



HRVATSKA POŠTANSKA BANKA, p.l.c.

Jurišićeva ulica 4, 10000, HR-10000 Zagreb

General Assembly

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**THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD
DIVERSITY POLICY OF
HRVATSKA POŠTANSKA BANKA, p.l.c.**

Zagreb, August 2023

CONTENTS

1. INTRODUCTORY PROVISIONS.....	3
2. REGULATORY FRAMEWORK	3
3. DIVERSITY OBJECTIVES	4
4. STRATEGY FOR ACHIEVING DIVERSITY OBJECTIVES.....	5
5. DIVERSITY MANAGEMENT.....	5
6. APPLICATION PERIOD AND DISCLOSURE.....	6
7. FINAL PROVISIONS.....	6

Pursuant to Article 29, paragraph 1 of the Articles of Association of Hrvatska poštanska banka, public limited company, Zagreb, (hereinafter: the Bank), and in line with Article 21 of the Accounting Act (Official Gazette 78/15, 134/15, 120/16, 116/18, 42/20, 47/20 and 114/22), further to the implementing Directive (EU) 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups, and as per Article 25, paragraphs 2 and 4 of the Decision on the assessment of the suitability of the chairperson of the management board, members of the management board, members of the supervisory board and key function holders in a credit institution (Official Gazette 20/21 and 104/22), and based on the proposal of the Supervisory Board and the recommendation of the Appointments Committee, the General Assembly hereby adopts the following policy on August 30, 2023:

THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD DIVERSITY POLICY OF HRVATSKA POŠTANSKA BANKA, p.l.c

1. INTRODUCTORY PROVISIONS

(1) The Management Board and the Supervisory Board Diversity Policy of Hrvatska poštanska banka, p.l.c. (hereinafter: **the Policy**) establishes the basic goals and principles for the promotion of diversity and representation of both genders in the management body of Hrvatska poštanska banka, p.l.c., (hereinafter: the Bank) in governance and supervisory function (the Management Board and the Supervisory Board) and diversity in respect of professional experience, age structure, and geographical origin, if applicable.

(2) The Policy herein is one of the elements of the corporate governance system of the Bank, which regulates the process of the selection and the assessment of the suitability of candidates for membership in the Management Board and the Supervisory Board. Accordingly, the Policy regulates what gender diversity represents for the Bank, the principles of diversity for the Management Board and the Supervisory Board, i.e. the targeted representation of the under-represented gender in the Management Board and the Supervisory Board, and the strategy and timeframe for achieving this goal.

(3) In the process of the selection of the structure of the membership of the Management Board and the Supervisory Board, the Policy herein ensures a selection of a wide range of professional knowledge, skills and professional experience, reflecting diverse points of view and experience and aims at achieving a higher degree of independence of mind in the discharge of business management and supervision.

(4) The terms importing gender and used in this Policy refer equally to masculine and feminine gender.

2. REGULATORY FRAMEWORK

As a credit institution, issuer of securities on the regulated market, as well as a public interest entity, HPB is subject to EU and domestic legislation and subsidiary legislation of the Croatian National Bank, which includes the following reference documents from which requirements arise for taking into account diversity criteria during the selection of new members of management bodies:

- *Decision on the assessment of the suitability of the chairperson of the management board, members of the management board, members of the supervisory board and key function holders in a credit institution (Official Gazette 20/21 and 104/22)* (hereinafter: the Decision) stipulates in Article 25 the obligation of credit institutions to ensure that the structure is sufficiently diverse when appointing members of the management and supervisory boards, and the obligation to determine the target representation of the under-represented gender in the management and supervisory boards, as well as the strategy and timeframe for achieving that goal;
- *Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation*

(EU) No 648/2012, Article 435, paragraph 2 item (c) sets out the obligation of credit institutions to publish and disclose information on the diversity policy related to the selection of members of the management body, its purpose and objectives;

