



ZAGREBAČKA
BURZA

Zagreb Stock Exchange

Home Member State: Croatia
LEI: 7478000050A040C0D041
ISIN: HRZB00RA0003
TICKER: ZB
Zagreb Stock Exchange - Official market

Croatian Financial Services Supervisory Agency

**Officially appointed mechanism
for the central storage of regulated information**

Zagreb Stock Exchange, Inc.

Croatian Reporting News Agency

Zagreb, 10 March 2022

**SUBJECT: Report on Environmental and Social Matters
(Other non-regulated information)**

In accordance with the Subscription Agreement, Section 5.05., between European Bank for Reconstruction and Development (hereinafter: EBRD) and the Zagreb Stock Exchange, Inc. (hereinafter: the Company) with its registered office in Zagreb, Ivana Lučića 2a, VAT ID No. (OIB): 84368186611, the Company hereby reports the public about environmental and social matters.



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Zagreb Stock Exchange

Zagreb Stock
Exchange, Inc.

2021

Report on Environmental and
Social Matters

Zagreb, March 2022

Report on Environmental and Social Matters

1. We confirm that in 2021 the Company was compliant with the Designated Performance Requirements as described in Section 5.02. (attachment 1),
2. We confirm that in 2021 the Company's business and operations were compliant with Social Laws (attachment 2),
3. We attach information on workplace health and safety management and the occupational health and safety record of the Company's business and operations (attachment 3),
4. We confirm that in 2021 there were no changes in Social Laws that may have a material effect on the Company's business and operations,
5. We confirm that in 2021 there was no information on Environmental and Social Matters submitted by the Company to its shareholders or the general public.

Ivana Gažić
President of the Management Board



Tomislav Gračan
Member of the Management Board



Annual Environmental & Social Report for Stock Exchanges

Background on the Stock Exchange

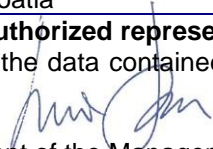
Name of Stock Exchange: Zagreb Stock Exchange, Inc.

Address: Ivana Lučića 2a/22, Zagreb

Country: Croatia

Company authorized representative (): Ivana Gažić

I certify that the data contained in this report completely and accurately represents operations during this reporting period.

Signature: 

Title: President of the Management Board

Date: 10.3.2021

Contact Details

Telephone: +385 1 4686800

E-mail: pitanja@zse.hr



Date of Report: 10. 3. 2022

Reporting Period: 1. 1. – 31. 12. 2021

Does the Stock exchange operate internationally?

Operates in more than one country

Operates only in this country

Number of employees in country

<50

51-100

101-500

>500

Other IFIs / MDBs / Donors providing financing to the Stock exchange

IFC

EIB

EU

World Bank

ADB

FMO

KFW/DEG

Other
(please specify)

Nature of business relationship(s) with EBRD covered in this report

Operation

Loan

Fund

SME

TFP

Leasing

Equity

MSME

Mortgage

Section 1: Compliance with EBRD PR9:

Environmental Capacity and Support

Does the stock exchange have a formally adopted Environmental and Social Policy or Procedures?

Yes

No

What aspects does the Environmental and Social (E&S) Policy cover?

Environment

Social (e.g., labour issues)

Health and Safety

E&S issues associated with the stock exchange

E&S issues associated with companies (to be) listed and papers traded

Not Applicable

No

Does the Exchange participate in The Sustainable Stock Exchanges Initiative?

<http://www.sseinitiative.org>

Yes

No

Don't know

Are any of the companies whose papers are listed on the Exchange involved in activities on the EBRD's Environmental and Social Exclusion List? (attached)?

