

SUPPLIER PRINCIPLES

Hrvatska poštanska banka p.l.c. (hereinafter: the Bank) has set high ethical business standards that are in accordance with all positive laws and regulations of the Republic of Croatia and the EU, with all business standards on the financial market, as well as with the Bank's internal acts. The Bank expects its suppliers to comply with the established ethical values and goals.

The Bank bases its business model on environmental, social, and governance related factors on the 17 Sustainable Development Goals of the United Nations (SDG). Although it supports all 17 global goals, the Bank recognizes its greatest impact in the following segments:

SDG 3 Ensure healthy lives and promote well-being for all at all ages

SDG 4 Ensure inclusive and high-quality education and promote lifelong learning opportunities for all

SDG 5 Achieve gender equality and empower all women and girls

SDG 8 Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all

SDG 12 Ensure sustainable consumption and production patterns

SDG 13 Take urgent action to combat climate change and its impacts

The Bank has adopted a Code of Business Ethics based on social responsibility applied in the Supplier Principles (hereinafter: the Principles).

These Principles set out main principles and expectations that the Bank places before suppliers who have or wish to establish and maintain a long-term business relationship with the Bank. This document includes principles and policies with regard to Bank's suppliers.

By committing to these Principles, suppliers agree to:

- Comply with the applicable laws of the Republic of Croatia and related regulations, rules, ordinances, licenses, approvals, orders, standards, prohibitions, sanctions prescribed by EU regulatory bodies, and requirements in all aspects covered by these Principles
 - Possess up-to-date documentation related to the performance of their activities
 - Engage in open and honest communication about areas that require improvement and immediately notify the Bank in the event of non-compliance with the Principles or any event affecting such compliance with all applicable contracts for the supply of products and services to the Bank
 - Provide consent to the Bank's internal auditor or an external auditor authorized by the Bank to review documents and facilities and/or operations with respect to the content of the Principles
 - Commit to applying the principles of ethical and socially responsible business, defined by these Principles, to third parties within the value chain of procurement of products and services for the Bank
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Ethical principles¹

- By complying with the Principles, the recipient undertakes to act in compliance with the principles of responsibility, truthfulness, efficiency, transparency, quality, good faith and observance of fair business practices towards the Bank as a business partner, business and social environment and their employees
- By complying with applicable legislation, each business entity shall respect the principles of ethics in business relations
- In their mutual business activities, companies shall abide by the principle of reciprocity which implies the right to mutually determined benefits from the performed activities
- Unfair patterns of competition are not allowed, for example dumping, unethical obtaining of information on competitors and dissemination of any, especially untrue, information
- Unfair forms of cooperation with competitors are not allowed, such as activities related to price fixing, market sharing, boycott of customers or suppliers, controlling outputs, or any form of secret collusion to gain a privileged market position
- Products and services should be produced and offered to the market in a socially and environmentally responsible manner
- The development, production, distribution of products and services must not have an undue impact on social and natural environment
- Failure to comply with these Principles in the conduct of business does not exempt other stakeholders in the business process from the obligation to adhere to ethical principles
- The recipient of the Principles shall not undertake obligations that they are aware they will not be able to fulfil
- The Bank's suppliers are obliged to provide business partners, government authorities and the public with information on their activities when there is an obligation to do so in accordance with the law, contract or justified public interest
- Deliberate provision of false information with the aim of misleading a business partner or the public is not allowed
- In their business activities, suppliers shall not abuse the trust of the Bank or exploit the lack of experience, knowledge, or good faith
- When concluding contracts, suppliers and the Bank shall form the provisions in a clear and precise way so that it shall not be possible to interpret them contrary to the true intention of the parties
- Products and services shall be of declared quality and shall be safe in their intended use and acceptable in terms of health
- Hidden negative effects related to the use of certain products used by the Bank, as well as any other form of deceiving the Bank with respect to any of the essential features of the product, is prohibited
- Suppliers are obliged to respond to the Bank's inquiries, remarks and complaints within the period specified in the contract
- Business partners may exchange gifts of smaller values among themselves (up to HRK 500.00/ kuna equivalent up to EUR 66.36), however such gifts shall not condition the conclusion of a business deal or put the gift-giver in a privileged position among the competitors

¹ The ethical principles are in accordance with the principles of the HPB Code of Business Ethics

- The form and value of the gift must be in accordance with the law and adopted business practice
- Recipients of the Principles undertake to resolve any mutual disputes through negotiation and voluntary agreements, i.e., through voluntary fulfilment of obligations
- Prohibition of insider trading and use of confidential information
- Trade or export control regulations: suppliers may not procure for the Bank any materials, products, services, software or technical data that originate or are otherwise obtained, directly or indirectly, from a state or territory subject to sanctions or from an entity or an individual or destination subject to sanction regimes or export control, including but not limited to those imposed by the United Nations, the United States, Israel, the United Kingdom, Canada, and the European Union, where receipt or transfer by the Bank would result in a violation of such sanctions or export controls
- Maintaining effective business controls and accurate reporting and maintaining accurate and complete records in accordance with international accounting principles
- Maintaining data integrity for products and services: documentation submitted to the Bank must be complete, consistent, and accurate
- Suppliers undertake to encourage employees to report concerns or illegal activities in the workplace without threat of retaliation, intimidation, or harassment and to ensure appropriate investigation and corrective action
- If the supplier is offered to purchase or becomes aware of counterfeit, illegally diverted or stolen products in their supply chain that may affect the products/services the supplier provides to the Bank, the supplier shall immediately notify the Bank
- Suppliers who think that an employee of the Bank, or any person or entity acting on behalf of the Bank, is acting in an illegal or inappropriate manner must report it without delay:
 - a) electronically, to a special email address antikorupcija@hpb.hr to which the Person for Irregularities has access
 - b) by mail, addressed to: Hrvatska poštanska banka d.d., Jurišićeva 4, 10000 Zagreb, report of irregularities with indication Person for Irregularities, who is authorized to open the received mail

Suppliers who think that an employee of the Bank does not adhere to ethical principles based on the moral values of good conduct, fairness, honesty, integrity, and expertise in business dealings and interactions with colleagues, clients, suppliers, competitors, institutions, shareholders, and the general public, are obliged to report this without delay:

- a) electronically, to a special email address eticki.kodeks@hpb.hr to which the Ethics Commissioner has access
- b) by mail, addressed to: Hrvatska poštanska banka d.d., Jurišićeva 4, 10000 Zagreb, report of violation of the provisions of the Code of Business Ethics marked for the attention of the Ethics Commissioner, who is authorized to open the received mail

Working conditions

Suppliers must adhere to laws, ethical work practices and procedures. They must not employ, use or in any other way benefit from compulsory work, forced labour or human trafficking. Suppliers must monitor adherence to laws regarding forced labour in the country or countries in which they operate, including but not limited to reviewing and requiring the same standards from their own supply chain. To this end, suppliers shall communicate their forced labour policies to key stakeholders, including but not limited to employees, managers, supervisors, other supply chain oversight personnel, and their own suppliers.

Suppliers should meet the following:

- Adherence to and compliance with the provisions of *the Universal Declaration of Human Rights* as a comprehensive instrument for the protection of fundamental human rights
- Adherence to and compliance with the provisions of *the Convention concerning the prohibition and immediate action for the elimination of the worst forms of child labour*
- Ensuring a workplace without harassment, violence, discrimination, exposure to criminal acts and/or inhumane treatment
- Promotion of inclusion and diversity in the workplace while complying with the principles of non-discrimination and employee dignity
- Wages, benefits and working hours: Supplier shall follow all applicable national laws and regulations with respect to informing employees about the basis for compensation, method of wage calculation and other payments; any employee accommodation provided by the supplier must meet local standards

Protection and safety at work

Health, safety, and well-being of our employees and all employees in our supply chain presents one of the Bank's key commitments in carrying out its activities. Compliance with all legal norms regarding protection at work is the minimum that suppliers must adhere to This includes ensuring proper maintenance of premises, ergonomic working conditions, and access to potable water for employees. We encourage suppliers to design and implement programs that have a positive impact on health and working conditions:

- Protecting employees from exposure to hazards and unduly physically demanding tasks and ensuring that appropriate personal protective equipment and work are in accordance with all applicable laws, regulations, and other requirements
- Emergency preparedness and response through scenario planning, implementation and maintenance of emergency response plans and procedures
- Enabling access to information on hazards, including pharmaceutical compounds and materials, ensuring compliance and proper monitoring by means of documents such as Safety Data Sheets (SDS)
- Education, and training of employees in the field of occupational safety and health, fire protection and other safety and security measures according to job classification

Sustainable development and socially responsible business activity

The Bank is committed and dedicated to integrating environmental, social, and governance-related factors into its business segments and activities.

By recognizing that sustainable development is the basis for good business governance and that it boosts business competitiveness, the Bank believes that the economic growth and a healthy environment are inextricably linked, thus putting sustainable development and socially responsible business activity at the heart of its strategy.

Suppliers are encouraged to preserve natural resources, avoid the use of hazardous materials and reduce, reuse and recycle with the obligation to adhere to the following principles:

- Establishing a waste management system to ensure responsible handling of waste, including assessment, management, control, treatment and reporting in accordance with legal norms of any waste, wastewater or emissions, with potential adverse effects on people or the environment
- Undertaking reasonable efforts for the purpose of transparency and public disclosure of data and ESG goals, in accordance with EU regulation (GHG emissions, consumption of energy products, water, etc.)
- Establishing a risk management system for the purpose of identifying and managing risks, including business continuity planning and risk management policy
- Continuous improvement by setting efficiency goals, executing implementation plans and taking necessary corrective measures for deficiencies identified by internal and external audits, inspections, and management reviews

Hrvatska poštanska banka, 2022