

**CODE OF ETHICS
OF THE CROATIAN BANK FOR RECONSTRUCTION AND
DEVELOPMENT**

April, 2024

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MESSAGE OF THE PRESIDENT OF THE MANAGEMENT BOARD

The Croatian Bank for Reconstruction and Development has been successfully performing its very important social role as the development and export bank of the Republic of Croatia owing to the commitment and contribution of all of us.

Ethical principles in HBOR's operations have always been important. Therefore, in 2010, the HBOR's Code of Conduct was adopted, by which ethical norms were set and the standard of conduct for HBOR employees defined.

Considering the passage of time when HBOR was exposed to various changes in internal and external circumstances, I am pleased to present to you our new Code of Ethics, a document that is the foundation of our business and a guide for everyday behaviour.

This Code of Ethics is more than just a set of rules; it emphasizes our shared values and principles that will help us and our stakeholders make ethical business decisions and find solutions to ethical challenges that may arise in business.

Our commitment to integrity, sustainability, transparency and confidentiality, expertise and client orientation, as well as proactivity and innovation not only shapes the way we work, but also makes us recognisable in the financial sector. I believe that by acting based on these values is the key to our long-term success and reputation.

We are aware that we face complex situations where the prescribed solutions are not always clear. In such moments, the Code serves as a compass, guiding us towards decisions that are in line with our values.

The entire Management Board of HBOR, including myself, is committed to implementing this Code of Ethics and we expect this from our employees as well. Every member of our team plays a key role in implementing this Code. Adherence to ethical standards is essential for maintaining the trust we enjoy among our clients, partners and the community.

I invite you to carefully read the Code of Ethics and apply it actively in your work. Your commitment to the ethical principles enables us to design a bank that not only achieves its business goals but also contributes to a better society.

INTRODUCTION

The Code of Ethics of the Croatian Bank for Reconstruction and Development (hereinafter: Code of Ethics) highlights our core values that we are all expected to adhere to and to be guided by in all our business decisions and actions towards internal and external stakeholders, and clarifies the principles of governance in certain important areas of business that we must all be familiar with and act in accordance with.

The purpose of adopting the Code of Ethics is to demonstrate our commitment to high standards of ethical behaviour, to clearly define the core values of HBOR and to provide rules and guidelines to employees, so that they know what is expected of them in the business environment, but also to know what they can expect from HBOR as their employer in some ethically challenging situations.

When making business decisions and performing our daily work tasks, it is important to have guidelines that we can all follow in the different situations we encounter that may raise ethical questions. This can help us avoid making some possibly problematic decisions in terms of ethics and maintain our own integrity and reputation, as well as that of HBOR.

In both life and business, it is not always possible to foresee all the situations we may find ourselves in as people and employees, nor is it possible to prescribe all possible manners of conduct that are expected of us. This Code contains some examples of practical questions and answers to those questions; however, it cannot provide responses to every possible situation or cover all important topics in detail.

Therefore, the Code of Ethics also contains guidelines for making ethical decisions when we find ourselves in an ethically challenging situation, for which there are no explicitly prescribed rules, and it clarifies the procedure in case of uncertainties and doubts.

In situations of doubt, it is important to know that we should always be guided by our core values and use the ethical decision-making model described in this Code. We can also always ask for advice, express our concerns about a situation that is not in accordance with the Code of Ethics, or report a violation in the ways prescribed by this Code and/or other HBOR documents.

The Code of Ethics applies to all employees of HBOR, including members of the Management Board, and it also applies appropriately to members of the Supervisory Board and of the Audit Committee of HBOR, as well as to external stakeholders, including clients, suppliers and other stakeholders to the extent applicable to them.

The Code of Ethics is adopted by the Management Board with the consent of the Supervisory Board.

CORE VALUES

INTEGRITY

In our procedures and decisions we act diligently, responsibly and fairly. In our work, we adhere to all relevant regulations, internal rules and high professional and ethical standards.

We develop an ethical culture with the aim of complying with increasingly demanding regulatory requirements, internal rules, but also respecting high business standards and ethical rules, thereby encouraging a high level of conscientious behaviour of each employee. Acting with integrity means making the best decision at all times, even when faced with doubts about how to act or when we find ourselves under certain pressure.

SUSTAINABILITY

We want to make a positive contribution to sustainable development and create a responsible attitude and behaviour among our employees and other stakeholders. Our responsibility is to use available resources responsibly, which enables us today, but also future generations, to further develop and improve living conditions.

We strive to make environmental, social and governance factors (hereinafter: „ESG“) the basis of our business and decision-making, both at the HBOR level and at the level of each employee. We are focused on providing services and products and undertaking the activities that contribute to the sustainable development of society.

Economically, ecologically and socially sustainable development represents one of the main values of national, regional and global developments. Our goal is to support sustainable financing and thus participate in creating solutions for a sustainable economy and support the green transition in accordance with the interests of the Republic of Croatia.

TRANSPARENCY AND CONFIDENTIALITY

We conduct our business activities by cultivating the values of transparency and confidentiality by ensuring a balance of the requirements arising from these two values.

