

Križevci Entrepreneurship Center

2021

ECG Balanced sheet

Compact

Non-financial report for the period of 2021 according to the "Economy for the common good" method

About us

Križevci Entrepreneurship Center

Križevci Entrepreneurship Center d.o.o. for the development of entrepreneurship (KPC) is a company founded in 2001 by the Local Self-Government Unit City of Križevci. The company was founded with the aim of promoting entrepreneurship and a positive entrepreneurial atmosphere. The main priority is to be a place of support that will constantly develop its services - a place for micro, small and medium-sized entrepreneurs, future craftsmen and entrepreneurs and all those starting out in the business world in the area of the city of Križevci. Since 2016, KPC has been managing the Križevci Development Center and Technology Park complex.



This certificate confirms the validity of the ECG audit process and entitles the holder to use the label:

ECONOMY
FOR THE COMMON GOOD
an economic model for the future
Company with Balance
and Audit

Audit certificate:	External Audit	Common Good Balance Sheet	Križevci Entrepreneurship Center
	M5.0 Compact Balance	2021	Auditor*In: Michael Pelzl

VALUE	HUMAN DIGNITY	SOLIDARITY AND SOCIAL JUSTICE	ENVIRONMENTAL SUSTAINABILITY	TRANSPARENCY AND CO-DETERMINATION
STAKEHOLDER				
A: SUPPLIERS	A1 Human dignity in the supply chain: 10 %	A2 Solidarity and social justice in the supply chain: 10 %	A3 Environmental sustainability in the supply chain: 40 %	A4 Transparency and co-determination in the supply chain: 10 %
B: OWNERS, EQUITY AND FINANCIAL SERVICE PROVIDERS	B1 Ethical position in relation to financial resources: 10 %	B2 Social position in relation to financial resources: 10 %	B3 Use of funds in relation to social and environmental impacts: 30 %	B4 Ownership and co-determination: 60 %
C: EMPLOYEES, INCLUDING CO-WORKING EMPLOYERS	C1 Human dignity in the workplace and working environment: 40 %	C2 Self-determined working arrangements: 40 %	C3 Environmentally-friendly behaviour of staff: 10 %	C4 Co-determination and transparency within the organisation: 30 %
D: CUSTOMERS AND OTHER COMPANIES	D1 Ethical customer relations: 30 %	D2 Cooperation and solidarity with other companies: 20 %	D3 Impact on the environment of the use and disposal of products and services: 10 %	D4 Customer participation and product transparency: 10 %
E: SOCIAL ENVIRONMENT	E1 Purpose of products and services and their effects on society: 40 %	E2 Contribution to the community: 20 %	E3 Reduction of environmental impact: 10 %	E4 Social co-determination and transparency: 20 %

certificate valid until:
31.08.2025

BALANCE TOTAL:
238

This attestation confirms the audit of the Common Good Report. The attestation refers to the Common Good Balance Sheet 5.0. TestatID: **gufmm**

For more information on the matrix and the audit system, please visit www.ecogood.org.

Hamburg, 01.08.2023

Bridget Knapper *Manfred Jotter*

Bridget Knapper and Manfred Jotter / Executive Directors
International Federation for the Economy for the
Common Good e.V, VR 24207

**INTERNATIONAL
FEDERATION** 
for the Economy for the Common Good e.V.

Services

KPC manages city assets such as the new sports hall and the Križevci Development Center and Technology Park. In addition to managing and taking care of these facilities, the company invoices and collects rent and services. In addition, we also deal with the creation of business plans, investment studies, and applications for funds and grants at the local, county, state, and European Union levels. Over 95% of the company's total revenue is achieved through the above services.

Enterprise and the common good

For the Križevci Entrepreneurship Center, this is the first Balance of the common good.

Contact person in charge of ECG

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General information about the company

Name of the company: Križevci Entrepreneurship Center d.o.o.

Legal form: limited liability company

Ownership model and legal form: owned by the Križevci Local Self-Government Unit

Website: www.kpc.hr

Business sector: Consulting services

Main office: Ulica Franje Tuđmana 20, 48260 Križevci

Total number of employees: 7

Employees in permanent employment: 5

Seasonal or temporary staff: 2 employees on a fixed-term contract

Turnover: EUR 355,777.51

Annual net income: EUR 50,728.24

Subsidiaries (names of subsidiaries, countries where they are based, and how much of their ownership this company has): N/A

Reporting period: 2021

Common good matrix



Common Good Balance Calculator - Version 5.06

Note: This is not a certificate.

COMMON GOOD MATRIX

Company / Organisation: Križevački poduzetnički centar d.o.o. za razvoj poduzetništva; Period under

Total Balance Score: 238 of 1000 points

ECONOMY
FOR THE COMMON GOOD
As a positive model for the future

Values Stakeholders	Human dignity	Solidarity & social justice	Environmental sustainability	Transparency & co-determination
A: Suppliers	A1: Human dignity in the supply chain	A2: Solidarity and social justice in the supply chain	A3: Environmental sustainability in the supply chain	A4: Transparency & co-determination in the supply chain
	5 of 48 10 %	5 of 48 10 %	38 of 95 40 %	5 of 48 10 %
B: Owners, equity- and financial service providers	B1: Ethical position in relation to financial resources	B2: Social position in relation to financial resources	B3: Use of funds in relation to social and environmental impacts	B4: Ownership and co-determination
	5 of 48 10 %	5 of 48 10 %	14 of 48 30 %	29 of 48 60 %
C: Employees	C1: Human dignity in the workplace and working environment	C2: Self-determined working arrangements	C3: Environmentally-friendly behaviour of staff	C4: Co-determination and transparency within the organisation
	19 of 48 40 %	19 of 48 40 %	2 of 24 10 %	14 of 48 30 %
D: Customers and other companies	D1: Ethical customer relations	D2: Cooperation and solidarity with other companies	D3: Impact on the environment of the use and disposal of products and services	D4: Customer participation and product transparency
	14 of 48 30 %	10 of 48 20 %	5 of 48 10 %	7 of 71 10 %
E: Social environment	E1: Purpose of products and services and their effects on society	E2: Contribution to the community	E3: Reduction of environmental impact	E4: Social co-determination and transparency
	19 of 48 40 %	10 of 48 20 %	5 of 48 10 %	10 of 48 20 %

A1 Human dignity in the supply chain

What goods and services are bought?

