

# CODE OF PROFESSIONAL CONDUCT

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Pursuant to Article 16 of the Articles of Association of Croatian Post Inc. – Full Text (HP Journal 14/20), the Management Board of the Company adopted at its meeting held on 23 December 2020

# INTRODUCTION

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Croatian Post Inc. (hereinafter referred to as the Company) is the largest postal service provider in the Republic of Croatia and also the only universal service provider under the Postal Services Act. The Company is now among the leaders of digital transformation in the country and numerous new business and process solutions have resulted in optimal modern services.

The Company is aware of its important role and impact on the greater community in which it operates, which is why the fundamental activities and objectives of the Company do not only include its own business performance and wellbeing, but also the wellbeing, stability and development of the greater social community, with particular care for its employees, the environment and diversities.

## ✔ Mission, vision and values

### Mission

Croatian Post – At Citizens' Service.

### Vision

We are a reliable company which conquers new markets by excellence.

### Values

Confidence, proactivity, excellence.

This Code of Conduct (hereinafter referred to as the Code) defines the standards and principles underlying Company's operation and applies to our daily interactions with users, customers, suppliers, contractors and other business partners, as well as to all business activities of the Company.

# I. FUNDAMENTAL PRINCIPLES

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The fundamental principles defined in this Code shall be binding upon the Company in their entirety and the Company expects its users, customers, suppliers, contractors and other business partners to comply with them to the extent possible.

The Management Board shall ensure that the Company's strategy takes account of the principles defined in this Code and that the Company's policies, culture and values encourage ethical conduct, respect for human rights, and a pleasant and stimulating working environment.

The criteria and principles defined in this Code shall be taken into account when making management decisions in the Company.

The standards and framework for the conduct of the Management Board members, managers and all other employees of the Company are defined by the Company's Code of Ethics, which has been understood and accepted by all employees and which all employees are required to comply with while carrying out their duties.

## II. COMPLIANCE WITH LAWS AND INTERNAL CORPORATE DOCUMENTS AND INTERNAL REPORTING OF MISCONDUCT

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One of the fundamental operating principles of the Company is its compliance with the applicable legislation and other requirements and principles the Company is subject to.

The Company operates and functions in compliance with all applicable legislation and internal corporate documents and has established a framework to supervise and monitor the compliance of Company's business.

The Company has appointed a trusted person for internal reporting of misconduct to ensure that whistleblowers in the Company are duly protected.

Information concerning the internal misconduct reporting procedure and such trusted person's e-mail address are published on the Company's website.

# III. RESPONSIBILITY TO INDIVIDUALS AND CARE FOR EMPLOYEES

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## ✔ Equality and dignity

The Company provides a working environment where each employee is allowed to work in a dignified manner, promotes an equitable and consistent way of treating each employee, and encourages its employees to treat everyone openly and respectfully.

The Company respects all gender, racial, religious, political, linguistic and intellectual diversities, as well as age diversities. All employees are equal irrespective of their race, ethnicity, skin color, gender, language, confession, political or any other beliefs, national or social origin, financial position, trade union membership, education degree, social status, marital or family status, age, health, disability, genetic heritage, gender identity/expression or sexual orientation.

The Company has appointed its dignity-at-work officers who are authorized to receive and handle complaints concerning employee dignity.

The Company provides all employees with equal opportunities to perform their professional duties and express their intellectual capacities and shall help each employee develop their personal potentials and exploit their specific talents. Promotion and professional success in the Company depend solely on the professional results and performance of each individual.

## ✔ Business quality and excellence

The Company builds its competitiveness on its productivity and product and service quality.

The Company encourages its employees to take an active part in their professional development, helps create a stimulating and productive working environment, develops transparent rewarding systems, and provides for a balanced professional environment that embraces diversity.

For the purpose of increasing its business excellence, effectiveness and efficiency, the Company motivates and rewards creativity, proactivity, innovation and effort, as well as each employee's specific contribution.

# III. RESPONSIBILITY TO INDIVIDUALS AND CARE FOR EMPLOYEES

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## ✔ Workplace health and safety

The Company actively implements policies to prevent any risks that may have an adverse effect on employees' health or safety.

The Company shall take measures on an ongoing basis to improve employees' health and safety and provide all employees with the necessary training and information concerning the management of the relevant risks in their respective areas.

## ✔ Corporate security

The Company develops and implements effective measures to protect its employees and all corporate assets with respect to their integrity, safety, confidentiality and availability, as well as Company's legal and business interests.

The Company endeavors to reduce the incidence and impact of security incidents and to protect its employees, assets and legal and business interests against losses caused by internal or external, deliberate or accidental, fraudulent, prohibited or criminal activities and thus ensures its business continuity and success.

## ✔ Protection of personal data

The Company treats all personal data in accordance with the applicable legislation and the highest personal data protection standards.

The Company only processes personal data where this is necessary for its operation or required by law and access to such personal data is strictly limited to the authorized persons in the Company.

Personal data protection is considered to be very important, primarily to establish mutual trust which is among Company's priorities.

# IV. RESPONSIBILITY TO THE MARKET

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## ✔ **Contractors and business partners**

To ensure that it provides its services in compliance with the highest standards and maintains good business relationships with the users of its services, its customers, suppliers, contractors and other business partners, the Company expects its employees to maintain the highest levels of professionalism with respect to quality and reliability.

The Company invites its users, customers, suppliers and other business partners to comply with the applicable standards and principles defined in this Code and only intends to work with those it knows to refrain from any unethical or illegal activities of any kind.

Suppliers and business partners (hereinafter referred to as third parties) are required to comply with this Code and any noncompliance therewith by third parties shall be treated as a breach of the contract between the Company and the relevant third party.

The Company shall monitor third parties' compliance with the fundamental standards and principles defined in this Code, including respect for human rights and prohibition of their violation, prohibition of all forms of discrimination, taking initiatives to promote environmental responsibility, and encouraging of business free from any forms of corruption, including blackmailing and bribery.

If necessary for the evaluation of its relationships with third parties, the Company expects them to provide it with full and accurate information concerning their business.

## ✔ **Fair competition principle**

In all its business relationships with third parties, the Company is particularly attentive to legislation that ensures and allows free competition.

The Company complies with good business practices and fair competition principles, thus helping create and maintain constructive and fair competition in the market. This in particular applies to agreements with market players and other third parties where such agreements may affect competition.

## ✔ **Anticorruption policy**

Resulting from years of work and effort of all employees, the Company's reputation, credibility and business ethics are highly important to it.

Combatting bribery and corruption is a daily responsibility and a standing obligation of the Company, which the Company complies with by training all employees to better understand the risks of bribery and corruption, by making all employees aware of their duty to report any conflict of interest or corrupt practices, prohibiting unfair donations, and otherwise as appropriate.



# IV. RESPONSIBILITY TO THE MARKET

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## ✔ **Anti-money laundering policy**

The Company uses its best efforts to ensure that effective anti-money laundering and terrorist financing policies are implemented in accordance with the applicable European directives and national legislation for the purpose of effectively combatting money laundering and terrorist financing.

The Company has established internal procedures to ensure that all suspicious transactions are duly reported to the competent authorities. To that end, special attention is focused on effective employee training.

## ✔ **Business and reporting transparency**

All financial statements and other reports of the Company must fully reflect all transactions and processes in accordance with the Company's principles and values and the applicable regulations.

The Company duly discloses information concerning its business in compliance with the applicable regulations.

## ✔ **Media relations and communication**

Responsible use of social media by the Company and third parties is a fundamental principle of media relations.

All media inquiries concerning the Company must be forwarded to the organizational unit responsible for corporate communications.

Press releases may only be made by Management Board members or the authorized person in the organizational unit responsible for corporate communications or their designees.

All press releases, publications or presentations must be authorized by the authorized person in the organizational unit responsible for corporate communications.

# V. RESPONSIBILITY TO THE COMMUNITY

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## ✔ Cooperation with and contribution to the community

The Company helps promote and develop the community in which it operates and is a responsible member of society.

The Company develops good practices to support the local community through the activities of the “Your Post” Foundation, by investing in its employees, by releasing special postal stamps, by granting scholarships and donations, through sponsorships, and otherwise as appropriate.

The Company cooperates with institutions and public authorities in accordance with its principles and values and advocates compliance with legislation.

The Company shall identify key stakeholders in its business as persons who have interest in Company’s decisions or activities, in particular those who contribute to or are affected by Company’s business, and shall establish mechanisms for regular communication with them, so that their position and interests could be taken into account when making decisions relevant to stakeholders’ position.

## ✔ Donations, sponsorships and volunteering

Donations and sponsorships are arranged in accordance with the applicable laws and internal corporate documents of the Company, provided they are not used to inappropriately influence the donee or the other party to a sponsorship agreement.

Decisions to make donations or grant scholarships shall take account of the Company’s values defined in this Code.

The Company encourages its employees to volunteer within the community in which it operates and shall also consider proposals for organized volunteering by employees. If such a proposal is in compliance with the principles defined in this Code, the Company may support such volunteering campaigns.

# VI. RESPONSIBILITY TO THE ENVIRONMENT AND FOR USING RESOURCES

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## ✔ Environmental protection and efficient energy management principle

The Company is aware of its responsibility for protecting human health, environment and natural wealth, which is why the management of its environmental impact is a very important part of the Company's strategy and business.

The Company treats the protection of the environment and human health with utmost attention and care and also encourages responsible use of energy, thus allowing for improvements in energy efficiency and financial and energy savings.

Natural resources and energy are used rationally, pollutant emissions are constantly reduced, and programs for the reuse of materials, safe waste disposal and energy savings are developed.

The Company implements and develops specific measures and actions to reduce its adverse environmental impact by reducing its quantities of waste, disposing of waste in an environmentally friendly manner, improving its energy efficiency, reducing its harmful gas emissions, encouraging the use of renewable energy sources, finding ways to reduce its carbon footprint, and otherwise as appropriate.

# VII. FINAL PROVISIONS

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This Code shall be published in HP Journal, the official journal of the Company, and on the Company's website.

This Code shall apply as of 1 January 2021.

Croatian Post Inc.  
Chairman of the Management Board

Ivan Čulo, signed