We apply business transparency in relation to internal and external stakeholders and regularly report on our business activities to those to whom these activities relate, taking into account the completeness and timeliness of information.

We safeguard the confidentiality of data and information we obtain while performing business activities, especially those that may be considered banking or business secrets under special regulations.

We place special emphasis on the protection of personal data of all stakeholders whose personal data we process, including our employees, and we continuously promote awareness of the need for an appropriate and lawful handling of personal data and privacy protection.

EXPERTISE AND CLIENT-ORIENTED APPROACH

Expertise and client-oriented approach are the foundation of our business activities. We make decisions by applying professional knowledge to available facts, excluding prejudices of any kind.

We base our expertise on the knowledge and skills of our employees, in whose education, professional training and development we continuously invest.

Our clients are at the centre of our business activities. We approach clients professionally and fairly, and

in our mutual relationships we foster accessibility, reliability, equality and professional responsibility.

PROACTIVITY AND INNOVATION

Proactivity is our approach to business that permeates all our activities and organisational values.

We take the initiative and identify or create ourselves the opportunities to provide proactive support to the overall economic development and interests of the Republic of Croatia.

We exchange experience with other national promotional banks and institutions, export credit agencies and international institutions, we are in a constant interaction with key stakeholders, we recognise their needs that are not adequately covered in the market, and we actively find innovative solutions for eliminating market gaps and providing support to the economic development.

PRINCIPLES OF GOVERNING ETHICALLY IMPORTANT AREAS OF BUSINESS

This Code of Ethics identifies certain areas of business that we consider especially important, and for which the principles of conduct when making decisions are established. We are always guided by our core values and principles of governing ethically important areas of business that are explained below, and particularly in case of ethically challenging situations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS (ESG FACTORS)

ESG factors are environmental, social and governance factors that we use for the assessment of sustainability of our business.

E – (Environmental) factors: mitigation of, and adjustment to climate changes, protection of water and sea resources, maintaining biodiversity and ecosystems, transition to sustainable and circular economy, pollution control and prevention.

S – (Social) factors: human rights, gender equality, poverty prevention, accessibility of healthcare, prevention of child and forced labour, freedom of workers' association and collective bargaining.

G – (Governance) Governance factors: quality, experience and independence of governance structures, transparent reporting, corruption and crime prevention, ethical business, responsible risk management, attitude towards employees, other stakeholders and wider community.

We recognise the importance of impact of our activities on the society and the environment and strive to find necessary and adequate measures as response to potential and actual negative effects. We attribute significant importance to the efficient application of sustainability principles and consideration of ESG factors through our activities, governance model and given commitments.

We tend to integrate ESG factors into our business activities and all areas of HBOR's operations while proactively searching for and offering the possibilities of investing and financing that support ecological, social or governing progress.

We want to be leaders in advocating for sustainable solutions by supporting the transition of our clients to a carbon-neutral, climate-resilient and sustainable economy through providing sustainable financial products. On that path, we comply our portfolio with the plans of low-carbon strategies and make an active contribution to climate commitments and the fulfilment of sustainable development goals.

We are dedicated to respecting and harmonising our operations with the principles of the UN Global Compact initiative, within the framework of which we have committed to environmental responsibility, advocating for human rights protection, respecting of principles established by fundamental conventions of the International Labour Organisation, and particularly to collective association, the prohibition of forced and child labour, anti-discrimination related to employment, as well as to the involvement in combating corruption and the application of zero-tolerance for corruption.

In our business operations, we apply corporate governance rules that aim to establish, maintain and improve the standards of corporate governance and transparency of HBOR's operations for the purpose of efficient and responsible management of funds and operations of special social importance in the function of the Croatian economy. The core principles of HBOR's corporate governance are: legality, transparency and publicity of operations, segregation of duties, powers and responsibilities, i.e. clearly elaborated procedures for the work of the Supervisory Board, the Management Board and other bodies that make important decisions, conflict of interest prevention, efficient internal supervision and internal controls system, strengthening of personal responsibility and corporate social responsibility.

HUMAN RIGHTS

In accordance with the accepted principles of the UN Global Compact initiative, we in HBOR are committed to the protection of human rights in accordance with the principles of the UN Universal

Declaration of Human Rights, (European) Convention for the Protection of Human Rights and Fundamental Freedoms and respect the principles established by the fundamental conventions of the International Labour Organisation. In addition to committing ourselves to the protection of human rights, we also condemn the violation of human rights in any form.

We are dedicated to respecting human rights of all stakeholders (workers, clients, suppliers and other business partners) and expect them to respect the rights of others. These rights include, but are not limited to:

- Right to life
- Freedom and safety of person
- Right to human dignity
- Freedom of opinion
- Right to the highest possible health standard
- Right to fair and favourable working conditions
- Right to fair wage and decent life
- Right to confidentiality of personal and sensitive data
- Right to adequate standard of living
- Right to the establishment of, and joining the trade union and right to collective bargaining
- Prohibition of all forms of forced labour
- Prohibition of child labour
- Prohibition of all types of discrimination.

Our goal is not only to support and advocate for human rights, but also to promote them actively through our programmes and products, as well as activities we do and thus contribute to the positive effect on the society.