Yes

No

Don't Know

Does the stock exchange list and trade papers of companies with high E&S risk clients according to EBRD's environmental and social risk categorisation list (see http://www.ebrd.com/who-we-are/our-values/environmental-and-social-policy/tools-for-financial-intermediaries.html%20)	<input type="checkbox"/> Don't know.
Provide a sample breakdown by industry sector of listed companies dating from the last quarter.	<input type="checkbox"/> Breakdown by industry sector of listed companies on 31 December 2021 attached.
Do listing rules for issuing companies specifically cover disclosure of material E&S risks and liabilities, and how they are being addressed by the company?	<input type="checkbox"/> Yes (please give details and state where the requirement is located, e.g., company law, Stock Exchange regulations, Stock exchange's own statutes/policies etc.) <input checked="" type="checkbox"/> No
Does the stock exchange offer sustainability-related guidance and/or training companies and/or investors?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Don't know
Please provide details of any initiatives taken or planned by the Exchange to raise issuing companies' awareness and/or to promote or require better transparency and disclosure on E&S-related performance and risk factors".	<input type="checkbox"/> On March 24, 2021, the Exchange joined the United Nations Sustainable Stock Exchanges (SSE) initiative to promote sustainability and transparency in capital markets. The Exchange will engage in peer-to-peer dialogue to explore how exchanges can work together with investors, regulators, and companies, to encourage sustainable investment, while also enhancing corporate transparency and performance in respect to environmental, social and corporate governance issues, in line with the SSE initiative goals.
Does the Exchange operate or plan to operate any sustainability indices?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has the Stock exchange signed any national, international or industry agreements or declarations concerning environmental and social issues?	<input type="checkbox"/> Yes (please provided details) <input checked="" type="checkbox"/> No
Stakeholder Engagement	
Is there a point of contact for dealing with public enquiries and concerns related to environmental and social matters?	Name: Mario Golub Title: Head of Investor relations Phone/mobile: +385 1 4686 806 E-mail: ir@zse.hr
Does the Stock exchange disclose project / environmental/social information to stakeholders? (e.g., via web site, local newspapers, dialogue with issuing companies or investors on environmental and social matters, etc)?	<input type="checkbox"/> Yes (please provide details) <input checked="" type="checkbox"/> No

Section 2: Compliance with EBRD's PR2: Labour and Working Conditions

2.1 What is the name of the employee with primary overall responsibility for Human Resource Management in the Stock exchange?

Name: Marko Dabelić
 Title: Head of Legal Affairs and Human Resources
 Phone/Mobile: +38514686816
 E-mail: marko.dabelic@zse.hr

2.2 Human Resources Management

<p>2.2.1 Have there been any changes to the following policies or terms and conditions during the reporting period:</p> <ul style="list-style-type: none"> • Non-discrimination and equal opportunity policy • Employment of young persons under age 18 • Wages (wage level, normal and overtime) • Overtime • Working hours • Grievance mechanism for workers • Union recognition or negotiation • Health & safety 	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	<p>If yes, please give details:</p>
<p>2.2.2 Does the company have policies and/or procedures for any of the following:</p> <ul style="list-style-type: none"> • Gender equality • Equal pay for work of equal value • Anti-harassment/bullying • Promoting family friendly work and the work/life balance 	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	<p>The Company has established anti-harassment program for workers to raise workplace concerns related to protection of employees' dignity. Gender equality and equal pay for work of equal value have been established under the Employment by-law. Also, the mentioned document promotes family friendly work and the work/life balance. Program allows for confidential complaints to be raised and addressed. Person responsible for the above is Ivana Gažić, president of the Management Board.</p>
<p>2.2.3 Were there any collective redundancies during the reporting period?</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	<p>If yes, please describe the redundancy plan, including reasons for redundancies, number of workers involved, how they were selected, and consultation undertaken:</p>
<p>2.2.4 Are there any planned redundancies or additions to the workforce in the next year?</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	<p>If yes, please describe the redundancy plan, including reasons for redundancies, number of workers involved, how they were selected, and consultation undertaken:</p>
<p>2.2.5 Have employees raised any grievances with the stock exchange during the reporting period?</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	<p>If yes, please state how many, summarise the issues raised in grievances (disaggregated by gender) and explain how the Stock exchange has addressed them:</p>
<p>2.2.6 Have there been any strikes or other collective disputes related to labour and working conditions at the Stock exchange in the reporting period?</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	<p>If yes, please summarise nature of disputes and how they were resolved</p>

2.2.7 Have there been any court cases related to labour issues during the reporting period?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	If yes, please summarise the issues contested and outcome.
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Section 3: Compliance with EBRD PR4: Occupational Health and Safety (or Workplace Health and safety)

What is the name of the employee with primary overall responsibility for Occupational Health and Safety within the Institution?
Name: Ivana Gažić
Title: President of the Management Board
Phone/mobile: +385 1 4686800
E-mail: pitanja@zse.hr

Occupational and Safety (OHS) Data

Please provide details of any fatalities or major accidents that have not been reported to EBRD during the reporting period.
 There were no fatalities or major accidents in 2021.

