

Interview with the PBG Management Board on responsible business



PBG - a conscious and sustainable business

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Employees

1. What is CSR?

Jerzy Wiśniewski (President of the PBG Management Board): I understand CSR in a straightforward manner, primarily as balance; balance on every level and for everybody. There is a happy employee on one side, environmental protection on the second side, and business activity on the third side. We have to ensure that the way we implement our projects, what we are doing, has the least negative impact on the environment, and balances these three aspects. I also believe that the word HELP is the shared motto of CSR. I help by sharing my experience, information, I help to save the natural legacy for future generations, I help to understand that it is worth being honest and firm in one's beliefs, and finally, by sharing the earnings, I help others live and develop their talents.

CSR means activity with balance and stability in mind. We have based our everyday work, our every action on that very principle for many years. Today we know how to act in the future – we think about tomorrow drawing on our past experiences.

2. Responsible business means also (or rather – first and foremost) that care is taken of the employees. How does PBG build its team and care for its employees?

Małgorzata Wiśniewska (President of the PBG Foundation): People are the foundation of our activity. At the beginning, we would recruit based on our friends and acquaintances' opinions – at that time not everyone was brave enough to join a group of enthusiasts. Thanks to that, we managed to build a team of dedicated people, engaged in building our joint success.

Experienced employees were, and still are, willing to share their knowledge, while the young ones are eager to learn. From the very beginning, together with my husband, we had a lot of confidence in our employees, we would often help them finance their education, and today I am glad to say that there were only a few mistakes made in the course of years from the start of our business (i.e. 1994). Today, most of the then young employees are managers who often overlook large teams working on organisationally complex tasks. We are happy that they can solve problems, and develop solutions on their own, but still ask for our

opinion in case of more serious decisions. They share with us not only their professional, but also their personal dilemmas. They know that me and my husband, as well as the entire Management Board, respect them and are confident about their potential and skills. That is why we have succeeded in creating a very special corporate atmosphere and organisational culture, which fosters the implementation of our Company's business goals, as well as of personal goals of our employees.

3. What does PBG offer to its employees? Why is it worth working here?

Mariusz Łożyński:

- sense of stability
- timely payments
- chance for professional development and participation in various trainings
- possibility to execute interesting projects
- collaboration with kind and competent people
- possibility to pursue various interests
- team-building events and trips
- care for physical condition
- chance to combine family and professional life
- participation in decision making processes and building the workplace
- possibility to help others and feel needed

All these elements are reflected in PBG's HR policy.

4. What trainings will be made available to PBG employees in 2010?

Mariusz Łożyński (Vice-President of the PBG Management Board): Few companies demonstrate as committed approach to employee education as ours. We are aware that the Company's development and building of its competitive market advantage are possible thanks to modern technologies, but primarily they depend on highly qualified staff. Therefore, we want each of our employees to

pursue new goals with satisfaction, and to polish their qualifications. To that end, we co-finance university education, courses, industry and soft skills trainings. As part of best practices sharing, our employees organise and participate in internal trainings organised by and for themselves. Another equally important area (in my opinion, due to scope of my responsibilities) is foreign language learning. There is a foreign language school operating on the Company's premises, where employees may attend courses in English, German, Italian, Spanish, and Russian. In 2010 alone, the total number of trainings for PBG employees amounted to 11,097 hours, with a budget of over PLN 352 thousand.

5. What are the training plans for future years? Will the high level of trainings be maintained?

Mariusz Łożyński: We plan to obtain co-financing from the European Social Fund for trainings in 2011–2012. Based on a survey of training needs and acting consistently with PBG's strategy, we will be organising trainings in line with a trainings schedule covering two years. The programme includes trainings for welders, IT courses, personal counselling, and a special training package for employees over 45 years old. We intend to enhance our employees' project management skills, and to continue using our best practices in that area.

6. Do the employees have any awareness of CSR activities?

Małgorzata Wiśniewska: As results of a survey conducted in December 2010 show, as many as 98% of the PBG's surveyed employees are highly aware of the significance of socially responsible activities. Such activities are undertaken every day, at all stages, by the whole Company and each of its members. Moreover, 85% of the respondents believe that running the business in compliance with the rules of CSR makes the Company more attractive for its stakeholders. The same number of those surveyed rightly identify the Company's stakeholders, mentioning in particular the employees and their families, shareholders, clients, investors, and local authorities. Nearly 80% of the respondents are convinced that CSR affects every area of the Company's activity and that it brings considerable financial benefits.

7. And how do the employees themselves care for one of the key aspects of CSR – the environment?

Małgorzata Wiśniewska: They take the good practices followed by the Company to their homes and the other way round. The strong awareness of how important it is to try to leave the environment for the next generations in the best possible condition is reflected in saving energy and water (turning off lights and computer monitors, using dishwashers), sorting rubbish, printing ecologically and communicating in an eco-friendly manner (electronic transfer of documents, teleconferences).