Advisory services for creating business plans, projects, investment studies, rental services for business and production spaces, rental services for conference halls, maintenance services for sports facilities (newly built school sports hall, city stadium), virtual office service. Office supplies, facility maintenance services (janitor + external service), overhead services, telecommunications services, legal services, bookkeeping and accounting services are purchased.



What are the criteria for selecting suppliers?

The supplier is selected based on price, availability and distance. Local suppliers from the city and surrounding areas are preferred when possible.

How are social risks in the supply chain monitored or assessed?

So far, social risks have not been monitored and assessed.

What kind of approval or certificate do the purchased products have?

Services are purchased exclusively from authorized vendors certified for the service they sell. The products that are purchased are for elementary purposes (office supplies, etc.) and certificates are not a necessary indicator of selection. The plan is to introduce the selection of suppliers according to the certificates they possess.

Compulsory indicators

- The percentage of the total volume of purchases represented by goods and services, presented in the form of a table.

N/A

- Percentage of purchased goods and services provided under fair working conditions.

We do not go into a deep analysis of our suppliers and we do not have information about which goods and services are provided under fair working conditions, but we believe that this is a large percentage of the total number of our suppliers.

- During the reporting period, the following measures were taken:

N/A

- Areas for improvement/goals:

The plan is to introduce the selection of suppliers according to the certificates they possess and a deeper analysis of the entire supply chain.



A1 Negative aspect: violation of human dignity in the supply chain

- Can the company confirm that human dignity in the supply chain of key suppliers was not violated?

The company can confirm the above for the “first iteration” of key suppliers (the first supplier in the supply chain).

Evaluation: Baseline (1)

Some essential suppliers were evaluated according to their working conditions and strategies for improvement were put in place.

A2 Solidarity and social justice in the supply chain

- ☑ **What measures has the company taken to demand and promote fair and just treatment of all stakeholders in the supply chain?**

Each supplier has the opportunity to cooperate with the client without discrimination. There are standard procedures for procurement of goods and services. The company operates in a small environment where the reputation and reputation of the supplier is the main advantage.

- ☑ **How does the company recognize and sanction any risks and deficiencies?**

Through cooperation with the local community, the company is familiar with the working conditions in the supply chain, and vice versa.

Compulsary indicators

- ☑ **Share of purchased products and raw materials that have an accredited label that takes into account solidarity and social justice.**

N/A

- ☑ **Proportion of suppliers with whom fair and just treatment of stakeholders is ensured or who are selected on this basis.**

Every supplier has the opportunity to cooperate with the client without any discrimination, and the share of suppliers is very large, about 80% approx.

- ✓ During the reporting period, the following improvements were introduced:

N/A

- ✓ Areas for improvement/goals:

The aspect of solidarity and social justice in the supply chain is planned to be introduced into the existing procedures.

a2 negative aspect: abuse of market power against suppliers

Can the company confirm that solidarity and social justice are not violated in the supply chain, and that it does not abuse market power against its main suppliers?

It can. Through cooperation with the local community, the company is familiar with the working conditions in the supply chain, and vice versa. The credibility of suppliers is checked in terms of social justice. The company does not abuse its market power against the entire supply chain.

Evaluation: Baseline (1)

The company collected information on risks and gaps in terms of solidarity and social justice in the supply chain. Some purchased goods and raw materials have the label of an accredited scheme that takes into account solidarity and social justice.

A3 Environmental sustainability in the supply chain

What are the criteria for selecting raw materials, products and services?

When choosing products, attention is paid to the packaging for water and food, and the purchased delivery vehicle for transporting goods is electric. Also, all lighting is LED lighting.

How are environmental risks in the supply chain monitored or assessed?

The environmental risks of the first supplier are monitored. Example 1: A supplier uses recycled paper to produce new paper. Example 2: disinfectants, cleaning agents, air fresheners, etc. are purchased from a supplier that exclusively produces products on a natural basis without the use of chemicals.

What environmental criteria are taken into account when selecting suppliers and their products?

Proximity to the supplier, the criterion of harmfulness of the product to the environment, plastic is avoided.

What environmental criteria are taken into account when selecting suppliers and their products?

Compared to our competitors, we believe that we are far more environmentally conscious. The company is owned by a local self-government unit, and the local self-government (in its second term) imposes environmental and social sustainability standards at the regional and state level. Example: The city of Križevci has a plan to become an energy independent city by 2030.



Compulsory indicators

- Share of purchased goods and services that are environmentally preferable alternatives**

In total, less than 5 % approx.



- During the reporting period, the following improvements were introduced:**

An electric delivery vehicle was purchased. An electric charging station for electric cars was built. The use of PET packaging has decreased.

- Areas for improvement/goals:**

Monitoring and evaluation of the entire supply chain will be introduced.

Environmental sustainability will be one of the main criteria in the selection of suppliers.

A3 negative aspect: disproportionate environmental impact within the supply chain

- Can the company confirm that it has not purchased goods and services that are associated with extremely high environmental damage?

The company can confirm.