Please summarise any emergency prevention and response training that has been provided for company personnel during the reporting period:
 Employees participated in a course of training for working in a safe manner and protecting against fire (2 employees).
 Employees participated in vision control (4 employees).

Please summarise any emergency response exercises or drills that have been carried out during the reporting period:
 There was no emergency response exercise in 2021.

- Abbreviations:**
ADB – Asian Development Bank
EBRD – European Bank for Reconstruction and Development
EIB – European Investment Bank
FMO – Netherlands Development Finance Company
IFC – International Finance Corporation
IFI – International Finance Stock exchange
KFW/DEG – KFW Banking Group Germany Development Corporation
MDB – Multilateral Development Bank

EBRD Environmental and Social Exclusion List

EBRD will not knowingly finance, directly or indirectly, projects involving the following:

- (a) the production of or trade in any product or activity deemed illegal under host country (i.e. national) laws or regulations, or international conventions and agreements, or subject to international phase out or bans, such as:
 - (i) Production of or trade in products containing PCBs.¹
 - (ii) Production of or trade in pharmaceuticals, pesticides/herbicides and other hazardous substances subject to international phase-outs or bans.²
 - (iii) Production of or trade in ozone depleting substances subject to international phase out.³
 - (iv) Trade in wildlife or production of or trade in wildlife products regulated under CITES.⁴
 - (v) Transboundary movements of waste prohibited under international law.⁵
- (b) Production or use of or trade in unbonded asbestos fibres or asbestos-containing products.
- (c) Activities prohibited by host country legislation or international conventions relating to the protection of biodiversity resources or cultural heritage.⁶
- (d) Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.
- (e) Shipment of oil or other hazardous substances in tankers which do not comply with IMO requirements.⁷
- (f) Trade in goods without required export or import licenses or other evidence of authorization of transit from the relevant countries of export, import and, if applicable, transit.

¹ PCBs: Polychlorinated biphenyls are a group of highly toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors and switchgear dating from 1950-1985.

² Reference documents are Council Regulation (EEC) No 2455/92 of 23 July 1992 Concerning the Export and Import of Certain Dangerous Chemicals, as amended from time to time; United Nations Consolidated List of Products whose Consumption and/or Sale have been Banned, Withdrawn, Severely Restricted or not Approved by Governments; Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention); Stockholm Convention on Persistent Organic Pollutants; World Health Organisation Recommended Classification of Pesticides by Hazard.

³ Ozone Depleting Substances (ODSs): Chemical compounds which react with and deplete stratospheric ozone, resulting in the widely publicised 'ozone holes'. The Montreal Protocol on Substances that Deplete the Ozone Layer lists ODSs and their target reduction and phase out dates. A list of the chemical compounds regulated by the Montreal Protocol, which includes aerosols, refrigerants, foam blowing agents, solvents, and fire protection agents, together with details of signatory countries and phase out target dates, is available from the United Nations Environment Programme.

⁴ CITES: The Convention on International Trade in Endangered Species of Wild Fauna and Flora. A list of CITES listed species is available from the CITES secretariat.

⁵ Reference documents are: Regulation (EC) No 1013/2006 of 14 June 2006 on shipments of waste; Decision C(2001)107/Final of the OECD Council concerning the revision of Decision C(92)39/Final on the control of transboundary movements of wastes destined for recovery operations; Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.

⁶ Relevant international conventions include: Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention); Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention); Convention on the Conservation of European Wildlife and Natural Habitats (Bern Convention); Convention Concerning the Protection of the World Cultural and Natural Heritage; Convention on Biological Diversity.

⁷ This includes: tankers which do not have all required International Convention for the Prevention of Pollution from Ships (MARPOL), International Convention for the Safety of Life at Sea (SOLAS) certificates (including, without limitation International Safety Management Code compliance), tankers blacklisted by the European Union or banned by the Paris Memorandum of Understanding on Port State Control (Paris MOU) and tankers due for phase out under MARPOL regulation 13G.No single hull tanker over 25 years old should be used.



