCIAL REPORT



July 2021, Zagreb

CONTENTS

1. INTRODUCTION.....	2
2. ACTIVITIES.....	3
3. GROUP COMPONENTS	6
4. ORGANIZATIONAL STRUCTURE	8
5. ANALYSIS OF APPLIED MEASURES.....	9
6. ATTITUDE TOWARDS EMPLOYEES	16
7. TRANSACTIONS WITH SHARES	17
8. STATEMENT ON IMPLEMENTATION OF CORPORATE GOVERNANCE	18
9. INTERNAL CONTROLS.....	19
10. RISK MANAGEMENT	20
11. FINANCIAL OVERVIEW	21
11. SIGNATURE OF TEH COMPANY'S MANAGEMENT	22



1. INTRODUCTION

In accordance with provisions of Article 21a of the Accounting Act (OG 78/15, 120/16), Directive 2014/95/EU of the European Union and Non-financial Reporting Guidelines (Non-financial reporting methodology) 2017/C 215/01 of the European Commission, the Company has prepared relevant information on its business activities which is expected to contain a non-financial report.

Quality management systems for environmental protection, Occupational health and safety at work and energy efficiency

Management systems in the Institute IGH, dd are applied to all business processes through a unique integrated system, which aims to continuously improve the process and develop the quality of service. In 2020, the Institute has certificates ISO 9001, ISO 14001, ISO 50001, OHSAS 18001. The annual certification audit by the certification company DNV GL has been completed, which gave us all the prerequisites for the transition to a new standard ISO45001, instead of the certificate according to standard OHSAS 18001.

The new management system policy is a document adopted by the Management Board to express its commitment to meeting the applicable requirements and to continuously improving the quality management system. The published policies define the guidelines of top management in terms of quality, environment, health and safety at work, occupational safety and energy efficiency. Strategic orientation, mission and vision are incorporated into the document itself, and the policy builds on the corporate values of the IGH Institute.

Quality management policy is publicly available to all interested parties on the website: www.igh.hr.

The Company will prepare a Sustainable Development Strategy in 2021, and believes that a significant part of its income in upcoming years will come from activities contributing to the environmental objective set by the EU.

The Company will present the CapEx plan through the Strategy, which will replace the existing assets be in line with the EU taxonomy expectations

As children are the most vulnerable group, a special part of the Strategy will be dedicated to children's rights

On behalf of the Institut IGH, d.d. Management

Robert Petrosian, dipl.ing.građ.

President of the Management Board



2. ACTIVITIES

INSTITUT IGH, d.d. is the leading consulting company for design and engineering services in civil engineering in Croatia and the region. Together with its 15 subsidiaries and 6 affiliates it provides comprehensive support in infrastructure and investment projects, delivering optimal, complete and innovative solutions in the civil engineering sector in Croatia and on international markets.

The Company is registered at the Commercial Court in Zagreb under the number MBS: 080000959, with its head office in Zagreb, Janka Rakuše 1. The Company's share capital is HRK 116.604.710,00 divided into 613.709 ordinary shares mark IGH-R-A, ISIN:HRIGH0RA0006 nominal value HRK 190,00, listed on the official market of the Zagreb Stock Exchange.

INSTITUT IGH, d.d. provides the following services:

- **PLANNING AND MANAGEMENT OF DEVELOPMENT RESOURCES**
 - Urban development plans and Master plans
 - Detailed urban plans
 - Development plans for areas of special character
 - Analysis and planning of transport systems
 - Elaboration of sustainable development projects
- **STUDY DEVELOPMENT**
 - Feasibility Studies
 - Documentation required for issuance of Location permit
 - Transport Studies
 - Environmental Impact Studies
 - Technical input, Environmental Protection Studies and Environmental Status Monitoring
 - Waste Management Programmes and Studies
 - Mathematical and Physical modelling of water engineering structures
 - Water supply, Drainage and Irrigation Studies
 - Development of Technical Reports for noise protection
- **DESIGN**
 - Design of concrete, steel and masonry structures and engineering facilities (bridges, tunnels)
 - Design of roads, geotechnical and water engineering structures
 - Pavement structure design, Traffic signs, road markings and road furniture design
 - Design of multipurpose water management infrastructure
 - Design of water supply and drainage systems
 - Designs for rehabilitation and repair of structures
 - Design of mining facilities and plants
 - Development of Technical studies in the field of building physics
 - Development of Technical solutions for thermal energy saving of buildings
 - Design of sanitary waste disposal sites for municipal and other waste
 - Development of Landscaping designs
 - Design validation and audit
- **TECHNICAL SUPERVISION**
 - Technical supervision during construction of concrete, steel and masonry structures of buildings and engineering facilities
 - Technical supervision during construction of roads, geotechnical and water engineering structures and facilities
 -

NON-FINANCIAL REPORT •

- **CONSULTANCY IN IMPLEMENTING EU FUNDED PROJECTS**
 - Consultancy in project preparation
 - Development of studies, business plans and analyses
 - Preparation of design applications
 - Consultancy in project implementation
 - Financial management
 - Public procurement
 - Management of contracts and building projects

- **WASTE MANAGEMENT**
 - Investigation works to determine the impact of waste disposal sites on the environment, primarily soil and ground waters
 - Development of Environmental Impact Studies and Environmental Protection Reports as part of the Environmental impact assessment screening
 - Environmental Protection Management Programmes for large cities with respective Action plans
 - Environmental Protection Management Plans for infrastructure facilities
 - Appropriate Assessment for nature
 - Integrated Environmental protection requirements for plants
 - Review – audit of designs with regard to environmental protection requirements
 - Documentation for the issuance of environmental permit
 - Waste Management plans and reports
 - Reports on the implementation of Waste Management Plans for local self-governing units
 - Feasibility Studies with Cost-benefit Analysis
 - Development of tender documentation – depending on the type of procurement, in accordance with provisions of the Public Procurement Act and related implementing legislation
 - Design development (preliminary, detailed and working designs) for the purpose of obtaining the Location and Building permits for waste disposal sites , i.e. Waste Management Centres
 - Development of studies and technological designs for mechanical – biological treatment of mixed municipal waste
 - Technical supervision during execution of all types of works in the field of waste management
 - Technical assistance, advisory services and project management during different project implementation phases (preparation and implementation of public procurement procedure, contracting of works, design, work execution and during exploitation phase)

- **CONSULTING**
 - Consultancy services during design and construction
 - Consultancy services in the field of ecology, environmental protection and construction of all types of ecological structures
 - Technical advisory services for the Client
 - Technical project evaluation
 - Project management
 - Contract Management and supervision of contract implementation
 - Tender documentation and tender analysis
 - Study review