Evaluation: Experienced (4)

Comprehensive purchasing guidelines have been established how purchased goods are assessed and selected according to environmental criteria. Almost all main suppliers fulfil above average environmental standards.

A4 Transparency and co-determination in the supply chain

- What measures has the company taken to require and promote transparency and participation of all stakeholders in the supply chain?

The company is aware of promoting transparency in the entire supply chain, but still does not fully require it from its suppliers in the context of conditions in the procurement process, but in certain situations (which will become the rule) the company requires full transparency in the supply chain.

- How does the company recognize and sanction any risks and deficiencies?

If it is established that a supplier in the supply chain is not transparent, the company decides not to cooperate with the supplier.



Compulsory indicators

- Share of purchased products and raw materials that have an accredited label that takes into account solidarity and social justice
 ≤5%
- Proportion of suppliers with which transparency and participation of all stakeholders is ensured, or which are selected on this basis
 N/A

☑ **During the reporting period, the following improvements were introduced:**

If it is established that a supplier in the supply chain is not transparent, the company decides not to cooperate with the supplier.

☑ **Areas for improvement/goals:**

Investigate in detail the entire supply chain of suppliers and document the transparency aspect as a rule.



Evaluation: Baseline (1)

The company collected information on risks and gaps in transparency and co-decision making in the supply chain. Some purchased goods and raw materials have a label that takes into account transparency and co-determination.



B1 Ethical position in relation to financial resources

- What possible sources of equity financing have been explored for the business?**

EU structural funds, commercial banks (HBOR), agencies (Croatian Agency for Small and Medium Enterprises).
- What is the scope for additional financing from shares to be provided by shareholders and/or ethical banks?**

The largest part of the income comes from the rent and utilities of rented business premises, then the writing and implementation of business plans for businessmen (farmers) and craftsmen, and a smaller part of the income comes from financing through the implementation of projects financed by EU funds.
- How can conventional loans be replaced and financial risks reduced?**

Through financing with EU funds through projects.
- How are these financial partners evaluated in relation to their ethical and sustainable position?**

It is conditioned by EU policy.

Compulsory indicators



Ratio of capital and assets in percentage

CAPITAL 3.82% - ASSETS 96.18%

Average capital ratio in the sector

N/A

Debt financing, divided by type of financing (figures in thousands of EUR and percentages of total debt)

N/A



During the reporting period, the following improvements were introduced:

The share of financing from EU funds is increasing, and the dependence on the local self-government unit is decreasing.

Areas for improvement/goals:

The goal is to become independent from LGU financing. Increase the recognition of the company as a contact point for financing from the EU towards local entrepreneurs.

Evaluation: Getting started (1)

Targets to achieve sufficient levels of equity to cover risks are in place. Arranging solidarity financing from stakeholders and/or loans from an ethical bank. Financial partners have their own sustainable and ethical financial products, are regionally engaged and not involved in unethical projects.

B2 Social position in relation to financial resources



What investment expenditures are necessary to secure the future of the business, and how much coverage and additional risk insurance funds are available?

The future of the company is conditioned by the existence of p. EU funds (EU funding) and revenues provided by LGUs (state budget), which is not a classic accounting investment expenditure. Additional funds for risk insurance are income from the lease of business premises owned by JLS - KPC manages real estate. KPC is the owner of the newly built sports hall, the construction of which was financed with its own funds, and the hall is used for rent by sports clubs, recreationists, and elementary schools.

Organizational development - considering the nature of the work, investments are made in the specialist education of employees.



What expectations do shareholders have from the payment of dividends and why?

N/A



Compulsory indicators



- annual net business income (after expenses): EUR 50,728.24
- total necessary expenses for securing the future of the company (on fixed assets and overheads): EUR 185,000.00
- total expenditure for strategic items: EUR 0.00
- total expenditure for fixed assets: EUR 180,000.00
- allocation to reserves (retained profit): EUR 50,728.24
- dividends on ordinary share capital: EUR 0.00



- During the reporting period, the following improvements were introduced:**
One newly hired employee completed specialist education.
- Areas for improvement/goals:**
Development strategy of the City of Križevci (see [link](#))

B2 Negative aspect: unfair distribution of funds

- Can the company confirm that the distribution of funds is fair despite stable profits?

It can. There is no classic allocation of funds. The distribution of funds is defined locally by each project financed by the EU and/or the funds of the Local Self-Government Unit.

Evaluation: Getting started (1)

Creating a schedule of spending required to safeguard the company's future existence. A limited dividend distribution without incurring new borrowing, only after allocating at least 60% to the total necessary investment expenditure, securing the company's future.

B3 Use of funds in relation to social and environmental impacts

Which corporate-owned investments have the potential to improve the environment?



There is a photovoltaic power plant on the roof of the RCTP. For the investment in FE, a crowdfunding campaign was carried out by the citizens of Križevci. KPC fully uses the produced electricity, net-metering model, the surplus is sold to the network. Green Energy Cooperative is the owner of FE, KPC has a contract with ZEZ. After 10 years, FE becomes the property of KPC. The preparation of documentation for FE on the roof of the sports hall is in progress. A "smart bench" with FE was installed in front of the KPC.

As part of the RCTP (Development Center and Technology Park - the entire complex; KPC manages RCTP), a charging station for electric cars has been installed.

KPC owns one electric car.

Containers for separate collection of waste (paper, electronic waste...) have been placed in the premises of RCTP.

What resources are needed for implementation and what funding programs can be used?

Environmental Protection Fund funds, crowdfunding campaigns, own funds, funds from EU funds.

What renovations have been done or will be done?

(see answer above)

To what extent does the company participate in joint financing of social and environmental projects?