QUESTION / ANSWER

Q: While checking the eligibility of a client for a loan programme, I came across the information that the client uses child labour in third countries. Taking into account that in Croatia child labour obviously cannot be used, can we take into consideration such a client for a loan programme if he/she meets all other requirements?

A: The use of child labour anywhere and at any time is not eligible. This is the fundamental human right that must not be violated, and we ask all stakeholders, including our clients, to respect the rights of others. Such information or activities that violate human rights represent the activities not eligible for financing and such information or suspicion should be reported to a superior and all information should be entered completely and truthfully into the credit file.

EQUAL OPPORTUNITIES, NON-DISCRIMINATION AND NON-HARRASSMENT

We guarantee equal opportunities in employment, development and promotion of employees. We apply the criteria of objectivity, expertise and equal opportunities to ensure the selection of experts with high level of professional integrity that fit into our value system. We pay equal salary for equal work or the work of equal value regardless of gender.

We incorporate the principles of gender equality in all areas of our business, both with respect to employees and in our business activities.

We ensure that all employees work in an environment that promotes mutual trust and respect, where everyone is treated fairly and equally, with no direct or indirect discrimination or preference based on race, ethnicity or skin colour, gender, language, religion, political or other belief, national or social origin, financial situation, membership in trade union, education, social status, marital or family status, age, health, disability, genetic inheritance, gender identity, expression or sexual orientation, but also without any other unwanted behaviour the aim of which is, or actually constitutes, the violation of a person's dignity, and which causes fear, hostile, humiliating or offensive environment.

We are committed to providing a safe and healthy working environment in which we all have the opportunity to contribute with our greatest potential. We apply zero tolerance to any type of harassment at workplace. Harassment is a type of conduct that creates an offensive, intimidating, humiliating or hostile working environment that obstructs other person's work. Harassment can be either physical or verbal and can be done personally or in any other way (such as sending of upsetting messages or e-mails).

Sexual harassment is any verbal, non-verbal or physical unwanted conduct of a sexual nature that has the purpose or effect of a person's dignity violation and that causes an intimidating, hostile, humiliating or offensive environment.

Examples of harassment include sexual assaults or remarks, offensive jokes, bullying, isolation or non-cooperation with colleagues or spreading of malicious or offensive rumours, as well as other types of conscious or unconscious behaviour of one or several persons with the aim of removing the person from his/her workplace or from his/her field of action, as well as the communication among colleagues at workplace or between subordinate employees and superiors which is burdened by conflict.

QUESTION / ANSWER

Q: I am in a position to nominate one of my subordinate employees for promotion. Is it correct to exclude from the promotion a colleague who uses sick-leave for her child more frequently than others, and for whom I have the information that she plans to enlarge her family?

A: No, this is not correct decision-making and presents discrimination. All decisions with respect to labour relations are made on the basis of relevant factors such as professional qualifications and work performance.

Q: After a business trip, where HBOR's delegation consisted of three female colleagues and one male colleague, several persons meet a male colleague who is also a superior to one of the female colleagues from the delegation. This person makes comments, addressing the male colleague: „Congratulations, you should be included in the accelerated retirement plan“ alluding to the composition of the delegation. Can such a behaviour be considered a joke and is that an acceptable manner of conduct?

A: Such behaviour is absolutely not appropriate or acceptable, it cannot be considered a joke and must be avoided in any occasion. Such behaviour is offensive both for the female colleague and the male colleague and constitutes harassment that may result in a complaint to the Commissioner for the Protection of Employees' Dignity.

CONFIDENTIALITY AND DATA PROTECTION

We handle the data of our clients, employees and other stakeholders with responsibility and protect them appropriately. The confidentiality of data is very important to us. The data which represent a business and banking secret, including personal data, are handled in the way to ensure their confidentiality and secrecy. The data classified as a business or banking secret of HBOR must not be communicated or made available to unauthorised persons, except in cases provided for by relevant regulations and internal documents of HBOR.

We protect personal data of clients, employees, business partners and other persons and handle them appropriately and transparently, in accordance with relevant regulations and internal documents of HBOR. We are all responsible for respecting the confidentiality and implementing of all personal data protection measures, the accuracy and keeping of the data up to date in accordance with our authorities and positions, as well as for notifying the Data Protection Officer in case of the violation of personal data protection.

The obligation to keep banking and business secrets, as well as the obligation to respect the

confidentiality of personal data continues even after the termination of employment at HBOR, the termination of membership in HBOR bodies and other bodies, i.e. the termination of contractual relationship for occasional performance of duties in HBOR.

QUESTION / ANSWER

Q: A very good friend of mine and a person of trust asked me to check the terms and conditions of a loan approved to a client. He guarantees that he will use the information only for private purposes and will not share it with anyone else. Am I allowed to give him the requested information orally?

A: No, these are confidential data and constitute a banking secret.

Q: I noticed a document in the rubbish bin that contains a series of personal data. I do not know how it ended up there, but the document is complete, and the data are clearly visible. Should I destroy the document or what should I do with it?