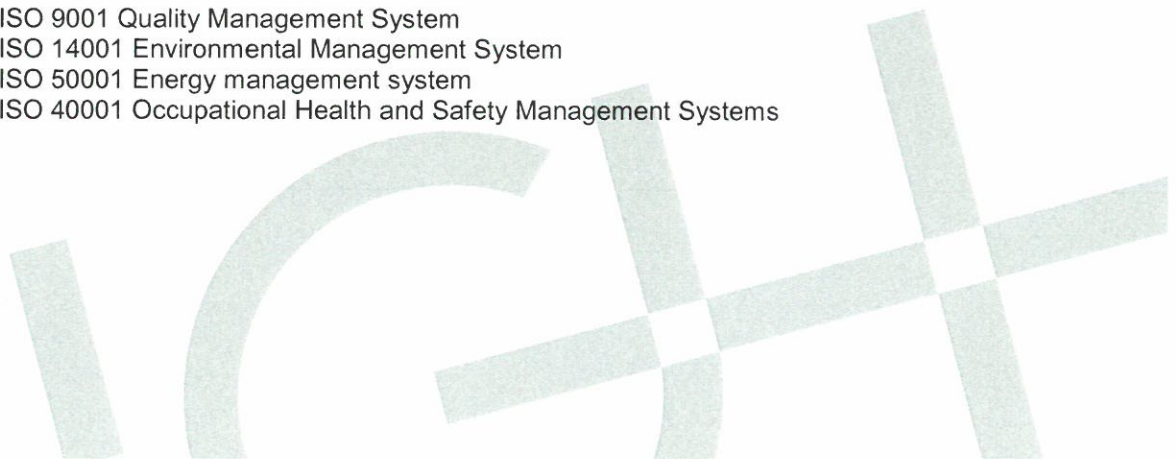
- **INVESTIGATION WORKS**
 - Determining the properties of building material
 - Investigation works, including construction, geotechnical, hydro-geologic and engineering-geological works
 - Investigation works for design purposes
 - Investigation works to determine the state of structure

NON-FINANCIAL REPORT

- Proving the serviceability of structure or part of structure
- **PROOF OF SERVICEABILITY / SYSTEM OF ASSESSMENT AND VERIFICATION OF CONSTANCY OF PERFORMANCE**
 - Implementation of activities for assessment and verification of constancy of performance of construction materials in the sector regulated by law:
 - Issuance of certificates for the constancy of performance of construction products (for systems 1 and 1+)
 - Issuance of certificates for conformity of factory production control (for system 2+)
 - Preparation and issuance of Croatian documents for verification in the sector regulated by law for the purpose of issuing Croatian Technical Assessment
 - Preparation and issuance of Croatian Technical Assessment (CTA) in the sector regulated by law, that is, issuance of documents on the assessment of constancy of performance of construction products pertaining to its important properties, in accordance with the respective Croatian Document for Assessment.
 - Implementation of activities relating to assessment and verification of constancy of performance of construction products in the sector not regulated by law
- **LABORATORY TESTING / CALIBRATION**
 - Laboratory testing of materials and construction products
 - Control testing of materials and works during construction
 - Field testing and measurements
 - Testing the water tightness of water supply and drainage systems
 - Testing the noise level and impact sound insulation
 - Testing the Air Tightness and Thermographic survey of buildings
 - Calibration of force measuring and length instruments
- **SCIENTIFIC AND RESEARCH WORK**
 - Scientific and technological development projects
 - Study of new building materials, building procedures and application technologies
 - Experimental research
 - Development of prototype equipment for civil engineering industry
- **OTHER ACTIVITIES**
 - Participating in the preparation of proposals for Building codes
 - Participating in technical committees for development of Standards
 - Professional training
 - Publishing
 - Information society services
 - Web design
 - Development and maintenance of web-sites
 - Activities of electronic communication networks and services
 - Universal services in the field of electronic communications
 - Value added services
 - Electronic publication services
 - Teaching in informatics
 - Computer and related activities

In compliance with the standards for sustainable development system, IGH has the following certificates:

- ISO 9001 Quality Management System
- ISO 14001 Environmental Management System
- ISO 50001 Energy management system
- ISO 40001 Occupational Health and Safety Management Systems



3. GROUP COMPONENTS

Parent Company of the Issuer is the Issuer himself. IGH Group members are partly complementary to the parent company, founded or acquired with the aim to provide complete range of services.

First part of the provided expert services include testing, design and design validation, technical supervision and management in the field of architecture, civil engineering and scientific research. The second part of the services are provided by dedicated companies for the realization of real-estate projects.

IGH Group includes 15 subsidiaries and 6 affiliates (situation on 31 December 2020) providing core and similar activities, while the INSTITUT IGH, d.d. also operates through branch offices and representative offices abroad.

Subsidiaries are companies in which the Company has more than 50% of voting rights and/or controls the adoption and implementation of financial and business policies of the company in which it has invested, with the aim to acquire benefits from its activities.

Affiliates are companies in which the Company has between 20% and 50% of voting rights and a significant influence but not control, through participation in decision making of financial and business policies.