The company participates in the financing of social and ecological projects, some of our projects that are currently being implemented are ecological (Development of a short supply chain Zdravo Križevci) - an electric car was purchased for the purpose of delivering the products of local OPGs, which are mostly all based on natural and ecological production, partners in the project "Križevački sunjani roofovi" where, through the CROWDFUNDING campaign, a solar power plant was set up through RCTP to collect electrical energy for the needs of RCTP and the eventual sale of excess electricity. energy into the network.

Compulsory indicators

- investment plan including requests for landscaping: EUR 26,000
- implementation of investments in the environment: EUR 26,000
- financed projects: EUR 100,000
- investment funds: EUR 100,000



- During the reporting period, the following improvements were introduced:

An electric vehicle was purchased.

- Areas for improvement/goals:

Increase the number of charging stations for electric cars, upgrade FE, organize educational workshops for citizens in cooperation with the City.

B3 Negative aspect: reliance on ecologically unsafe resources

- Can the company confirm that its business model is not based on environmentally unsafe resources or that there is at least a medium-term exit strategy?

The company can confirm.

Evaluation: Advanced (3)

Up to 30% of current remodeling needs are met.

At least 60% of new investments lead to a significant improvement of the company's socio-ecological impact and are invested only in ethically sustainable/social-ecological projects.

B4 Ownership and co-determination

- Who are the owners, what shares do they have, what rights, duties and obligations?**
 The owner is the Local Self-Government Unit of the City of Križevci. Management structure.
- What forms of joint decision-making and participation in ownership are available?**
 Most decisions are made by the director. For complex topics, the NO and the company's assembly are notified.
- What forms of joint decision-making and participation in ownership are available?**
 N/A
- How has the ownership structure developed in recent years and how is this change protected?**
 The ownership structure has not changed since the company was founded.

Compulsory indicators

- How the equity capital is distributed (capital structure in percentages, each from 0 to 100%):**
 N/A
- During the reporting period, the following improvements were introduced:**
 N/A
- Areas for improvement/goals:**
 N/A

B4 Negative aspect: hostile takeover

- Can the company confirm that there have been no hostile takeovers?

The company can confirm.



Evaluation: Expirienced (6)

There is at least three years of practice with the chosen structure. The expansion and broadening of the ownership through more people, more shares, more stakeholders is actively encouraged. Growing ownership is recognizable as a trend. All owners are fully trained for the role.

C1 Human dignity at the workplace and in the working environment

How would you describe the corporate culture of your company?

The organization has an organizational culture and communication based on respect and openness. The management makes the main decisions, but all key employees participate in the creation of these decisions according to their professional expertise (manual). Every Monday, all employees attend a meeting that also has its own informal part where all life matters and opportunities are discussed. Also, since we are a small company, we often socialize after work in an informal environment with the aim of bringing employees closer together.

What measures have you taken to promote health in the workplace and to protect health and safety at work? How are they evaluated?

Each employee has passed an occupational safety and fire safety exam, in accordance with their workplace, and is required to comply with the rules. Safety at work - carries out regular preventive maintenance of safety systems at work (fire alarms, gas pipelines, lightning protection systems, elevator inspection...)

What role does diversity play in hiring and treating employees? What employment contracts or procedures already exist in this regard?

Any gender, cultural or other diversity has no impact on employment. Recruitment procedures are exclusively oriented towards selection based on the aspect of education and experience depending on the workplace.

Compulsory indicators

- Average length of service: 12.17 years
- Development opportunities (professional and personal) offered to employees and used by them, in hours per employee or by management level: various seminars and trainings
- Health/sickness rate (relative to demographic distribution), number of days employees come to work despite illness: nil
- Number and severity of accidents at work: zero
- Use of health/diversity related employee benefits: details of benefits and hours per employee: ability to receive days off/ or annual for voluntary blood donors
- Demographic distribution of employees across the company in terms of diversity (eg age, gender, ethnicity, physical/mental disabilities, sexual orientation, religion – if disclosed and relevant)
- Average duration of maternity/paternity leave in months: not yet used



	Average length of service	Gender	Age	Average income
employee 1	6	male	32	4,361.00 kn
employee 2	37	male	59	5,438.94 kn
employee 3	8	female	36	7,500.00 kn
employee 4	2	female	26	4,382.21 kn
employee 5	3	male	28	6,701.26 kn
employee 6	17	male	36	5,564.55 kn
employee 7	8	female	35	3,653.74 kn
In total:	81		252	37,601.70 kn
Average:	11.57 years		36 years	

- During the reporting period, the following improvements were introduced:**

All measures for safe work are provided. Employees feel comfortable and respected in the workplace.

- Areas for improvement/goals:**

Four-day work week. Possibility of flexible working hours. Pet-friendly office.

C1 Negative aspect: inadequate working conditions

- Can the company confirm that there are no structures, practices or aspects of the business that support inappropriate working conditions?**

The company can confirm.



Evaluation: Experienced (4)

The effect or successes of employee-focused measures to promote or improve organizational culture, health and/or diversity in the workplace are evident and analyzed. The measures were widely implemented.

C2 Self-determined working arrangements

- ☑ How does the company ensure that all employees are paid a 'living wage' in line with the local cost of living?

KPC provides employees with a salary sufficient to cover living expenses. Compared to other companies in the area, KPC has competitive salaries that are higher than average.



- ☑ What possibilities are there in the company to determine the salaries themselves?

Salaries are defined by the job complexity coefficient and there is no possibility of self-determination of salary.

- ☑ How does the company record working hours and distribute workload? What role does overtime work in the success of the company?

Working hours are recorded on the basis of trust between the employee and the employer. The workload is evenly distributed. Employees often help each other. Overtime work exists in extraordinary situations and is compensated by days off.