- *Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC* (hereinafter: the Directive) determines the jurisdiction of the Appointments Committee on targeted representation for the gender that is under-represented in the management body;

- *Directive 22/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups* lays down the obligation to implement and to describe the diversity policy in the management report;

- *Accounting Act (Official Gazette 78/15, 134/15, 120/16, 116/18, 42/20, 47/20 and 114/22)* (hereinafter: the Act) defines the obligation of public interest entities, whose securities are listed on the regulated market, to publish in the Statement on the Application of the Corporate Governance Code a description of the diversity policy applied in relation to executive, management and supervisory bodies of corporate entities with regards to age, gender, education or profession, and the objectives of the diversity policy, as well as implementation methods during the reporting period;

- *Guidelines on the assessment of the suitability of members of the management body* (EBA/GL/2021/06) with respect to Title V—Diversity within the management body, which define the obligation of all institutions to adopt and implement a policy that promotes diversity within the management body for the purpose of promoting diversity among the group members.

3. DIVERSITY OBJECTIVES

(1) The Bank shall undertake to ensure equal representation of persons of various aspects of diversity, taking into account aspects such as education, professional experience, gender, age and, if applicable, geographical origin. In doing so, the Bank shall ensure that it considers the type, scope of operations performed by the Bank and the risks to which it is or to which it could be exposed. The Bank shall ensure that the members of the Management Board and the Supervisory Board have the highest possible degree of academic title in the relevant business areas, and that persons of both genders and persons of diverse ages are represented to the extent possible.

(2) The diversity parameters defined above shall be promoted and considered when determining the best possible composition of management functions, where possible, and shall be balanced accordingly, with the aim of achieving the optimal composition of the Management Board and the Supervisory Board. This implies that the members of these bodies shall collectively:

- possess extensive experience in supervision and/or management, preferably in a variety of sectors and professions;
- possess expertise, primarily in banking and financial services industry, responsible risk management, finance and human resources management, and, where possible, international experience;
- to the extent possible, in addition to gender diversity, achieve age diversity among the members.

(3) A regular review of the status of the parameters defined above shall be conducted at least once a year. As part of the review, plans shall be developed so as to increase the representation of under-represented groups and set targets for improvement.

(4) In relation to the above and in accordance with the Decision and other applicable EU and domestic regulation, as well as the vision of HPB and its corporate values, the **target level of representation** of the currently **under-represented gender** - women - in the Bank's management body, i.e. in the Management Board and Supervisory Board is determined at a **minimum of 33.3%**, which the Bank aims to achieve in the upcoming five-year period.

	Share of women – as at 31 December 2020	Target for the period 2021 - 30/6/2026
Management Board	0.00%	at minimum 20%
Supervisory Board	66.70%	at minimum 30%
Σ average	33.30%	at minimum 33.3%

(5) The Bank has quantitatively determined the targeted representation of the under-represented gender in the Management Board and the Supervisory Board in a meaningful manner, along with a well-defined strategy and a timeline for achieving this objective, within the quantitative limits outlined by the Bank's Articles of Association, or the number of members on the Management Board and the Supervisory Board.

(6) The Bank shall, within the initial, regular, and extraordinary suitability assessment of a candidate for membership in the Management Board and the Supervisory Board, consider compliance with the targeted representation of the under-represented gender. In this regard, the Suitability Assessment Committee, in carrying out its functions, shall provide an analysis of the status to the competent authority responsible for the suitability assessment.

4. STRATEGY FOR ACHIEVING DIVERSITY OBJECTIVES

(1) The strategy for achieving the diversity objectives is based on the development of inclusion in the governance of the Bank, i.e. the promotion of advancement opportunities at all levels, irrespective of gender, type of professional experience aligned with the regulatory criteria and age. In order to achieve equal opportunities for both genders with regards to employee remuneration and working conditions, the Management Board of the Bank is dedicated to achieving work - life balance with the aim of creating a healthy and pleasant work environment.