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Zagreb Stock Exchange, Inc. 2021

Breakdown of listed companies into the
sectors

Zagreb, March 2022

Sector	Title	Number of shares
A	Agriculture, forestry and fishing	2
CA	Manufacture of food products, beverages and tobacco products	10
CB	Manufacture of textiles, apparel, leather and related products	3
CC	Manufacture of wood and paper products, and printing	1
CD	Manufacture of coke, and refined petroleum products	1
CE	Manufacture of chemicals and chemical products	2
CI	Manufacture of computer, electronic and optical products	1
CJ	Manufacture of electrical equipment	3
CL	Manufacture of transport equipment	3
F	Construction	3
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	7
H	Transportation and storage	10
I	Accommodation and food service activities	22
JA	Publishing, audiovisual and broadcasting activities	1
JB	Telecommunications	2
JC	IT and other information services	1
K	Financial and insurance activities	15
L	Real estate activities	2
MA	Legal, accounting, management, architecture, engineering, technical testing and analysis activities	7
MB	Scientific research and development	1
R	Arts, entertainment and recreation	1

Ivana Gažić
President of the Management Board



Tomislav Gračan
Member of the Management Board

Attachment 2. Compliance with Social Laws

Our most important resource is our employees. It is our policy to comply with all applicable laws and regulations, including those concerning hours, compensation, opportunity, human rights and working conditions.

The Zagreb Stock Exchange was compliant with the following laws in 2021:

1. Labour Act
2. Occupational Health and Safety Act

The Company is not obliged to follow the provisions of the Environmental Protection Act.

During 2021, there were no inspections carried out by any regulatory authority in the field of social rights, as well as violations of applicable laws, regulations or standards and no remedial actions or prescribed penalties were taken relating to such violations.

In addition to timely notifications of work from home due to unfavourable epidemiological conditions related to the COVID-19 pandemic in the Republic of Croatia, there were no material notices, reports and other communication on Environmental and Social Matters relating to the Company's business and operations submitted by the Company to any regulatory authority.

Attachment 3. Information on workplace health and safety management

The Company recognises the importance of avoiding or mitigating adverse health and safety impacts and issues on workers.

The Company has adopted Occupational and Safety Regulation that sets out its approach to its size and workforce in accordance with national law.

On 13 October 2021, an examination of the working environment was carried out in accordance with Art. 42 of the Occupational Safety and Health Act (Official Gazette 71/14, 118/14, 94/18, 96/18; hereinafter: the Act) by the Institute for Security Zagreb, Inc. (hereinafter: the Institute). The examination was conducted due to the obligation of periodic inspection according to Art. 45 of the Act and Art. 6. Ordinance on working environment testing (Official Gazette 16/16), as well as due to changes in the space carried out earlier in the year. The types of tests performed were microclimate for the transition period, noise and illumination. Everything was determined to be satisfactory. At the same time, the Institute made a report on internal supervision over the application of occupational safety rules, which established compliance with all basic and special rules of occupational safety. During the compilation of the report, the latest reports of the building on the inspection of the elevator and the inspection and testing of the stable fire alarm system were submitted to the Institute. Based on that, a new risk assessment was submitted, along with the report of October 25, 2021, which stated that during the assessment, Exchange employees participated in determining the dangers, harms and efforts in terms of occupational injuries, occupational diseases and diseases related to work and disturbances in the work process.

On October 18, 2021, a new decision was made on the persons in charge of providing first aid to workers.

In December 2021, training and testing of the knowledge of the employer and the employer's authorized person in occupational safety was carried out.

The Company provides its workers with relevant information, guidance and training related to health and safety hazard, risks, protective and preventive measures and emergency arrangements that are necessary for their safety.

In connection with the outbreak of the COVID-19 pandemic, the Company provided all workers with technical conditions for work from home and the continuity of the Company's operations was not endangered.

In 2021, there were no major injuries at work, accidents causing any losses of work time or near misses, or remedial actions undertaken or planned by the Company. In 2021, two new workers were hired who participated in a course of training for working in a safe manner and protecting against fire. Four (4) employees were sent to mandatory control of the vision.