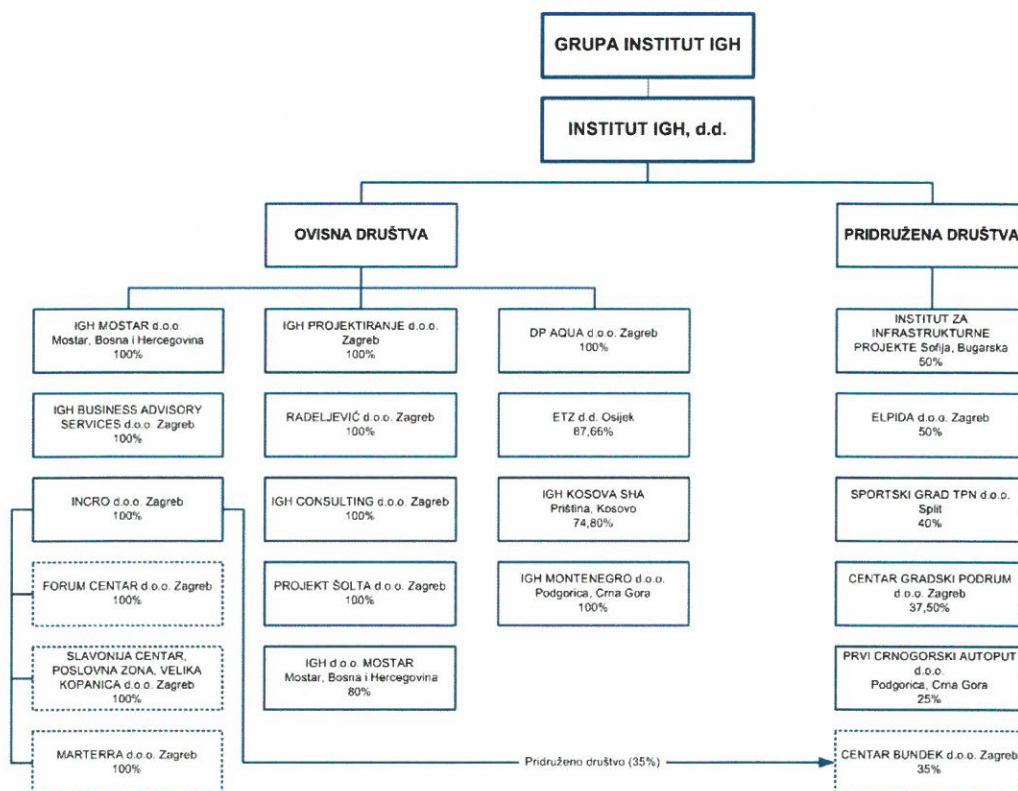


Chart 1. IGH Group on 31 March 2021

Consolidation included the following **subsidiaries**:

OVISNO DRUŠTVO	ADRESA
IGH d.o.o MOSTAR	Bišće Polje bb, Mostar, Bosnia and Herzegovina
EKONOMSKO TEHNIČKI ZAVOD d.d. (ETZ d.d.)	Drinska 18, Osijek, Croatia
DP AQUA d.o.o.	Janka Rakuše 1, Zagreb, Croatia
IGH PROJEKTIRANJE d.o.o.	Janka Rakuše 1, Zagreb, Croatia
RADELJEVIĆ d.o.o.	Janka Rakuše 1, Zagreb, Croatia
IGH CONSULTING d.o.o.	Janka Rakuše 1, Zagreb, Croatia
IGH BUSINESS ADVISORY SERVICES d.o.o.	Janka Rakuše 1, Zagreb, Croatia
INCRO d.o.o.	Janka Rakuše 1, Zagreb, Croatia
MARTERRA d.o.o.	Janka Rakuše 1, Zagreb, Croatia
FORUM CENTAR d.o.o.	Janka Rakuše 1, Zagreb, Croatia
SLAVONIJA CENTAR, POSLOVNA ZONA VELIKA KOPANICA d.o.o.	Janka Rakuše 1, Zagreb, Croatia
PROJEKT ŠOLTA d.o.o.	Janka Rakuše 1, Zagreb, Croatia
IGH MOSTAR d.o.o.	Bišće Polje bb, Mostar, Bosnia and Herzegovina
IGH MONTENEGRO d.o.o.	Moskovska 2b, Podgorica, Montenegro
IGH KOSOVA Sha	Kosovo, Pristina

Table 1. Subsidiaries included in consolidation

Having in mind that the company Projekt Šolta is under bankruptcy, and the company Montenegro has no business activities, these two companies are not included in the consolidation for 2020. Also, during 2020, the company Autocesta Bar-Boljare d.o.o. has been removed from register.

Affiliates that have an impact on financial results by applying the equity method, are as follows:

AFFILIATES	ADDRESS
INSTITUT ZA INFRASTRUKTURNE PROJEKTE	Bulgaria, Sofia
ELPIDA d.o.o.	Ventilatorska 24, Lučko, Croatia
SPORTSKI GRAD TPN d.o.o. u stečaju	Zrinsko-Frankopanska 211, Split, Croatia
CENTAR GRADSKI PODRUM d.o.o.	Augusta Cesarca 2, Zagreb, Croatia
CENTAR BUNDEK d.o.o.	Ede Murtića 11, Zagreb, Croatia
PRVI CRNOGORSKI AUTOPUT d.o.o.	Montenegro, Podgorica

Table 2. Affiliate companies included in consolidation

The Company undertakes its business activities through its branch offices in Georgia, Republic of Kosovo and the Russian Federation as well as through its representative office in Bosnia and Herzegovina.

4. ORGANIZATIONAL STRUCTURE

On 31 December 2020, the Company was organized as follows:

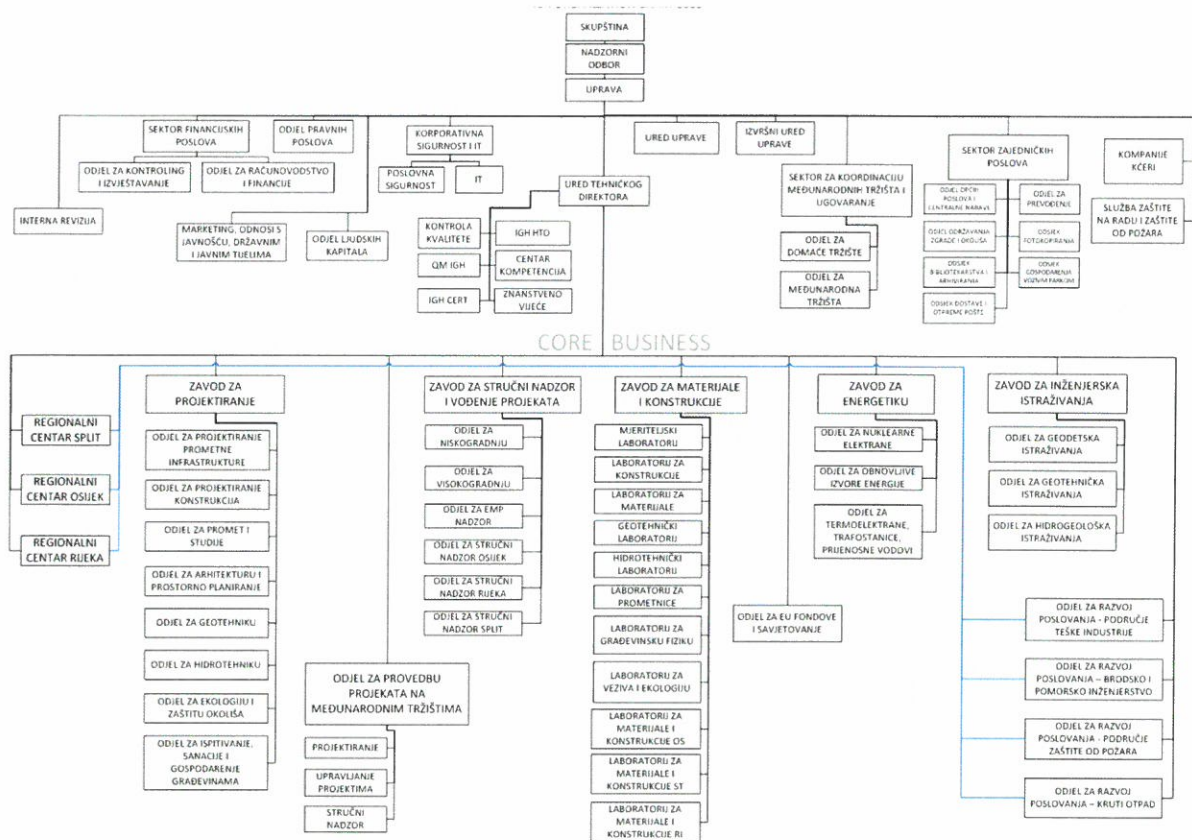


Figure 3. Organizational structure on 31 Dec 2020

5. ANALYSIS OF APPLIED MEASURES

Ad 1. Client orientation

Based on our experience and expertise, we recognize our client's needs, we offer solutions through consulting and personalized service, and we achieve long-term relationships to mutual benefit and satisfaction. Our clients can expect a high level of expertise, reliability, impartiality, confidentiality, objectivity and independence in our work.

Ad 2. Proactive approach

Every day we seek solutions better than the existing ones and give our best efforts in every opportunity and on every project. We accept and create new opportunities, learn from them and develop, and maintain and improve management systems.

Ad 3. Excellence

We persevere on expertise and quality in everything we do, set standards and constantly invest in raising the competencies of our employees.

Ad 4. Socially responsible behaviour

We support only legal and ethical behaviour and we are aware that our work in all segments and relationships can have a positive impact on the local community, the environment and society as a whole.

Ad 5. Collectivity

We encourage cooperation and knowledge sharing, nurture good interpersonal relationships and create a pleasant and stimulating work atmosphere.

Ad 6. Sustainable development

The sustainable development strategy is focused on sustainable building design, employee health protection, safety and social responsibility, responsible behaviour towards the environment and the local community.

Ad 7. Environmental management

We recognize our own responsibility to reduce the negative impacts of our activities on the environment and implement the programmes by applying ISO 14001: 2015. All our activities are carried out in accordance with applicable national regulations related to environmental protection. We develop a high level of employee awareness and culture of behaviour through this policy, our responsibilities, our significant aspects as well as through our own contribution to the effectiveness of environmental management. We strive to improve our own energy efficiency, optimize the use of resources and improve the waste management system in line with our goals.

Ad 8. Management of Occupational health and safety at work

Institut IGH d.d. continuously works on the development and application of Occupational health and safety at work principles, in accordance with the risks present in business processes.

Last year, Institut IGH d.d. as well as other business entities in the world, was hit by the SARS COV 2 pandemic, which significantly affected the business environment and the organization of work processes. Serious risks have emerged both for the health of workers and for the company operation. The risks have been analysed and assessed as high, in both observations Organisational and protective measures have been planned and implemented, but have not eliminated the risks. When talking about protecting the safety and health of workers, we are talking about biological risks that need to be continuously controlled in order to minimize the damage. The risk assessments and measures will be found in the new edition „Occupational Safety Risk Assessment“. After a certain period of adjustment, managers found models of functioning that reduced the risks of infection while maintaining a high level of operation and efficiency.

NON-FINANCIAL REPORT

Due to the above stated, the employer's expenditures have increased in the aspect of occupational safety and health of employees. New expenditures include the purchase of protective equipment for COVID, the purchase of temperature measurement terminals, the purchase of disinfectants for cleaning and maintenance of surfaces, and the subcontracting of electromotor disinfection of contaminated areas.

Last March, the location of the Institute in Zagreb was hit by another natural disaster, an earthquake. There were no human casualties among IGH staff because the quake occurred early in the morning. Therefore, we can only talk about the consequences of the earthquake through the damage caused. Considering that the complex in Zagreb was built in phases, over a longer period of time, the building standards for the buildings were different, so the consequences were also different. The least affected was the newest building in which the Laboratories are located. Immediately after the event, the management requested an analysis of the stability of all buildings so as to guarantee the safety of their employees. The analysis was conducted by leading IGH experts who determined that the damage and cracks did not affect the structure and its properties and that work in the buildings can be continued (report Krunoslav Mavar, Marija Čagalj). Damage was reported to the insurance company and repairs were made.

An earthquake of similar magnitude as the first occurred again at the end of the year. Since IGH employees were on their annual Christmas leave at the time, again, there were no casualties but there was damage at similar locations within the complex. Professional staff re-inspected the complex to determine if it was safe for staff to return. Again, it was determined that there was no damage on the load bearing elements which would affect the stability of the structures. After the Christmas holidays, employees returned to their safe work posts. The damage was reported to the insurance company and we are waiting for their decision to start repairs.

Last year, the Company completed a successful transition of the Occupational health and safety at work system, by switching from the standard OHSAS 18001:2007 (Occupational Health and Safety Assessment Series) to ISO 45001:2018 (Occupational Health and Safety).

During the regular external audit procedure, the evaluation body for the DNV-GL occupational health and safety of workers system was evaluated as functional, with a mark 3 out of 5.

The established system ensures a healthy and safe working environment and reduces the risk for workers, subcontractors, visitors and other stakeholders that the company's activities may have an impact on.

In accordance with its commitments, Institut IGH d.d. ensures a healthy and safe working environment by respecting the following principles of health protection and safety:

- creating an environment in which health and safety risks are controlled to prevent injuries and occupational diseases
- compliance with all laws and regulations, and compliance with all applicable international standards
- implementing the occupational health and safety at work management programme

Internal inspections of occupational safety found several instances in most processes and at all locations. These instances were recorded in the Internal Audit Reports and sent to authorized representatives and immediate representatives in occupational safety, i.e. process owners. By eliminating these instances the system of occupational health and safety of employees is continuously improving.

Increased fluctuation of employees continues (new employments). These new employees, immediately upon employment undergo the necessary occupational safety training, depending on the risks to which they are exposed. In view of the above, regular expenditures for personal protective equipment for workers working in special working conditions also increased. The number of workers who have the obligation to go for regular medical examinations to determine their medical fitness has also increased.

NON-FINANCIAL REPORT

In order to avoid discrepancies between the planned and actual expenditures, it would be advisable if the Occupational Health and Safety and Fire Protection Service had input parameters, in this case a Plan on Employments for the year ahead.

All employees actively apply preventive measures in order to prevent injuries and occupational diseases, and report any occurrences in their working environment that could endanger their health.

Despite the challenges and stress to which the Institut IGH d.d. employees were exposed we must note the exceptional level of discipline and education of our employees in the field of Occupational Health and Safety and Fire Protection, which resulted in less work-related injuries, controlled by the employees. An analysis of injuries between 2013 and 2020 is given below, showing a decrease of lost work days.