- ☑ How can you expand opportunities for social participation among employees?

Employees often help each other including company management.

**What possibilities exist in the company for self-determination of working hours? What work arrangements does your company offer?**

Considering the small number of employees and the nature of the work, where the employee's obligation to the parties is to be physically at the workplace in the company itself, there is currently no possibility for self-determination of working hours. Working hours are 7am-3pm.

**What measures exist to maintain a balance between the work and private life of employees?**

Overtime work is carried out extremely rarely, and when it is carried out, it is announced in advance and adequately compensated with days off. Regular working hours are until 3 p.m., which allows employees enough time for private duties.

Compulsory indicators

- Maximum and minimum salary (spread within the company): 7,500.00 and 3,653.74 HRK (net salary without travel expenses and other allowances)
- Average earnings: HRK 5,657.99
- 'Living Wage': depending on location (for all operational positions)
- Working week in the whole company (eg 38 hours): 40 hours
- Paid overtime: no, compensation on days off

**During the reporting period, the following improvements were introduced:**

Overtime compensation on days off was introduced.

**Areas for improvement/goals:**

Hiring more employees to ensure the possibility of flexible working hours.

C2 Negative aspect: unfair employment contracts

- Can the company confirm that employees are not burdened or exploited due to unfair labor contracts?

The company can confirm.



Evaluation: Experienced (4)

The maximum earnings spread of 1:5, and the maximum working week of 30 hours can be adjusted to the needs of the organisation with appropriate approval by all employees. A mandate is sought when required.

C3 Environmentally-friendly behaviour of staff

- How much importance does the company attach to the origin of the food offered at the workplace?

N/A

- What means of transport do employees use to get to work?

Due to the nature of the small local community, most employees walk or cycle to work. Only two employees (out of 7) come to work by car.

- What strategy does the company have regarding the attitude of the staff towards the environment? Does it offer training in that area?

The company does not conduct specialized workshops for employees, but promotes and develops environmental awareness through word of mouth and corporate culture.



Compulsory indicators

- Proportion of meals from organic sources: N/A
- Proportion of staff arriving by car, public transport, bicycle or on foot: 5 by foot/bicycle, 2 by car
- Use of environmentally friendly benefits according to employees in %: charger for electric cars, secured parking for bicycles, the location of the company itself is in a zone of minimal traffic, which ensures less risk for pedestrians.

- ✓ During the reporting period, the following improvements were introduced:

Safe parking for bicycles was provided, which encouraged employees to arrive by bicycle.

- ✓ Areas for improvement/goals:

In order to raise environmental awareness among employees, the company is planning to hold professional workshops.

C3 Negative aspect: guidance on waste/ environmentally damaging practices

- ✓ Can the company confirm that it neither promotes any waste of resources nor tolerates practices harmful to the environment?

The company can confirm.

Evaluation: Getting started (1)

The company backs specific environmental practice, e.g. a fruit basket is provided, and the management exemplifies environmental awareness.

C4 Co-determination and transparency within the organization

What essential/critical data is readily available to employees?

All important data necessary for the smooth operation of the company, considering the size of the company and the number of employees, are available to all employees. Information about employee salaries is a trade secret.

How are managers selected, evaluated and dismissed? Who does that?

Public tender on the JLS website. They are elected by the Supervisory board and the assembly of the company.

What important decisions can employees make democratically or by agreement?

Important decisions are made by the director of the company, but employees have the right to express their thinking, which is taken into account by the director.

What is the company's experience so far with more transparency and co-decision making?

With the new management (director), which was appointed a year ago, transparency was increased and two-way communication between management and employees was introduced, which creates a better working environment for employees, and for the management, which makes decisions more easily.

Compulsory indicators

- Degree of transparency of critical and essential data (estimated in %): 85%
- Share of managers who are legitimated by their own staff through consultation, participation (voting) and co-decision? ON
- Share of decisions made through consultation/participation/co-decision (in %): 60%

- During the reporting period, the following improvements were introduced:**
Two-way communication between management and employees has been introduced, employees participate in decision-making.
- Areas for improvement/goals:**
Increasing the number of employees with the aim of creating expert teams that will participate in deciding on the strategic aspects of the company.

G4 Negative aspect: obstruction of works councils

- Can the company confirm that there is no obstruction of the works council?**
N/A

Evaluation: Advanced (3)

Employees are consulted and participate (so that they are heard) in important topics and decisions, including the appointment of managers. Some critical information has been prepared in a transparent, easily accessible and understandable manner.

D1 Ethical customer relations

How are new customers acquired and what customer care services are provided to repeat customers?

With many years of experience, KPC knows the nature and needs of economic entities within the local community and accordingly shapes its marketing activities: tenders, calls for project financing, availability of business premises for rent, informative workshops for potential clients are published on websites and social networks. Considering that the town of Križevci is a small community, various marketing activities are transmitted by word of mouth. KPC provides full support to the client throughout the entire project application implementation process. Also, KPC manages the maintenance and care of the business premises it rents (full turnkey service).

It is important to emphasize that KPC employees do not take a commission for completed projects, but work for a regular monthly salary that enables them to live a normal life.

Also, with its consulting services, KPC exclusively helps small local entrepreneurs and farmers who do not have the resources to finance, implement and supervise their own projects, and not large companies.

How does the company ensure that the benefit to the customer takes precedence over the drive to increase revenue?

In the segment of providing services for the implementation of projects financed by EU funds, revenues are pre-defined by the tender itself - consulting services are clearly and pre-defined. In the real estate rental segment, the rental prices are below the market price. A positive example: KPC through the project that financed the creation of a web shop (Zdravo Križevci, app) mediates in the trade of products of local OPGs and does not charge for it. This gives small OPGs additional support and space to increase sales of their own products.