8. Does the Company run a corporate volunteering programme?

Małgorzata Wiśniewska: As an organisation, the Company is ready to share with others and encourage others to sharing. PBG makes its employees alert to people's needs, fosters civic responsibility and creates a friendly atmosphere around its volunteering employees and their activities. The corporate volunteering programme which we run together with our employees testifies to our trust in our employees who are engaged in individual or team volunteering projects. Our employees are particularly willing to get involved in those initiatives where they have the support of the Company's logistic or financial resources, or its know-how. Examples of the voluntary activities taken up in 2010 include the *Pencil for Africa* campaign, help for flood victims, a blood donation campaign, help for the *Franciszek* and *Jurek* child care centres, support for the parish day room run by the Poznań Parish Church and for the *Iskierka* day room in Sieradz, as well as help for an animal shelter in Poznań.

Natural environment

1. What does PBG do to protect the natural environment?

Tomasz Tomczak (Vice-President of the Management Board of PBG): In 2004, when the Integrated Management System for quality, environment and work safety was being implemented, we developed a strategy for our Company's approach to the natural environment. Implementation of a system of environmental management compliant with the PN-EN ISO 14001 and the SCS* (Safety Checklist for Contractors) standards meant we could establish clear environmental guidelines for all of our employees. Pro-environmental initiatives are taken in two areas: in the Company's offices and – above all – on the

construction sites.

2. What actions are taken within the Company in order to protect the environment?

Tomasz Tomczak: Our employees are very aware of the need to protect the environment, which steers the entire Company into a more environmental-friendly path. Environmental policy on our premises covers several areas, the most important being proper waste management, efficient use of natural resources and reduced emissions of harmful substances into the air and soil. Appropriate technological and organizational solutions can make that possible. Examples of pro-environment actions include use of natural gas to heat the Company's offices, reduced consumption of energy and heat thanks to our own cogeneration (combined heat and power) unit, the "3x20" energy package, filter and ventilation units fitted in the production hall or protection of underground waters. Moreover, in May 2010 PGB first joined the Carbon Disclosure Project, an international initiative aimed at reducing greenhouse gas emissions and preventing climate change.

3. What about construction sites?

Tomasz Tomczak: Protection of the environment starts already at the stage of designing the structures or installations to be constructed. Any design must take into account all the recommendations and requirements set forth in the decision on environmental conditions of project implementation. We make every effort to apply safe solutions or solutions having the least environmental impact in the difficult conditions at the construction site. Under the contracts we sign, subcontractors are obliged to obtain relevant permits and administrative decisions, minimise the negative impact the construction work to be performed on the environment, take all reasonable steps to avoid any contamination, protect the vegetation within the construction zone and ensure efficient waste management. For larger projects, we prepare SHE (Safety, Health and Environment) plans, which establish guidelines regarding protection of the environment on the construction site.

4. Can you give an example of a plant or animal that was protected at a construction site?

Tomasz Tomczak: One example is the Lubiatów-Międzychód-Grotów Oil and Gas Production Facility construction project ("LMG Project"). Since the construction site is located within a *NATURE 2000* protected area, we have to be even more careful to eliminate any adverse environmental impacts. Before construction work started, at PBG's request researchers from the University of Wrocław and the University of Zielona Góra prepared a detailed inventory of the wildlife in the area. As a consequence, we adopted a number of solutions to mitigate the negative effects of construction work on the plants and animals. Now every employee at the LMG Project construction site undergoes training and learns a number of environmental requirements, as well as the names of the species we protect (froglet, white-tailed eagle, cup-moss, boar, and other). Recently, we have been cooperating with the Eagle Committee and joined their efforts to preserve young white-tailed eagles.

Local community

1. Who is the focus of PBG's corporate social responsibility activities?

Jerzy Wiśniewski: It is hard to exist only for oneself. Therefore, we subsidise those who promote positive values and are active in such areas as education, national customs, patriotism, culture, or sport. It is not what I possess that makes me support other people, it is my personal choice. I have always shared with others since this is how I was brought up at home and this is what my religion urges me to do. Sharing is also inscribed in the work culture and strategy of our Company, or even our entire Group. To help those in need does not mean to condescend. It is just what I consider my duty.

2. And what about philanthropic activity?

Jerzy Wiśniewski: To my mind, corporate social responsibility means honest work, and in the context of charity activities – supporting those people, environments and institutions that are not backed by the power of advertising, marketing or lobbying. I mean, for example, Poles in the East, hospices, hospitals, child care centres, day rooms or children's homes. These are the groups that we regularly try to help, expecting nothing in exchange.

We also have to take care of those who are unable to fend for themselves when we are. We need to act responsibly where tragedies occur, caused by natural factors or disease, but also with respect to people who have talents, but cannot make their way in the contemporary world.

3. What does local community mean to PBG?

Jerzy Wiśniewski: We understand local community very broadly. It covers not only those regions where the Company's registered office is located or where we execute out projects, but also our employees and their families, who naturally reside in the areas where PBG is active.