A: In the described case, there may be a breach of personal data; the document must be kept safe and the Data Protection Officer, the Head of IT Security and the data owner must be notified if it is established to whom the data belong.

TRANSPARENCY

We are aware that transparent operations and work in accordance with ethical principles can significantly contribute to increasing our success and visibility.

We act transparently and in accordance with applicable regulations in our dealings and communications with all stakeholders. We publish accurate and truthful, quantitative and qualitative data on the sustainability and financial condition and operations of HBOR in a timely manner and communicate with all stakeholders on issues that relate to them without delay.

We are transparent in all our operations, which includes reporting on activities and providing clear and informative information to all internal and external stakeholders. We value feedback from our stakeholders and use it to improve our actions. We will continue to ensure transparency in our operations through the development of a reporting system on the impact of HBOR's activities on the overall economic development of the Republic of Croatia and through regular audits of operations.

QUESTION / ANSWER

Q: The information published on the HBOR website is not complete or completely accurate. The colleague in charge told you that it is only a way of communication and conducting of marketing activities. Is that right?

A: This is not all right, each communication must be transparent. We disclose clear, accurate and truthful information both to the internal and external environment.

PRIVILEGED INFORMATION

By the nature of our business, we may come into possession of privileged information that may have a positive or negative impact on the price of financial instruments.

Privileged information is information that is not publicly available and that relates directly or indirectly to HBOR or one or more of its financial instruments as well as to HBOR's clients and which, if made public, would likely have a significant effect on the prices of financial instruments or the prices of related

derivative financial instruments and an investor would likely take such information into account as part of the basis for his or her investment decision.

Anyone who takes advantage of privileged information for the purpose of obtaining a material benefit for himself/herself or a third party commits the criminal offence of misuse of privileged information. If we possess privileged information, we must not trade in the financial instruments to which that information relates. It is prohibited to recommend or encourage another person to trade on the basis of privileged information, and it is prohibited to unlawfully disclose privileged information.

At HBOR, we do not tolerate any attempts to misuse privileged information and we take necessary measures to prevent such misuse in accordance with our internal regulations.

QUESTION / ANSWER

Q: In my conversation with a client, I received information on the basis of which I could make a good transaction with shares for my own account, before this information becomes public. Can I use that information to complete a transaction?

A: No, the performance of such a transaction is prohibited, because it could be considered as misuse of privileged information.

WE AVOID CONFLICTS OF INTEREST

At HBOR, we avoid all kinds of conflicts of interest. We make decisions respecting all applicable rules and internal documents of HBOR, professional standards, ethical rules and interests of HBOR and HBOR's clients. A conflict of interest is considered any situation, in which the private interest of an employee is in conflict with the interest of HBOR, and any situation, in which an employee can benefit himself/herself and the people close to himself/herself to the detriment of HBOR.

A conflict of interest can take the form of:

- An actual conflict of interest that exists when the private interest of an employee of HBOR is in the conflict with the interest of HBOR, and particularly when the private interest of an employee of HBOR affects or when it may be considered to affect his/her impartiality in performing his/her duties at HBOR,
- A potential conflict of interest that exists when the private interest of an employee of HBOR is in the conflict with the interest of HBOR, and particularly when the private interest of an employee of HBOR can affect his/her own impartiality in performing his/her duties at HBOR,
- A perceived conflict of interest that exists if the public can get the impression that the employee's private interest could inappropriately influence the performance of business, but this is not actually the case.

We have defined close persons of HBOR's employees as follows: family members (spouse or common-law partner, life partner and informal life partner, relatives by blood in the direct line, brothers and sisters and adoptive or adopted relatives) as well as all other legal entities¹ and natural persons who can be, in accordance with other grounds and circumstances, justifiably considered to be related in interest to an employee of HBOR (e.g. previous employers of an employee).

The following text contains examples of situations that we must be particularly aware of and manage:

- involvement of HBOR's employees, members of decision-making bodies during and after the termination of their functions at HBOR, in a private capacity, directly or indirectly, in a transaction or contractual relationship, in which HBOR is involved;

¹ For the purposes of this Code of Ethics, the following persons in a legal entity are considered close persons:

- owner,
- members of the board or other responsible persons who are responsible for business in the legal entity,
- members of supervisory boards,
- procurators.

- negotiation, participation in decision-making or contract execution on behalf of HBOR with a legal entity or natural person, who is a close person to an employee of HBOR;
- performing of private additional jobs and engagements (external business activities);
- receiving gifts, hospitality and other forms of favouritism (invitations to cultural events, conferences, other events); and
- other circumstances that could create any form of a conflict of interest.

On the performance of external business activities, on the involvement of HBOR's employees, members of decision-making bodies² during and after the termination of their functions at HBOR, in a private capacity, directly or indirectly, in a transaction in which HBOR is involved, on negotiation, participation in decision-making or contract execution on behalf of HBOR with a legal entity or natural person, who is a close person to an employee of HBOR, and on all other situations and circumstances that have created or could create any form of a conflict of interest (actual, potential or perceived conflict of interest) we are obliged, without delay, to notify the superior and to report the aforementioned circumstances to the Compliance Monitoring Function, unless the respective circumstances are prescribed by the Act on Preventing Conflict of Interest, in which case the persons obliged to act in accordance with the provisions of the Act shall act accordingly.

