



**HRVATSKA POŠTANSKA BANKA, p.l.c.**

Jurišićeva 4, 10000 Zagreb

General Assembly

**No: XLVIII.GS/11-21**

Zagreb, May 10, 2021

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

*Zagreb, May 2021*

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Based on article 29, paragraph 1 of the Articles of association of Hrvatska poštanska banka, p.l.c. (hereinafter: Bank), and pursuant to article 21 of the Accounting Act (NN 78/15, 134/15, 120/16, 116/18, 42/20, 47/20), following the implementation of the Directive 2014/95/EU of the European Parliament and of the Council from October 22 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups, and in line with article 25 paragraph (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 (NN 20/21), and based on the proposal by the Supervisory Board and the recommendation by the Appointment Committee, General Assembly issues the following document on May 10, 2021:

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

### **1. INTRODUCTORY PROVISIONS**

Diversity policy for members of the Management Board and Supervisory Board of Hrvatska poštanska banka, p.l.c. (hereinafter: **Policy**) establishes the basic goals and principles of promoting diversity and representation of both sexes in the management body of Hrvatska poštanska banka, p.l.c. (hereinafter: Bank) in the management and supervisory function (Management and Supervisory Board).

This Policy is one of the elements of the corporate governance system in the Bank, which regulates the process of selecting and assessing the suitability of candidates for members of 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 underrepresented gender in the Management Board and the Supervisory Board, and the strategy and timeframe for achieving this goal.

### **2. REGULATORY FRAMEWORK**

As a credit institution, issuer of securities on a regulated market, as well as a public interest entity, HPB is subject to EU and domestic legislation and bylaws of the Croatian National Bank, which includes the following reference documents from which requirements arise to take 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 (NN 20/21)* (hereinafter: Decision) in article 25 prescribes 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 underrepresented 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*, which in Article 435, paragraph 2, item (c) prescribes the obligation for 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* (hereafter: Directive) prescribes the jurisdiction of the Appointment Committee on targeted representation for the gender that is underrepresented in the management body
- *Directive 2014/95/EU of the European Parliament and of the Council from October 22 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups* prescribes the obligation for public interest entities – to implement and to describe the diversity policy in the management report
- *Accounting Act (NN 78/15, 134/15, 120/16, 116/18, 42/20, 47/20)* (hereafter: A.A.) prescribes the obligation of public interest entities, whose securities are listed on a 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 regard to age, gender, education or profession, and the objectives of the diversity policy.

### 3. DIVERSITY OBJECTIVES

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 underrepresented gender - female - in the Bank's management body, i.e. in the Management Board and Supervisory Board is set at a minimum of 33,3%, which the Bank aims to be achieving in the next five-year period.**

	<b>Share of females – as per Dec 31 2020</b>	<b>Aim – for the period 2021 - 2026</b>
Management Board	0,0%	at minimum 20%
Supervisory Board	66,7%	at minimum 30%
<b>∑ average</b>	<b>33,3%</b>	<b>at minimum 33,3%</b>

### 4. STRATEGY FOR ACHIEVING DIVERSITY OBJECTIVES

Strategy for achieving the diversity objectives is based on the development of inclusiveness in the governance of the Bank, i.e. the promotion of opportunities for advancement at all levels, regardless of gender. In order to achieve equal opportunities for both sexes with regard to employee remuneration and working conditions, the Bank's management insists on achieving a balance between private and business life, with the aim of creating a healthy and comfortable working environment. Human resources management function continuously conducts analysis of differences in remuneration, and if such differences arise, corrective measures are applied to reduce these differences.

To ensure that these objectives are met, the Bank's Code of Conduct prescribes that that in no case is favoritism or discrimination of employees based on sex, as well as any other category, tolerated.

### 5. DIVERSITY MANAGEMENT

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

Duties and responsibilities of DMP are:

- reporting to the Management Board, the Supervisory Board and the Appointment Committee on the status of implementation of this Policy,
- proposing initiatives and correcting objectives in this Policy, if necessary,
- provide information to the financial management function for the purposes of preparing the Bank's annual report.

Pursuant to article 88 paragraph 2 of the Directive and article 25 paragraph 4 of the Decision, the Appointment Committee proposes targeted representation of the underrepresented sex, collectively in the Supervisory Board and the Management Board for purpose of maintaining and updating this Policy.

### 6. PERIOD OF APPLICATION AND DISCLOSURE

Diversity policy for members of the Management Board and Supervisory Board of Hrvatska poštanska banka, p.l.c. enters into force on the day of the decision by the General Assembly and is applied over the course of the period until December 31, 2025. Exceptionally, this Policy is applied during a shorter period, if before the expiration of its duration circumstances arise or there is a change in regulations, due to which its content should be changed.

Pursuant to Article 22, item 7, paragraph 1 of the Act, the Bank is obliged to publish 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.

Approved diversity policy for members of the Management Board and Supervisory Board of Hrvatska poštanska banka, p.l.c. is published and made available free of charge on the Bank's website and internal network.

**General Assembly  
Chairperson  
Marijana Miličević**