Which customer groups have difficulty accessing products and services? What is being done to enable them to benefit from access to products and services?

KPC primarily provides its services to small local businesses and start-ups in order to provide them with the opportunity to build a business. Large established companies are not a priority for the provision of services by KPC. As for the service of writing project applications, possible difficulties are of a local nature in terms of specific companies and are not related to the quality of KPC's service. KPC provides maximum support and invests maximum effort in solving difficulties and enabling access to services for all entities on the market.

Compulsory indicators

Marketing, sales and advertising budget overview: spending on activities or campaigns

- website maintenance: HRK 3,000
- AUZT DIGITAL - Marketing: HRK 2,182.50
- Method of payment of sales staff: percentage share of fixed and sales earnings: KPC does not have classic sales staff. ON
- Does the company set sales targets for its staff? Not. The goals depend on the existing tenders announced by the EU funds.
- Share of revenue generated by disadvantaged groups, as a percentage of product portfolio: N/A

During the reporting period, the following improvements were introduced:

Project implementation services and office space rental are provided below the market price.

Areas for improvement/goals:

The goal is to maintain competitive prices for services and rent despite increased inflation and the increase in market prices of energy sources, etc.

D1 Negative aspect: unethical advertising

Can the company confirm that there are no unethical advertising practices?

The company can confirm.

Evaluation: Advanced (3)

Clear and precise ethical guidelines on customer acquisition and customer care and solutions for disadvantaged customer groups are implemented on a mandatory basis.

D2 Cooperation and solidarity with other companies



With which companies is there already cooperation and what are the goals of this cooperation?

KPC cooperates with several business incubators in Croatia in terms of information exchange and mutual improvement of its own services. Within the local community, there are no other companies engaged in the same activity in the same scope.



In which areas does the company show solidarity with other companies and provide help without expecting anything in return?

Business incubators within the "BOND" network, which brings together business incubators in Croatia, whose task is to provide support to entrepreneurs.

Compulsory indicators

- How much time and/or resources are spent on designing and producing products and services in collaboration with other companies relative to the total time spent on designing and producing the company's products and services? (in hours per year or as a percentage): Only time is invested, not financial resources. The total number of working hours of KPC is 2080 working hours per year. Of this, a maximum of 10% is spent designing and manufacturing products and services in cooperation with other companies
- What percentage of time spent/revenue generated is attributable to partnerships with the following companies?
N/A

- Companies that share the same target group of customers (potentially in the same region): Business incubators in Koprivnica and Đurđevac. (PPI - Supporting entrepreneurial institution).
- Companies operating in the same industry, but whose target group is located in a different region: N/A, companies are exclusively oriented to the local community.
- Companies operating in the same sector and in the same region, but with a different target group: N/A
- In which of the following areas is the company active? (total: x/3): 2/3
- Cooperation with civil society initiatives to improve environmental, social and/or qualitative standards within the sector: YES. KPC gave its own space to the Red Cross for use (free of charge) for their needs.
- Active contribution to the improvement of legal standards within the sector (responsible lobbying): N/A. Legal standards are defined by regulations of the EU structure. funds.
- Cooperation with initiatives aimed at improving environmental, social and/or qualitative standards within the sector: YES. Cooperation with ZEZ (solar power plant).
- How many working hours of workers/staff are made available to companies that:
 - - operate in other sectors to support them in the short term? 20h (1%)
 - - operate in the same sector in order to support them in the short term? 20h (1%)
- How many orders or contracts were forwarded to companies that:
 - - operate in other sectors to support them in the short term? N/A
 - - operate in the same sector in order to support them in the short term? (percentage of total orders) N/A
- What is the total amount of funds made available to companies that:
 - - operate in other sectors to support them in the short term? N/A
 - - operate in the same industry to support them in the short term? (total, percentage share of revenue/profit) N/A

- ✓ **During the reporting period, the following improvements were introduced:**

High-quality business communication with other PPIs (Supported Enterprise Institutions) in the region has been established.

- ✓ **Areas for improvement/goals:**

Expand the focus of activities and cooperation with PPI outside the region: Varaždin, Bjelovar, Zagreb (surrounding regions).

D2 Negative aspect: abuse of market power to the detriment of other companies

- ✓ **Can the company confirm that it refrains from engaging in any activities aimed at harming or discrediting other companies?**

The company can confirm.



Evaluation: Advanced (2)

Initial cooperation with companies operating in other industries or with companies operating in the same industry but based in another region; initial experience gained in making staff members, job orders, funding and/or technology available to other companies to support them in their activities or help them through emergency situations.



D3 Impact on the environment of the use and disposal of products and services

- What are the environmental impacts of products and services, in absolute terms and in comparison to existing alternatives with similar advantages?**

KPC's services do not have a negative impact on the environment in the conventional sense. The only aspect of impact on the environment is the consumption of paper (production of documentation) and municipal waste.

- What strategies and measures are applied to reduce the environmental impact resulting from the use and disposal of products and services?**

N/A

- In what ways does the business model take into account issues of consistency, efficiency and sufficiency?**

The company offers services that, through their use, have a less significant negative impact on the environment than existing alternatives on the market. It also investigates the way customers use and dispose of our services and seeks to exert a moderate influence (promoting sufficiency).

- What strategies and measures exist to promote moderate consumption or sufficiency-oriented use of products and services?**

Rational consumption of paper, electricity, sorting of communal waste.

- In what ways does the company foster moderate use through communication with customers?**

The customer is informed and educated about moderate consumption – less production of unnecessary documentation in physical form, avoiding unnecessary physical meetings and customer visits to company premises.