Analiza ozljeda za razdoblje 2013 - 2020 / Work related injuries analysis

GODINA / YEAR	BROJ OZLJEDA / No ACCIDENTS	IZGUBLJENI RADNI DANI / LOST WORKING DAYS	UČESTALOST* / FREQUENCY RATE*	TEŽINA OZLJEDA** / SEVERITY RATE**	Broj djelatnika / Employees number	Fond sati po djelatniku / Number of working hours	Ukupno sati / Total hours IGH	Izgubljeni sati / Lost hours	Izgubljeni dani / Lost days
2013	4	100	0,03	0,74	651	2088	1359288	800	100
2014	3	50	0,02	0,39	613	2088	1279944	400	50
2015	2	59	0,02	0,49	578	2088	1206864	472	59
2016	3	26	0,03	0,23	532	2088	1110816	208	26
2017	4	22	0,04	0,22	473	2088	987624	176	22
2018	1	62	0,01	0,71	421	2088	879048	496	62
2019	5	99	0,05	1,01	469	2088	979272	792	99
2020	1	14	0,01	0,13	517	2088	1079496	144	14

*INDEX CALCULATION FREQUENCY: N. INJURIES/N. HOURS WORKED X 10.000

**INDEX CALCULATION OF GRAVITY: TOTAL WORKING DAYS LOST/TOTAL HOURS WORKED X 10.000

Two more workers had accidents (in 2020) on the way home (from work) but employer did not have any influence on processes which caused the injuries

Table 4. Analysis of work related injuries 2013.-2020.

Appropriate health care is provided for INSTITUT IGH d.d. employees who work in special working environment, by the contracted occupational medicine, as well as previous and periodic medical check-ups, to determine their medical fitness (psycho-physiological, mental). Depending on results of medical check-ups, authorized persons in charge of Occupational Safety and workers covered by the report on medical check-up, are informed on any deficiencies that may affect the safety and health of workers during performance of their regular duties and they are forbidden to work on jobs that represent a substantial risk until these deficiencies are resolved.

Approximately 290 INSTITUT IGH, d.d. employees are in the regular medical check-up system

Ad 9. Energy efficiency policy

By implementing and certification of energy management systems according to the standard ISO50001, we develop our core values: recognizing and meeting the needs and wishes of our clients, with continuous improvement focused on energy efficiency, through:

- Preventive maintenance and investments
- Improving methods for data analysis on own consumption
- Respecting laws and regulations
- Raising awareness of all employees
- Implementation of energy-efficiency solutions in focus during design
- Energy efficient equipment is purchased, suppliers are prompted to manufacture energy efficient goods and services

The Waste Management Regulation and Guidelines on the management of environmental goals and aspects were adopted for environmental protection purposes. Recycling yards were set up at all locations, for separate collection of waste until final collection. Waste Management Programmes were made for every location, as well as instructions and plan for waste disposal. Contract with authorized companies are signed for waste treatment and disposal.

In line with laws and regulations, respective Forms for waste are filled in and Logbooks on the creation of waste are kept, and registration in the Hazardous waste Register is made according to need.

Likewise, a Register of Environmental Aspects and Risk Assessment is made, which is regularly kept up-to-date.

ZAGREB	
TYPE F WASTE	QUANTITY (t)
(*) hazardous waste	4,74
paper and cardboard	8,11
mixed construction waste	69,40

RC RIJEKA	
TYPE OF WASTE	QUANTITY (t)
(*) hazardous waste	0,00
paper and cardboard	0,38
mixed construction waste	9,31

RC SPLIT	
TYPE OF WASTE	QUANTITY (t)
(*) hazardous waste	0,92
paper and cardboard	0,00
mixed construction waste	0,00

Tables 5, 6., 7. Type of waste per location

A total of 8,49 tons of paper, 5, tons of hazardous waste and 78,71 tons of construction waste were managed in 2020.