The Compliance Monitoring Function assesses a conflict of interest in the manner and taking into account the elements prescribed by HBOR's internal documents and gives its opinion on conflict of interest that includes recommendations aimed at reducing the threat of occurrence of a conflict of interest.

QUESTION / ANSWER

Q: My wife is a consultant on a project for which an application for financing with HBOR loan has been submitted. I work in the Credit Division, in an organisational unit that processes loan applications. Even though I am not involved in making loan approval decisions, do I have to report this situation to the Compliance Monitoring Function even though I have exempted myself?

A: Yes, certainly. Even if an employee has exempted himself/herself from working on a case and has notified his/her superior, the situation must be reported to the Compliance Monitoring Function. The Compliance Monitoring Function shall assess whether there is a conflict of interest in a specific case and shall give its opinion that includes recommendations for action.

GIFTS, PRESENTS AND HOSPITALITY

Receiving and giving gifts, presents, hospitality or similar benefits are often considered part of business culture and tradition.

We understand that the exchange of business gifts and invitations to certain events is a socially acceptable component of a business relationship, but it is necessary to take care that such situations do not bring us into a conflict of interest and thus harm our reputation and the reputation of HBOR.

Therefore, at HBOR, we neither receive nor give gifts, hospitality or other benefits that are not of symbolic value, and before we accept any gift, hospitality or other benefits (hereinafter: gift), we are obliged to make an assessment on our own by using at least the following questions:

- Can the receiving of this gift influence my decision or create the impression that it influences my decision in the business process related to the donor, i.e. has the gift been offered at the time of negotiation or decision-making about a business relationship?
If the answer is YES, we must not accept the gift regardless of its monetary value.
- Will I feel comfortable if my colleague or my immediate superior learns about the gift?

² For the purposes of this Code of Ethics, decision-making bodies are considered to be: Supervisory Board, Management Board, Credit Committee and other committees and employees to whom decision-making powers have been transferred.

If the answer is NO, we must not accept the gift regardless of its monetary value.

We make a distinction between the following types of gifts:

- Goods, rights and services,
- Free seminars (participation fee), conferences and other events that may include hospitality.

We can accept gifts that are customary in business situations in the value of up to EUR 66.00 (symbolic value), provided that we must not accept gifts in money and monetary equivalents (gift vouchers with an expressed monetary value, etc.) regardless of the amount. A gift in money, securities and precious metals does not include numismatic money, commemorative circulation coins packed in commemorative packaging or numismatic sets.

The value of the gift is assessed as the market value and not as the purchase value of the gift.

Furthermore, when we give gifts, we follow the rules that apply to receiving gifts, both in terms of the value of the gift and in terms of the acceptability of the gift. Whenever possible, we also pay attention to the rules on giving gifts to those to whom we direct them too.

QUESTION / ANSWER

Q: A client offered me a gift voucher in the amount of EUR 50, which I can use in a well-known drugstore chain. Since it is a symbolic value, can I accept this gift?

A: No. Gifts in money and money equivalents (gift vouchers with an expressed monetary value, etc.), regardless of the amount, must not be accepted.

As an exception, if a gift exceeds the symbolic value of EUR 66.00, and it is considered a normal gift on a business occasion in which it is given, and in the case of invitations to free seminars, conferences and other events that may include hospitality and that are offered to you free of charge, just like in case of any doubt regarding acceptability, it is necessary to make an assessment on one's own and request an opinion on the acceptability of the gift from the Compliance Monitoring Function.

We can use hospitality funds and accept usual business hospitality in accordance with the circumstances, provided that a representative of the host is present and that it is related to the performance of work tasks at HBOR. Giving or accepting hospitality that goes beyond the usual purpose of such events, i.e. beyond the performance of tasks at HBOR, constitutes excessive hospitality, i.e. an inappropriate gift. In case of doubt as to whether a specific case constitutes excessive hospitality, we must request an opinion from the Compliance Monitoring Function.

In such situations, it is necessary to assess:

- The moment when an event to which an employee of HBOR is invited takes place (whether there is an open client's application at HBOR, an event in the business relationship with the client that needs to be resolved, an announcement of the expansion of business cooperation, payment problems, business cooperation between HBOR and the organiser of events to which you are invited, etc.),
- The business justification of attending such an event, as assessed by the superior of the invited HBOR's employee,
- HBOR's interest in being present at the entire event (e.g. if it is an event that lasts several days).

QUESTION / ANSWER

Q: I have been invited to a two-day event organised by HBOR's client; other commercial banks have also been invited to the same event. In addition to an hour-long tour of the client's production facilities in the morning, the event includes lunch, dinner, music concert and breakfast the next day. Should I ask for an opinion from the Compliance Monitoring Function?

A: Yes, an invitation to an event that includes hospitality must definitely be reported to the Compliance Monitoring Function, which will assess its acceptability and give an opinion respecting the employee's own assessment.