(2) Human resources management function shall continuously conduct analysis of disparities in remuneration, and if such gaps should arise, corrective measures shall be applied to reduce them.

(3) In order to ensure that the objectives herein all achieved, the Bank has enacted the Code of Ethics, which defines the principles of conduct and stipules that all employees have equal opportunities to engage in professional training, professional growth and development. Discrimination of a person seeking employment and a person who is employed is prohibited, including all direct or indirect discrimination on the basis of gender, race, skin colour, ethnic or social descent, genetic characteristics, language, religion or faith, political or any other opinion, minority group membership, assets, birth, disability, age or sexual orientation. Favouritism and discrimination of employees based on any of the above listed categories shall not be tolerated.

5. DIVERSITY MANAGEMENT

(1) The Management Board of the Bank, with the consent of the Appointments Committee, shall appoint a Diversity Management Person (DMP) as the focal person for coordination, oversight and alignment with the objectives of this Policy. The DMP is, as a rule, a B-1 level manager in charge of human resources management, but may also be another member of the Bank's management levels.

(2) The DMP shall discharge the following duties and responsibilities:

- report to the Management Board, the Supervisory Board and the Appointments Committee on the implementation status of Policy herein,
- propose initiatives and corrections to the objectives of the Policy herein, if necessary,
- provide information to the financial management function for the purposes of preparing the Bank's annual statements,

- communicate with the Suitability Assessment Committee on the results of the regular suitability assessment of the Management Board and the Supervisory Board for the purpose of conducting an assessment of compliance with the target related to the number of members of the under-represented gender, and in the event the target is not met, provides a justification for the failure, sets out measures to be taken and the timeline for their achievement. The targeted representation of the under-represented gender within the management function shall be considered collectively on the base of the composition of both the management and supervisory function.

(3) Pursuant to Article 88, paragraph 2 of the Directive, and Article 25, paragraph 4 of the Decision the Appointments Committee shall propose the targeted representation of the under-represented gender, collectively in the Supervisory Board and the Management Board for the purpose of maintaining and updating the Policy herein.

6. APPLICATION PERIOD AND DISCLOSURE

(1) The Management Board and the Supervisory Board Diversity Policy of Hrvatska poštanska banka, p.l.c. shall enter into force on the day of the resolution of the General Assembly and shall be applied over the course of the period until 30 June 2026. By way of derogation, this Policy shall be applied during a shorter period, on the condition that before the expiration of its duration, circumstances arise or there is a change in regulations, which would require the content to be amended.

(2) Pursuant to the provisions of Article 2, item 7 of the Accounting Act, the Bank shall disclose all information on its Diversity Policy, objectives, manner of implementation and results in the reporting period in the Statement on the Application of the Corporate Governance Code.

(3) The approved Management Board and the Supervisory Board Diversity Policy of Hrvatska poštanska banka, p.l.c. shall be published and made available free of charge on the Bank's official website and intranet.

7. FINAL PROVISIONS

(1) The drafts of the amendments to this Policy shall be within the scope of responsibility of the Human Resources Office.

(2) In the event of amendments to the Decision of the Croatian National Bank on the assessment of the suitability of the chairperson of the management board, members of the management board, members of the supervisory board and key function holders in a credit institution and related regulations, and which shall enter into force following the adoption of this Policy, the provisions of such regulations shall be applied until the harmonization of this Policy with the amendments to those regulations.

(3) The Management Board and the Supervisory Board Diversity Policy shall be adopted by the General Assembly on the proposal of the Supervisory Board of the Bank and on the recommendation of the Appointments Committee.

(4) The Diversity Policy herein shall come into force on the day of its adoption. The Policy shall be also executed in the Croatian and the English version. In the event of discrepancies or dispute in meaning between the two versions, the Croatian version shall prevail.

(5) As of the date of entry into force of this Policy, the Management Board and the Supervisory Board Diversity Policy of 29 August 2022 ceases to be valid.

**General Assembly
Chairperson
Marijana Miličević**