NON-FINANCIAL REPORT

Tables 8,9,10. Type of waste per location – detailed

ZAGREB														
NASTANAK OTPADA						Podaci za 2020. godinu						Obrazac NO		
Ključni broj otpada	Naziv otpada	Osnova određivanja količine: 2 - izračun	Za slučaj da je otpad nastao postupkom obrade na lokaciji izvora otpada UO	Nastalo u izvještajnoj godini (t)	Stanje privremenog skladišta na dan (t)		Postupanje s otpadom na mjestu nastanka		Predano				Izvor/iznos	
					1.1.	31.12.	količina (t)	D/R postupak	Namijenjeno za postupak uporabe (R) ili zbrinjavanja (D)	Količina (t)	Naziv i adresa tvrtke/obrtu koja preuzima otpad	OIB tvrtke/obrtu koja preuzima otpad		Naziv odjaga/lijeta i adresa
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
08 0111*	opadne boje i lakovi koji sadrže organske otapala ili druge opasne tvari	1 - vaganje		0,955	0	0,005		D		0,95	KEMS-TERMOCLEAN d.o.o. 10000 Zagreb, Slavonška avenija 20/4 - Lokacija Dubrava 6, 61250 Novi Vinodolski	47719250402		
08 0317*	otpadni isparni tonovi koji sadrže opasne tvari	1 - vaganje		0,34	0	0		D		0,34	KEMS-TERMOCLEAN d.o.o. 10000 Zagreb, Slavonška avenija 20/4 - Lokacija Dubrava 6, 61250 Novi Vinodolski	47719250402		
14 0502*	ostali halogenirani otapala i mješavine otapala	1 - vaganje		0,085	0	0,085				0	KEMS-TERMOCLEAN d.o.o. 10000 Dubrava 6, 61250 Novi Vinodolski			
15 0102	plastična ambalaža	1 - vaganje		0,82	0,216	0,118		D		0,72	KEMS-TERMOCLEAN d.o.o. 10000 Zagreb, Slavonška avenija 20/4 - Lokacija Dubrava 6, 61250 Novi Vinodolski	47719250402		
15 0111*	metalna ambalaža koja sadrži opasne tvari posebne materijale (tvari, adhezivi, uljasti uljaci) prane spremnika pod tlakom	1 - vaganje		0,111	0	0,003		D		0,008	KEMS-TERMOCLEAN d.o.o. 10000 Zagreb, Slavonška avenija 20/4 - Lokacija Dubrava 6, 61250 Novi Vinodolski	47719250402		
15 0203	metalni, filarni materijali, bakne za brisanje i plastična odjeća, koji nisu navedeni pod 15.02.02*	1 - vaganje		0,26	0	0		D		0,26	KEMS-TERMOCLEAN d.o.o. 10000 Zagreb, Slavonška avenija 20/4 - Lokacija Dubrava 6, 61250 Novi Vinodolski	47719250402		
15 0103	opasne gume	1 - vaganje		0,017	0	0		D		0,017	KEMS-TERMOCLEAN d.o.o. 10000 Zagreb, Slavonška avenija 20/4 - Lokacija Dubrava 6, 61250 Novi Vinodolski	47719250402		
15 0121*	opasna komponenta koja nisu navedena pod 15.01.07* do 15.01.13* i 15.01.14*	1 - vaganje		0,23	0	0,08		D		0,15	KEMS-TERMOCLEAN d.o.o. 10000 Zagreb, Slavonška avenija 20/4 - Lokacija Dubrava 6, 61250 Novi Vinodolski	47719250402		
15 0213*	otročena oprema koja sadrži opasne komponente(2) a koja nije navedena pod 15.02.00* do 15.02.12*	1 - vaganje		2,67	0	0,40		D		2,18	KEMS-TERMOCLEAN d.o.o. 10000 Zagreb, Slavonška avenija 20/4 - Lokacija Dubrava 6, 61250 Novi Vinodolski	47719250402		
15 0506*	laboratorijske kemikalije koje se sastoje od opasnih tvari ili ih sadrže, uključujući mješavine laboratorijskih kemikalija	1 - vaganje		0,01	0,044	0		D		0,364	KEMS-TERMOCLEAN d.o.o. 10000 Zagreb, Slavonška avenija 20/4 - Lokacija Dubrava 6, 61250 Novi Vinodolski	47719250402		
15 0107	tipične betone, cigle, opeka/otročila i keramike koje nisu navedene pod 17.01.05*	1 - vaganje		148,28	0	0		R		148,28	ZAGREBAČKI HOLDING d.o.o. 10000 Zagreb, Ulica grada Vukovara 41 - Lokacija Donja Svetica 49, 10000 Zagreb	8568480587		
17 0303*	ugljen katran i proizvodi koji sadrže katran	1 - vaganje		0,255	0,34	0,175		D		0,42	KEMS-TERMOCLEAN d.o.o. 10000 Zagreb, Slavonška avenija 20/4 - Lokacija Dubrava 6, 61250 Novi Vinodolski	47719250402		
17 0604	tipični građevinski otpad - otpad od kletanja obzaka, koji nije naveden pod 17.06.01*, 17.06.02* i 17.06.03*	1 - vaganje		68,363	0,705	0		R		70,1	ZAGREBAČKI HOLDING d.o.o. 10000 Zagreb, Ulica grada Vukovara 41 - Lokacija Donja Svetica 49, 10000 Zagreb	8568480587		
20 0101	papir i karton	1 - vaganje		8,11	0	0		R		8,11	DS SMTH UNJA PAPIR ORGATIA d.o.o. 10000 Zagreb, Lestovka 6 - Lokacija Domovinskih ratova, 10000 Zagreb	9648776876		
20 0121*	fluorescentne cijevi i ostali otpad koji sadrži žbu	1 - vaganje		0,183	0	0		D		0,183	KEMS-TERMOCLEAN d.o.o. 10000 Zagreb, Slavonška avenija 20/4 - Lokacija Dubrava 6, 61250 Novi Vinodolski	47719250402		
20 0307	stakleni otpad	1 - vaganje		1,85	0	0		R		1,85	KEMS-TERMOCLEAN d.o.o. 10000 Zagreb, Slavonška avenija 20/4 - Lokacija Dubrava 6, 61250 Novi Vinodolski	47719250402		

SPLIT														
NASTANAK OTPADA						Podaci za 2020. godinu						Obrazac NO		
Ključni broj otpada	Naziv otpada	Osnova određivanja količine: 1 - vaganje, 2 - izračun, 3 - prosudba	Za slučaj da je otpad nastao postupkom obrade na lokaciji izvora otpada UO	Nastalo u izvještajnoj godini (t)	Stanje privremenog skladišta na dan (t)		Postupanje s otpadom na mjestu nastanka		Predano				Izvor/iznos	
					1.1.	31.12.	količina (t)	D/R postupak	Namijenjeno za postupak uporabe (R) ili zbrinjavanja (D)	Količina (t)	Naziv i adresa tvrtke/obrtu koja preuzima otpad	OIB tvrtke/obrtu koja preuzima otpad		Naziv odjaga/lijeta i adresa
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
14 06 05*	ostali otapali i tvari	1 - vaganje		0,21	0,21	0		R		0,21	DAW d.o.o., 23000 04201603871		0,21	AUSTRIJA Republika Austrija
16 03 03*	energetski otpad	1 - vaganje		0,429	0,429	0		R		0,429	DAW d.o.o., 23000 04201603871		0,429	AUSTRIJA Republika Austrija
16 03 06*	laboratorijski kem.	1 - vaganje		0,246	0,246	0		R		0,246	DAW d.o.o., 23000 04201603871		0,246	AUSTRIJA Republika Austrija

RUEKA														
NASTANAK OTPADA						Podaci za 2020. godinu						Obrazac NO		
Ključni broj otpada	Naziv otpada	Osnova određivanja količine: 1 - vaganje, 2 - izračun, 3 - prosudba	Za slučaj da je otpad nastao postupkom obrade na lokaciji izvora otpada UO	Nastalo u izvještajnoj godini (t)	Stanje privremenog skladišta na dan (t)		Postupanje s otpadom na mjestu nastanka		Predano				Izvor/iznos	
					1.1.	31.12.	količina (t)	D/R postupak	Namijenjeno za postupak uporabe (R) ili zbrinjavanja (D)	količina (t)	Naziv i adresa tvrtke/obrtu koja preuzima otpad	OIB tvrtke/obrtu koja preuzima otpad		Naziv odjaga/lijeta i adresa
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
17 01 01	beton	1 - vaganje		16,5	1	5		D		12,5	METIS d.d., inddu 19158233033			
17 09 04	mješavina građevni	1 - vaganje		9,31	0,5	2,5		D		7,31	METIS d.d., inddu 19158233033			
20 01 01	papir i karton	1 - vaganje		0,39	0,08	0,06		D		0,4	METIS d.d., inddu 19158233033			

NON-FINANCIAL REPORT

Furthermore, energy consumption is constantly monitored and analysed in accordance with the requirements of ISO 50001, for which we have been certified:

INSTITUT IGH, d.d. ZAGREB 2020.						
	HEATING	ELECTRICITY	WATER	GAS		
Month	kWh	kWh/NT	kWh/VT	TOTAL kWh	m3	m3
1	409.000,00	19.398,00	46.000,00	65.398,00	366,00	113,00
2	269.000,00	17.592,00	45.343,00	62.935,00	432,00	119,00
3	239.000,00	19.927,00	44.704,00	64.631,00	386,00	85,00
4	144.000,00	21.865,00	40.021,00	62.872,08	444,00	0,00
5	105.000,00	31.655,00	58.613,00	90.268,00	347,00	47,00
6	39.000,00	34.085,00	66.086,00	100.171,00	191,00	105,00
7	14.000,00	40.091,00	79.711,00	119.802,00	233,00	17,00
8	13.000,00	40.927,00	77.431,00	118.358,00	462,00	49,00
9	40.000,00	50.319,00	89.435,00	139.754,00	493,00	112,00
10	188.000,00	46.823,00	84.372,00	131.195,00	561,00	118,00
11	292.000,00	39.456,00	74.686,00	114.142,00	493,00	121,00
12	351.000,00	26.504,00	53.449,00	79.953,00	440,00	98,00

Table 11. Energy consumption - Zagreb

INSTITUT IGH, d.d. RIJEKA 2020.					
	ELECTRICITY			WATER	GAS
Month	kWh/NT	kWh/VT	TOTAL kWh	m3	HRK
1	861,00	1.501,00	2.362,00	12,00	1.388,60
2	962,00	1.634,00	2.596,00	30,00	1.737,78
3	1.232,00	2.063,00	3.295,00	81,00	1.584,59
4	784,00	1.264,00	2.048,00	95,00	1.734,99
5	913,00	1.019,00	1.932,00	114,00	402,33
6	559,00	1.082,00	1.641,00	72,00	297,76
7	579,00	1.197,00	1.776,00	100,00	442,74
8	465,00	882,00	1.347,00	92,00	275,97
9	1.290,00	2.311,00	3.601,00	103,00	364,70
10	625,00	1.130,00	1.755,00	74,00	322,07
11	852,00	1.419,00	2.271,00	10,00	1.636,03
12	933,00	1.653,00	2.586,00	7,00	2.521,34
	10.055,00	17.155,00	27.210,00	790,00	12.708,90

INSTITUT IGH, d.d. SPLIT 2020.

Month	ELECTRICITY			WATER
	kWh/NT	kWh/VT	TOTAL kWh	m3
1	6.243,00	15.983,00	22.226,00	153,00
2	5.952,00	15.543,00	21.495,00	319,00
3				137,00
4	4.646,00	9.347,00	13.993,00	76,00
5	7.304,00	14.921,00	22.225,00	144,00
6	11.163,00	22.828,00	33.991,00	148,00
7	13.454,00	29.271,00	42.725,00	232,00
8	14.305,00	28.108,00	42.413,00	0,00
9	12.621,00	26.043,00	38.664,00	143,00
10	8.180,00	17.450,00	25.630,00	0,00
11	5.972,00	13.917,00	19.889,00	0,00
12	6.444,00	14.109,00	20.553,00	224,00
	96.284,00	207.520,00	303.804,00	1.576,00

INSTITUT IGH, d.d. OSIJEK 2020.

Month	HEATING	ELECTRICITY			WATER
	kWh	kWh/NT	kWh/VT	TOTAL kWh	m3
1	66.000,00	2.947,00	6.266,00	9.213,00	18,00
2	46.000,00	2.622,00	5.384,00	8.006,00	25,00
3	48.000,00	2.804,00	5.720,00	8.524,00	20,00
4	26.000,00	2.826,00	5.001,00	7.827,00	24,00
5	6.000,00	2.854,00	5.500,00	8.354,00	33,00
6	288,25	2.458,00	5.091,00	7.549,00	22,00
7	288,25	2.640,00	6.086,00	8.726,00	26,00
8	288,25	2.638,00	6.114,00	8.752,00	119,00
9	288,25	2.823,00	5.537,00	8.360,00	53,00
10	30.000,00	3.090,00	6.338,00	9.428,00	60,00
11	48.000,00	2.774,00	6.524,00	9.298,00	31,00
12	64.000,00	2.635,00	5.748,00	8.383,00	29,00
	335.153,00	33.111,00	69.309,00	102.420,00	460,00

Tables 12, 13, 14: Energy consumption per location

6. ATTITUDE TOWARDS EMPLOYEES

Employee rights in the Company in 2020 were regulated by:

- The Labour Act
- Employment Regulation of 18 Feb 2012, which entered into force on 1 Jan 2013 and its Amendments, with respective Price list of services and Catalogue of Job Descriptions, and the Employment Regulation of 23 March 2017, which came into force on 1 April 2017, repealing the previously mentioned Employment Regulation and its Amendments,
- Regulation on the use of Company cars, number 2014/59-2 of 6 June 2014 until 7 July 2020, new one Regulation on the use of Company cars is in force 8 July 2020
- Regulation on business trips and field work, number 2017/127-2 which is in force since 1 Jan 2017.

Personnel structure

On 31 December 2020, INSTITUT IGH, d.d. had 518 employees, with an additional 19 employed in foreign branch offices. This is a decrease by 35 employees compared to 31 December 2019, when the Company had 572 employees.

AGE	LOW SKILLED	SKILLED	SECONDARY SCHOOL	HIGHER EDUCATION	UNIVERSITY DEGREE	MASTER'S DEGREE	DOCTORATE	Total	percentage
20-29			11	5	58			74	14%
30-39	1		12	7	75			95	19%
40-49	1		40	22	96	5	4	168	33%
50-59		1	32	12	47	10	6	108	21%
60-69	1		13	12	34	6	3	69	13%
70-75			1		2		1	4	0%
TOTAL	2	1	109	58	312	22	13	518	100%
percentage	0%	0%	21%	12%	61%	4%	2%	100%	-

Table 15. Age and educational structure of INSTITUT IGH, d.d. employees in Croatia on 31 Dec 2020



7. TRANSACTIONS WITH SHARES

Company shares are listed on the official market of the Zagreb Stock Exchange d.d., mark IGH-R-A, ISIN: HRIGH0RA0006, and the Book of Shares is kept by the Central Depository and Clearing Company

No.	Shareholder	IGH-R-A	% Percentage
1	Avenue Engineering and Construction Limited	239.500	39,03%
2	Avenue Engineering and Construction Limited	75.500	12,30%
3	Institut IGH, d.d. (own shares)	13.359	2,18%
4	Akcionar d.o.o.	12.500	2,04%
5	Agram Invest d.d.	9.055	1,48%
6	Privredna banka Zagreb/custody account	7.754	1,26%
7	Branko Mihaljević	6.380	1,04%
8	Anna Marus	5.000	0,81%
9	Ipro- inženjering d.o.o.	4.512	0,74%
10	Other	240.149	39,13%
TOTAL		613.709	100

*T Table 16: Situation of IGH-R-A shares in the Book of Shares on 31 December 2020
(Source: Central Depository and Clearing Company)*

In 2020, the Zagreb Stock Exchange traded with 233.736 shares IGH-R-A in the amount of HRK 27.635.493 with the daily concluded prices ranging between HRK 70 and 173 (Source: ZSE, Trade information and statistics, Periodic Trade Reports, Review of Trade in 2020).