BRIBERY AND CORRUPTION

In our operations, we follow the approach of zero-tolerance to all forms of corrupt activities, which aims to prevent, suppress, expose and sanction all forms of corruption as a harmful phenomenon that violates fundamental social values. We always act in accordance with the highest standards of integrity, ethics and professional conduct.

The forms of corrupt activities are especially as follows: bribery, requesting commission, extortion, misappropriation of funds, favouritism in public procurement procedures, partiality and nepotism, inappropriate financing of political activities, conflict of interest, illegal sponsoring and donations, inappropriate gifts and other values.

It is forbidden to request or accept monetary or other benefits from any third person or group in exchange for performing or failing to perform a certain job or work task of an employee at HBOR. HBOR's employees or any other persons acting on behalf of HBOR are prohibited from offering, giving, promising or granting a monetary or other benefit to any third person or group, including foreign public officials in international transactions, with an objective of obtaining an unjustified advantage in any form. We also avoid activities or behaviours that arouse suspicion or create the impression of bribery or corruption.

At HBOR, we take all necessary measures to prevent, suppress, expose and sanction all forms of corrupt activities and frauds in accordance with our internal documents.

QUESTION / ANSWER

Q: A client approached me with the proposal that he/she would give me a "small" sign of appreciation in order to speed up the processing of his/her application. What should I do?

A: Such behaviour is not acceptable, because it could be considered as acceptance of a bribe and a form of corrupt activity. Always act in accordance with the highest standards of integrity, ethics and professional conduct.

POLITICAL ACTIVITY

HBOR respects the right of employees to be actively involved in political life, but we must strictly separate our political activities from our work activities at HBOR.

In the case of candidacy for presidential, parliamentary, European Parliament or local elections, we must inform the superior person and the Compliance Monitoring Function immediately upon learning about it in order to regulate all our obligations and rights in the event that the candidacy is successfully realised.

We must not ask for contributions (e.g. money) or any other similar support from our colleagues or distribute material that is not related to work to our colleagues during working hours or on the premises where work is carried out, and we must not use HBOR's resources (e.g. computers, telephones, printers, photocopiers, etc.) for these purposes.

While carrying out political activities, we must not abuse our position at HBOR, we must not use the official designations of HBOR or the authority of our position at HBOR, and we must refrain from conduct that could have a negative impact on the reputation of HBOR.

We are opposed to any form of material or financial support for political parties and promote transparent public advocacy through business and interest organisations.

QUESTION / ANSWER

Q: My party has decided to include me in the candidate list for the local elections. I have no chance in the elections because I am low on the list, and I am included only to fill the mandatory quota (by gender). Do I need to inform the Compliance Monitoring Function accordingly?

A: Yes, certainly. It is necessary to inform the Compliance Monitoring Function as well as the superior person.

USE OF ASSETS

We manage HBOR's assets efficiently and transparently, preserving their value.

We use the assets of HBOR with due care, we use them for permitted business purposes in accordance with the assigned powers and conditions prescribed by the internal documents of HBOR, and we are personally responsible for the assets, we are in charge of.

We may use the means of work, we are in charge of, only to fulfil work obligations at HBOR. We use HBOR's information system only for business purposes and ensure that business information is secure and always available to those who need it.

QUESTION / ANSWER

Q: My son has a school task, and his computer is being repaired. So, I would like to give him my official laptop for several hours only, without access to HBOR's network. Is that acceptable?

A: No, that is not acceptable. The laptop computer provided by HBOR to an employee for working from home is the property of HBOR, the data on it are part of HBOR's information resources and may only be used for work from home purposes and must not be made available to other persons.

WHISTLEBLOWER PROTECTION

We continuously improve our own business, ensure its transparency and manage possible adverse impacts with quality by ensuring confidential communication channels and grievance mechanisms.

We have an effective irregularity reporting system in place, through which illegal actions or omissions can be reported to the Grievance Officer, regardless of whether they are reported by employees or third parties (our clients included). All reports are treated confidentially, and measures are taken to protect whistleblowers in accordance with relevant regulations and HBOR's internal documents.

Reports can be submitted anonymously as well.

QUESTION / ANSWER

Q: In the course of my work, I learned about certain irregularities in the implementation of public procurement. Can I report irregularities anonymously?

A: Yes, anonymous reports of irregularities are also processed, and a person that submits an anonymous irregularity report, in case his/her identity is subsequently revealed, also enjoys the protection provided for whistleblowers.

Q: A colleague reported our superior to the Grievance Officer because of some irregularities, he named me as a witness, so I also gave a statement. May I inform my superior about this? I am afraid that there could be some negative consequences for me if I do not tell him what is happening, and the irregularities, for which he was reported, do not seem significant to me.

A: You must not say anything to the superior person, the procedure upon reported irregularities is confidential, and all participants are obliged to maintain the confidentiality of the procedure. Persons related to the irregularity reporting person also enjoy identity protection and confidentiality.

ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING

We are committed to preventing money laundering and terrorism financing (hereinafter: AML/CFT), and we refrain from any behaviour that constitutes or supports criminal offences of financial crime.