4. What are the activities taken up by the Company for the benefit of the local community?

Jerzy Wiśniewski: Our employees are very much involved in charitable activities. Our corporate volunteering programme testifies to PBG's trust in its employees who are engaged in individual or team volunteering projects, while the Management Board provides logistic or financial support. Our idea is to help those who are the closest to us and who are in greatest need of help. The Company can boast periodic campaigns, which have become a fixture in its corporate life. *All Children Are Our Children* is the name of our annual Christmas gift collection project for children from child care centres, children's homes and poor families. Our employees have been preparing the gifts since 2002 and the list of addressees is updated every year. With the aim to promote honorary blood donation, we have already conducted seven blood donation campaigns among our employees under the slogan *Giving Blood to the PBG Blood Bank*. All the employees from the PBG Group and their family members can use the PBG

Blood Bank in case of a fortuitous event. In May 2011, we collected 14 litres of blood and our total has already amounted to 88 litres.

Moreover, we are still responsive to the need for help where it is indispensable at a given moment. In 2001, the south of Poland was affected by a severe flood which left hundreds of people without a place to live. PBG was one of the first to bring concrete financial help. In 2010 we took up similar activities providing help for families who suffered from flood in a village of Golina. The Group companies made donations to enable the purchase of the most needed appliances, furniture and equipment for the flood victims. The employees collected school starter kits for children, cleaning products, food as well as home products and accessories. Children from these families also received Christmas gifts as part of our *All Children Are Our Children* campaign.

The *PBG Gallery*, organised on the Company's premises in 2002, is our flagship CSR initiative. The gallery promotes young and yet unknown artists, but also hosts the recognized and appreciated ones. An everyday contact with art has a profound impact on building our corporate culture. The *PBG Gallery* contributes to the development and promotion of culture in the Greater Poland region. It makes it clear that business and art are not two worlds apart.

5. Does PBG belong to any organisations or associations?

Tomasz Tomczak: Being a member of some organisations strengthens the Company's position in the industry, makes integration easier and gives the chance to serve the interests of professional circles. It also gives us influence on those sectors of economy which are related to the Company's activity, such as the gas industry, the crude oil industry, the water sector, the specialised construction segment or the road sector. PBG's membership in organisations is voluntary and it enables us to provide support to those groups whose interests are represented by the particular organisations. Thanks to it, we can participate in developing a modern economy and raising the living standards. The Company belongs to such organizations as the Project Management Polska Association, the Gas Industry Commercial Chamber, International Pipe Line & Offshore Contractors Association (IPLOCA), the Polish National Commercial

Chamber of Road Industry, the Alumni Association of the Poznań University of Technology, the Polish Association of Listed Companies or the EFQM Club of the Polish and European Excellence Award.

Market and environment

1. What are the benefits of cooperating with PBG?

Tomasz Tomczak: At each stage of our work we are guided by our mission, our vision and our values, which have remained virtually unchanged since 1994, when the Company was established. This allows us to keep our balance and act fairly towards every group with which we cooperate.

Our mission: To improve the welfare of society through modern technologies and solutions.

Our vision: We aim to become one of the most advanced companies in Europe.

Our values: QUALITY, EFFICACY, MODERNITY

While pursuing our business strategy, which we define in terms of a steady, long-term growth of the Company value, we adhere to the principles of conscious and sustainable business.

2. What are PBG's competitive advantages?

Tomasz Tomczak: Our competitive advantages include experience in execution of complex, specialised projects, appropriate credentials, high quality of our services and good organization which enables us to perform projects in a timely and efficient manner. Additionally, we take pride in our innovative solutions, e.g. in the area of corporate process management – we have implemented ERP-class solutions, systems for electronic (paperless) circulation of documents (Vdesk) and project management systems (Mantis). In order to improve the communication process, we have also implemented the Oracle system, which gives us greater clarity and reliability of the circulated data and information.

3. Can you point to any other elements which enhance PBG's competitiveness?

Przemysław Szkudlarczyk (Vice-President of the Management Board of PBG): Financing of PBG's operations is possible owing to the fact that the Company is considered highly creditworthy, but also because Mr Wiśniewski – our President –

is perceived as the most reliable president of a listed company: he has been awarded the titles of the Most Highly Regarded Manager of a Trustworthy Company, the Business Leader and the Best Entrepreneur of the Poznań Province in Two Decades. Communication and openness are very important, too, so that everyone has access to reliable information. We also find that keeping our promises is vital. This applies to every aspect of our business, including financial performance forecasts which so far we have managed to meet and sometimes even exceed. Our stakeholders can see that and appreciate it.

4. Does the Company contribute to the welfare of our society through its projects?

Tomasz Tomczak: Let me put that way: Can you imagine improving the welfare of our society without such projects as the LMG Oil and Gas Production Facility, the Wierzchowice Underground Gas Storage Facility or the LNG Port? We all make small contributions to the quality of life in Poland and the neighbouring countries by, for example, reducing our dependence on imported energy sources.

5. Final conclusions?

Jerzy Wiśniewski: We want the capital we generate to be a source of what is important to every person – and this is what corporate social responsibility really means. We follow its principles on a daily basis by working responsibly day after day on all stages of the projects we implement, in every area of our activity and also when interacting with the individual stakeholder groups. In other words: CSR means working everyday for your own benefit and for the sake of others.

This interview was conducted by Magdalena Kaniewska, CSR coordinator, in July 2011.