8. STATEMENT ON IMPLEMENTATION OF CORPORATE GOVERNANCE

The Company applies the Corporate Governance Code of the Zagreb Stock Exchange and once a year submits to the Zagreb Stock Exchange a Statement on its application, and announces it on its site: www.igh.hr.

The largest shareholders are Avenue Engineering and Construction Limited, with 51,33% and Akcionar d.o.o. with 1,96 %, while all other shareholders hold less than 1,5% share in the Company. There are no holders of securities (shares) in the Company with specific control rights. There are no restrictions regarding voting rights in the Company. Each share carries one vote. There are no time limits for execution of voting rights in the Company, and there are no instances where, in cooperation with the Company, the financial rights pertaining from securities are separated from holding of these securities.

Rules on appointment and revocation of appointment of Management Board members are laid down in Articles 31-34 of the Articles of Association of the Company. Rules on the powers of the Board members are laid down in Article 33 of the Articles of Association. The Articles do not contain special rules on the powers of the Board members to issue Company shares or acquire own shares. Rules on appointment and revocation of appointment of Supervisory Board members and the powers of the Company Supervisory Board are given in Articles 23-30 of the Company's Articles of Association.

Company Management

The INSTITUT IGH, d.d. Management, in the period from 1 January 2020 to 31 Dec 2020 consisted of the following members:

1. Until 29 February 2020 – two member board: Oliver Kumrić, President of the Management Board – Robert Petrosian, Member of the Management Board
2. From 01 March 2020 – Robert Petrosian, Director
3. From 25 July 2020 – three member board: Robert Petrosian, President of the Management Board - Vedrana Tudor, Member of the Management Board – Miroslav Pauzar, Member of the Management Board

The Company Management acts in accordance with the Law and provisions of the Articles of Association of the Company.

Supervisory Board

The INSTITUT IGH, d.d. Supervisory Board, during 2020 had seven members, this number to be reduced to five members:

1. Žarko Dešković – Chairman of the Supervisory Board
2. Veniamin Mezhibovskiy – Deputy Chairman of the Supervisory Board – ceased to be member of the Supervisory Board on 06 July 2020
3. Sergej Gljadelkin (10.8.1970.) –Supervisory Board member – ceased to be Supervisory Board Member on 03 Sept 2020
4. Sergej Gljadelkin (16.6.1989.) – Supervisory Board member
5. Igor Tkach – Supervisory Board member
6. Mariyan Tkach – Supervisory Board member since 26 August 2019
7. Dušica Herkač- Supervisory Board member, appointed as representative of employees

9. INTERNAL CONTROLS

In line with the Corporate Governance principles, THE Company's Management and its subsidiaries established respective internal control systems and risk management systems. An efficient internal control system contributes and safeguards the Company assets.

The Company Management is responsible for the implementation and execution of the internal control and internal audit systems, as an independent and autonomous task which contributes to the definition of risks and assesses the efficiency of controls.

Management of the Company and its subsidiaries are responsible for the implementation and execution of internal control of financial reporting. The internal control system is organized to ensure reasonable assurance to the Management regarding the preparation and fair presentation of separate and consolidated financial statements. Management of the Company and its subsidiaries have assessed the efficiency of internal control over financial reporting for 2020 and concluded that the internal control of financial reporting has fulfilled all set criteria.



10. RISK MANAGEMENT

Along with the risks already mentioned in the notes to the comprehensive financial statements, the Company Management also reports on the following risks:

The Company concluded a pre-bankruptcy settlement on 5 Dec 2013 before the Commercial Court in Zagreb, Ref.no. 72. Stpn-305/2013. The subject settlement became valid and final on 28 Dec 2013. The Company received the Clause on law binding enforceability on 15 April 2014. Based on the fact that the pre-bankruptcy settlement is valid and final, the Company sees the pre-bankruptcy settlement risk as a potentially long-term risk, since settlement of commitments towards category a) financial institutions, is due within a period of 6,5 years with a grace period of 3,5 years. In terms of the long-term risk, the Company states that this is a risk over a longer time period in which adequate EBITDA might not be achieved to settle all commitments undertaken by the pre-bankruptcy settlement.

In the pre-bankruptcy settlement procedure, the Company upheld the claim of the City of Split in the amount of HRK 474,1 million. This claim was defined only for the pre-bankruptcy settlement purposes, as a hypothetical claim and a possible debt which has not been determined in fact. For it to become a factual claim, arbitration litigation would be required to prove its actual existence. Litigation on the subject has not been initiated until now, and if it is instituted, the Company Management has strong arguments to entirely deny the claim. We believe that there is no possibility of this becoming a claim, a commitment which the Company must settle.

The Company is aware of potential long-term risks, and thus actively undertakes actions to streamline and rationalize business operations and strengthen its market position. In accordance with the achieved improvements in business operations, the Company Management considers that the above stated risks shall not have a significant impact on the long-term viability of business operations.



11. FINANCIAL OVERVIEW

in 000 HRK	IGH group			INSTITUT IGH, d.d.		
	2020	2019	Index	2020	2019	Index
Operating revenue	190.208	188.862	101%	180.664	177.288	102%
Operating costs	166.636	158.976	105%	156.886	147.236	107%
EBITDA	23.572	29.886	79%	23.779	30.052	79%
EBITDA margin	12%	16%		13%	17%	
Current assets less inventories	98.363	92.672	106%	94.797	90.516	105%
Short-term liabilities less liabilities for loans and borrowings	64.876	75.450	86%	59.858	60.897	98%
Current ratio	1,5	1,2		1,6	1,5	

Table 17. Key financial indicators

INSTITUT IGH, d.d. in 2020 achieved an EBITDA amounting to HRK 23,7 million compared HRK 30 million in 2019. The EBITDA trend reflects an increase in expenditures of 7%.

Results of the IGH Group are primarily determined by activities of the parent company, which positively impacted the results of the whole Group.



12. SIGNATURE OF THE COMPANY'S MANAGEMENT

The Company's Management Board hereby gives the following statement and signs this Report:

„In accordance with our beliefs, knowledge and information at our disposal, we hereby state that all information set forth in this Report represents a complete and accurate view, and facts that could alter the completeness and accuracy of this Report have not been omitted.“



Robert Petrosian, President of the Management Board