We continuously take all the necessary measures to prevent the use of HBOR for the purposes of money laundering and terrorism financing, and we act in accordance with the regulations governing AML/CTF and the internal documents of HBOR prescribing the measures, actions and procedures taken at HBOR and other preventive measures aimed at counteracting and detecting money laundering and terrorism financing.

We conduct appropriate due diligence activities and controls to get to know our clients. We report suspicious business relationships to the persons authorised for AML/CTF at HBOR. We use available technological solutions to improve the efficiency of our AML/CFT system.

Persons authorised for AML/CTF provide both advisory and practical assistance to HBOR's employees in specific business situations in order to ensure our compliance with legal obligations in this area.

QUESTION / ANSWER

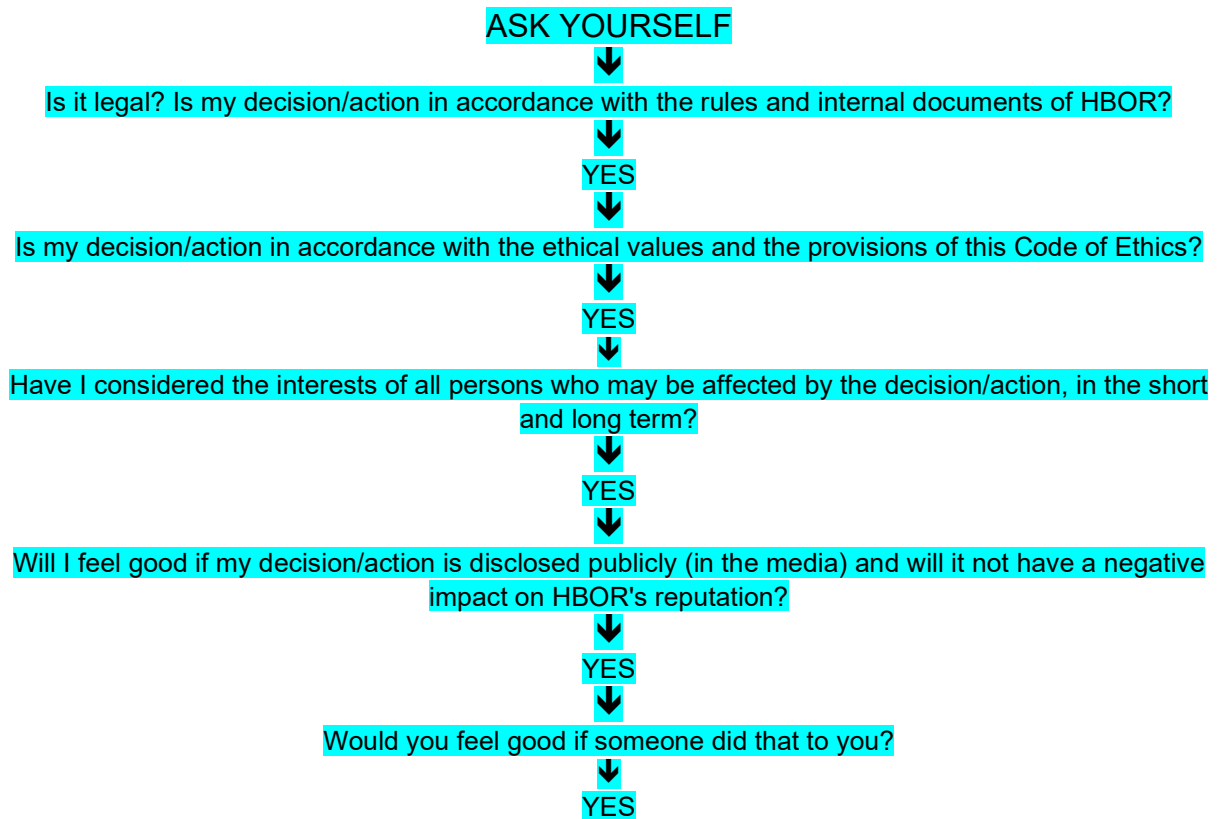
Q: During the due diligence analysis of a loan applicant, I noticed that, in the complex ownership structure, there was an ultimate beneficial owner, whose name had been listed on the EU sanctions list a month before. The loan applicant submitted to HBOR all the documentation required under the loan programme, and his business results so far have been very good. Can I propose to HBOR's decision-making bodies the approval of the loan or not?

A: No, in the described situation, you do not submit a loan approval proposal to the decision-making bodies, but you must contact the persons authorised for AML/CTF at the address: spnft@hbor.hr. The persons authorised for AML/CTF will carry out additional checks and, if the respective person really is the person listed on the sanction list, they will inform the competent bodies.

ETHICAL DECISION-MAKING MODEL

We count on you to do the right thing when it comes to your actions. In the text below, the questions are listed that represent the guidelines for making ethical decisions when we find ourselves in an ethically challenging situation, for which there are no explicitly prescribed rules on how to act, and they clarify the procedure in case of doubt and uncertainty when making decisions or acting.

The answers to the following questions can help you decide what you should do:



If the answer to all of the above questions is "YES", you can proceed with the decision-making process or the proceedings.