- During the reporting period, the following improvements were introduced:

The amount of paper consumption was reduced (documented), containers were introduced for sorting municipal waste within the company, smaller containers were replaced by larger ones. Electricity consumption has been reduced through motion sensors.

- Areas for improvement/goals:

In the signature of the email communication, a guideline for less paper consumption will be introduced (do not print if you don't need to).

D3 Negative aspect: wilful disregard of disproportionate environmental impacts

- Can the company confirm that it has not purchased goods and services that are associated with extremely high environmental damage?

The company can confirm.



Evaluation: Getting started (1)

The company possesses initial data on environmental impacts and is planning measures to reduce these impacts and promote moderate use. The company provides customers and consumers with basic information on the environmental impacts of its products and services with the aim of raising awareness on the issue of moderate use.

D4 Customer participation and product transparency

- What specific co-decision opportunities and decision-making rights are offered to customers and how are customers informed about them?

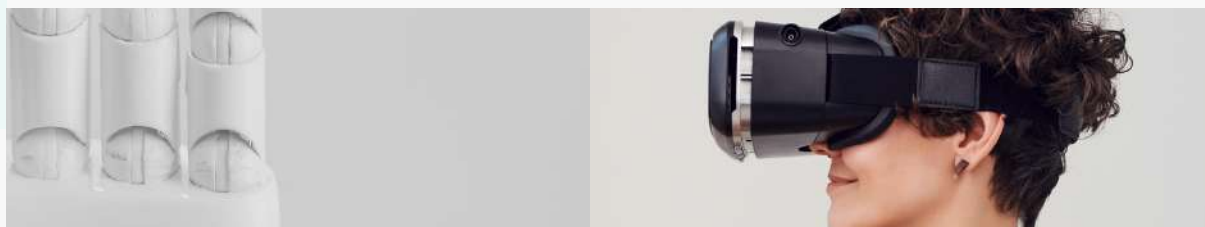
Each project financed by the EU fund offers a specific scope of eligible activities. It is up to the customer/client to define the needs themselves.

- Are customer ideas and suggestions regarding potential socio-ecological improvements taken into account?

The scope of the financed project is predefined. The client has a selection area within that defined scope.

- What information about the product is publicly available (eg material composition, value chain, information relevant to the environment, prices)?

In the segment of project implementation services, all relevant information is available. In the rental service segment, all information about the characteristics of business premises and instructions for use are available in terms of environmental awareness.



Compulsory indicators

- Number of product and service innovations that contribute to greater social and environmental sustainability created with customer participation: N/A. EU projects are defined by EU rules, norms, etc.
- Share of products with fully disclosed material composition (as a percentage of revenue): Office space rental service – 65%
- The share of products and services for which the breakdown of price calculations is made available to the public (as a percentage of revenue) – 90%

- During the reporting period, the following improvements were introduced:**
N/A, specifications of EU projects and lease of business premises are defined.
- Areas for improvement/goals:**
Based on the information and needs collected from current and potential new clients, KPC will actively participate in the development of action plans for the industrial transition of northern Croatia.

D4 Negative aspect: non disclosure of hazardous substances

- Can the company confirm that its products do not contain substances that are harmful to consumers or the environment and that no harmful side effects occur when the products are used as intended?**
The company can confirm.

Evaluation: Getting started (1)

Customer feedback is requested from time to time. To some extent, it is possible for employees within the company to gain insight into the value chain. The concept of publishing price components was developed.

E1 Purpose of products and services and their effect on society

Which of the nine basic human needs are satisfied by using the company's products and services?

- welfare - development of local small business
- security - secured business premises for users/clients with clearly defined conditions
- participation - full support during project implementation
- free time/recreation - rental of sports hall to schools, clubs and recreationists
- creation - creation/creation of new jobs
- identity - to be recognized as a place for the development of entrepreneurship in the local community

What products and services are luxury items that only serve to promote the status of an individual, and which could be replaced by cheaper, less resource-intensive products that promote a simple or good lifestyle?

N/A

How do products and services promote the personal growth and health of individuals?

Sports hall rental service. The personal growth of an individual (professional) is most evident through full support when implementing projects and creating business plans for the client/individual.

What social or environmental problems (regional or global) are solved or reduced by our products and services? (A list of the UN Sustainable Development Goals can be found under further online information)

- Social - the development of local small businesses is encouraged
- Ecological - projects are defined in such a way that environmental protection is a priority

Compulsory indicators

The type of benefit provided expressed as a percentage of the total turnover:

1. Satisfied needs
 - Basic needs: 100%
 - Status symbols and/or luxury items: 0%
2. It promotes development
 - people: 80%
 - of our planet/biosphere: 20%
 - Solves social and environmental problems in accordance with the UN Sustainable Development Goals: 60%
3. Advantages of products and services:
 - Multiple or single benefit: 100%
 - Obstructive or false benefit: 0%
 - Negative benefit: 0%



During the reporting period, the following improvements were introduced:

A sports hall was built.

Areas for improvement/goals:

To a greater extent, promote the development and ecological aspect of the development of local small businesses in the region.

E1 Negative aspect: unethical and unfit products and services

Can the company confirm that none of the listed unethical and inappropriate products and services are produced or sold?

The company can confirm.

Evaluation: Experienced (4)

Most products and services promote community development or biosphere diversity. People's knowledge and attitudes (including those who are not customers) are changed by the company's activities; there is an awareness of how to face social challenges, eg repairing instead of buying new products.

E2 Contribution to society



- What direct financial contribution does the company make to society and its institutions (eg through profit tax, payroll tax or social security contributions)? What direct financial support does the company receive from society and its institutions (eg through grants and subsidies)?**

Income tax, salary tax, contributions for social and health insurance, all other payments to the state. The company has one project that is subsidized by the Regional Development Fund.

- How much money, funds and specific activities does the company invest in charity work? To what extent is it motivated by self-interest?**

KPC employees volunteer in charitable activities outside of their working hours. KPC makes its own space available to the Red Cross (free of charge).

- What lasting changes do corporate charities make?**

Red Cross... Employee volunteering raises the awareness of the local population about aspects of the impact of local companies on society and the environment.

- How does the company discourage or prevent inappropriate tax evasion, corruption or negative lobbying?**

By our own example.

Compulsory indicators

Net tax ratio – this includes the following:

- tax paid on profit (income tax, profit tax): HRK 33,008.00
- salary tax and social security contributions paid by employers: HRK 251,185.00
- income tax and social insurance contributions paid by employees – none
- minus all the grants and subsidies received by the company: N/A



During the reporting period, the following improvements were introduced:

N/A



Areas for improvement/goals:

Participate more in charitable activities (KPC)



E2 Negative aspect: inappropriate non-payment of taxes

- Can the company confirm that it does not engage in any practices that include inappropriate non-payment of taxes, that is, where it knowingly pays less tax on net profit, thereby detracting from the common good?

The company can confirm.

E2 Negative aspect: no anti-corruption policy

- Can the company confirm that it is not involved in any corrupt activities, and that all lobbying activities are disclosed?

The company can confirm.

Evaluation: Advanced (2)

The company has introduced clear measures to make appropriate contributions through taxes and social contributions. The scope of charitable work is reasonably broad, but only where there is probable cause and effect. Early estimates of the impact of charity work are available.

E3 Reduction of environmental impact

- What are the negative environmental impacts associated with production or operational processes in terms of emissions, noise, waste, consumables, energy, water and fuel?

No negative impact on the environment. N/A

- What data are collected and published with regard to significant effects on the environment (environmental accounting)?

N/A

- How is environmental data published?

N/A



Compulsory indicators

- Greenhouse gas emissions in kg: N/A
- Transportation (and its CO2 equivalent) in km or kg: approx. 5040 km / 1.22 t CO2
- Fuel consumption (and its CO2 equivalent) in liters or kg: about 500 liters / 0.897 t CO2
- Electricity consumption (and its CO2 equivalent) in kWh or kg: 157,428 kWh / 36.7 t CO2
- Gas consumption (and its CO2 equivalent) in kWh or kg: 203.115 kWh / 47.35 t CO2
- Heating energy consumption (relative to average temperatures) in kWh/°C: N/A
- Consumption of drinking water and rainwater in m3: 1445 m3
- Use of chemicals (toxic and non-toxic) in kg: N/A
- Paper consumption in kg: 80 kg
- Other consumables in kg: 250 KG
- Artificial lighting in lumens or kWh: N/A
- Emission of pollutants in kg: N/A





- ☑ During the reporting period, the following improvements were introduced:
An electric car was bought.

- ☑ Areas for improvement/goals:
All future official vehicles will be electric.

E3 Negative aspect: infringement of environmental regulations and disproportionate environmental pollution

Can the company confirm that there were no violations of environmental regulations and disproportionate environmental pollution?

The company can confirm.

Evaluation: Getting started (1)

The company has begun to recognize the key environmental impacts it contributes to.





E4 Transparency and co-determination



What important or essential information is collected for stakeholders? How is this information transmitted? (depth and breadth, type of publication, how accessible it is to the public)

The information is transmitted through a website that is accessible to the public. The publication of certain important information (e.g. data on public procurement, organizational changes, information on tenders, job vacancies, various regulations) is a legal obligation of the company.



How can citizens and stakeholders enter into dialogue and represent their interests with regard to the company's activities?

N/A



How is the outcome of each dialogue documented and how is it incorporated into decision-making?

N/A

Compulsory indicators

- Publication of the Report on the common good or equivalent social accounting: KPC is obliged to report non-financially.
- Share of stakeholders in co-decision (degree of participation in %): zero



- During the reporting period, the following improvements were introduced:**

All of the above information has been publicly available since the beginning of the company's existence.

- Areas for improvement/goals:**

The common good report (external audit).

E4 Negative aspect: lack of transparency and wilful misinformation

- Can the company confirm that it does not provide false information about itself?**

The company can confirm.

Evaluation: Advanced (2)

Basic social accounting that is made available online or in any other easily accessible publication; publication of the company's value.

Relevant stakeholders are actively included in discussions relating to some important projects.

Adequate, easily accessible documentations is available.

Perspective



Short-term goals



What are the company's short-term goals in implementing the Economy for the Common Good (in the next 1-2 years)?

First of all, maintain the current level of business and gradually start improvements in all parts of the Economy for the common good. Establish and strengthen criteria for selecting suppliers, get information about their supply chain, give priority to green procurement and products that are in line with environmental protection. To strengthen the social position, to increase income from basic activities, and to reduce dependence on the local self-government unit...

Long-term goals



What are the company's long-term goals in implementing the Economy for the Common Good (in the next 3-5 years)?

In the next 3-5 years, the company plans to strengthen and define the criteria for the selection of suppliers, to set conditions regarding their supply chains, that is, to set some limits with which suppliers to cooperate and which not, to increase the procurement of products that are in line with environmental protection...

Description of the process of preparing the ECG Balance sheet

Luka Nemčić, expert associate at KPC d.o.o., participated in the process of creating the ECG Balance Sheet.

About 20 hours were spent on the auditing and data collection process.

The ECG Balance Sheet was prepared by Ivan Vrban, Cooperative for Ethical Financing (ZEF).

Thank you

Cooperative for ethical financing

Our goal is to develop Croatian society for the better with joint efforts.



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