If the answer to any of the above questions is "NO", do not proceed with the decision-making process or the proceedings.

If you are not sure how to answer any of the above questions, ask your superior for advice or guidance. If you are still not sure how to proceed in a particular situation, please contact the Compliance Monitoring Function.

REPORTING A VIOLATION OF THE CODE OF ETHICS

If you have been informed or have the reason to believe that there has been a violation of the Code of Ethics by an employee of HBOR, in the part that is the responsibility of the Compliance Monitoring Function (conflict of interest, gifts and hospitality, political activity or privileged information), or that it could happen, report it to the Compliance Monitoring Function without delay. Since the violation of ethical rules and the behaviour contrary to the norms of this Code represent a violation of employment obligations, HBOR's Management Board shall determine the merits of the report and make a decision on violation severity and sanctions, and such a decision is made by HBOR's Supervisory Board in case of a report against HBOR's Management Board members.

The report is submitted on the template via electronic mail to the address: etickikodeks@hbor.hr or by mail to the address: Hrvatska banka za obnovu i razvitak, Funkcija praćenja usklađenosti (Croatian Bank for Reconstruction and Development, Compliance Monitoring Function), Strossmayerov trg 9, 10 000 Zagreb.

Irregularity reports in accordance with the Act on the Protection of Persons Reporting Irregularities and the Ordinance on the Manner of Appointing Grievance Officer and the Procedure of Reporting Irregularities in the Croatian Bank for Reconstruction and Development can be sent by mail to the address: Croatian Bank for Reconstruction and Development, Grievance Officer, Strossmayerov trg 9, 10 000 Zagreb or by e-mail to the address: povjerljivaosoba@hbor.hr or to the official mobile phone number of the Grievance Officer and Deputy Grievance Officer that is disclosed on HBOR's website.

An employee who believes that he/she has been harassed or sexually harassed can, in accordance with the internal document, at his/her own discretion, submit a written complaint in a sealed envelope to the Management Board of HBOR or to the Commissioner for the Protection of Employee' Dignity with the indication "Urgent – Employee's Dignity Protection Procedure" or by e-mail to the official e-mail address of HBOR's Management Board or the Commissioner.

For individual areas of business governed by special rules, the special rules governing those areas apply to reports and procedures upon reports.

In case of any other questions you may have regarding this Code of Ethics or in case of need to express your concern regarding the implementation of this Code, you can contact the Compliance Monitoring Function via e-mail address: etickikodeks@hbor.hr.

All reports and inquiries are treated as confidential.

APPLICATION AND DISTRIBUTION OF THE CODE OF ETHICS

The Code of Ethics is published on the Intranet and Internet sites of HBOR.

The Code of Ethics applies to all employees of HBOR, Management Board members included, and it also applies, in an appropriate manner, to the members of the Supervisory Board and the Audit Committee of HBOR and to external stakeholders, including clients, suppliers and other stakeholders to the extent applicable to them.

All employees of HBOR and other persons subject to the Code shall abide by all provisions and principles of the Code to the extent applicable to them, and shall familiarise themselves with the content of the Code of Ethics as soon as it is published.

All employees of HBOR shall be regularly educated on the ethically important areas that are the subject matter of this Code through a module containing education and examination segments, which employees are required to successfully master within a specified period. HBOR's employees shall participate in training on the Code of Ethics, which shall be additionally confirmed by the signing of the Employee Statement on Accessing the Code of Ethics.

Refusal to timely participate in training and/or refusal to sign the aforementioned Statement shall constitute a violation of the work obligation as well as a violation of the provisions of the Code of Ethics.

The Compliance Monitoring Function shall periodically (generally, once every two years) update this Code of Ethics.

The Compliance Monitoring Function shall, within the framework of regular reporting, report to the competent bodies of HBOR on the implementation of the Code of Ethics in relation to the parts that are the responsibility of the Compliance Monitoring Function.

This Code of Ethics shall enter into force eight days after it has been published.

On the date of entry into force of this Code of Ethics, the Code of Conduct of HBOR adopted in March 2010 and its amendments adopted in September 2010 shall cease to be in effect.

Proceedings due to violation of the Code of Conduct of HBOR, as well as other proceedings that have been initiated and have not been completed by the entry into force of this Code of Ethics, shall be concluded in accordance with the provisions of the Code of Conduct of HBOR.

The Code of Ethics shall be published on HBOR's Intranet sites on 23 September 2024 and shall come into force on 2 October 2024.

EMPLOYEE STATEMENT ON ACCESSING THE CODE OF ETHICS

By signing this Statement, I confirm that I have read the Code of Ethics and that I acknowledge that I am obliged to act in accordance with the Code of Ethics and to attend the training. I confirm and acknowledge that, when making business decisions and when performing daily work tasks, I shall act in accordance with the Code of Ethics representing the rules and providing the guidelines that I must respect, and that I am aware that violating the provisions of the Code of Ethics constitutes a violation of employment obligations.

I undertake to return this Statement, signed and with unchanged contents, to the Compliance Monitoring Function, and the Compliance Monitoring Function shall forward the Statement to the Human Resources.

Place and date

First name and last name of employee:

Signature: