



CODE OF ETHICS



Croatian Corporate Governance and
Management Society

CODE OF ETHICS

of the Croatian Corporate Governance and Management Society

PREAMBLE

Members of the Croatian Corporate Governance and Management Society, guided by the principles of responsible and sustainable governance in companies, financial institutions, public enterprises, and other organizations with a supervisory board, management board, or governing council, pursuant to Article 27, paragraph 1, item 2 of the Statute of the Croatian Corporate Governance and Management Society, hereby adopt this Code of Ethics as an expression of their professional and ethical responsibility in performing the duties of members of supervisory and management bodies.

This Code represents a set of binding ethical principles to which members shall adhere in their professional conduct. Its implementation contributes to strengthening stakeholder trust, enhancing transparency, supporting the stability of capital markets, and promoting responsible governance.

The Code is based on the following sources:

- OECD Principles of Corporate Governance (2023)
- Code of Corporate Governance of HANFA and the Zagreb Stock Exchange
- UN Guiding Principles on Business and Human Rights
- Applicable Croatian legislation and business practices.

Compliance with the principles of this Code is mandatory for all members of the Society. Its application is also recommended to a broader group of professionals performing supervisory and managerial functions in economic entities and other organizations that have a supervisory board, management board, or governing council.

1. GENERAL PROVISIONS

1.1 Purpose of the Code

The purpose of this Code is to ensure high standards of professional and ethical conduct in the work of members of supervisory and management bodies. The Code promotes:

- independence and integrity in decision-making
- sustainability and responsible governance
- inclusiveness and equality
- the balance of interests among all stakeholders (shareholders, employees, consumers, the community, and the environment)
- digital ethics and the responsible use of artificial intelligence.

1.2 Principle of Voluntary Adoption and Binding Application

The Code is voluntarily adopted by members, yet its application is binding within the activities of the Society. It also serves as a professional guideline for members of supervisory and management bodies in their respective organizations.

1.3 Scope of Application

This Code applies:

- as an internal act of the Society
- as a professional guideline for members
- as a document for external communication, including public appearances, cooperation with regulators, and participation in professional initiatives.

2. PRINCIPLES OF ETHICAL CONDUCT

2.1 Responsible Approach to Office

Acceptance of a position as a member of the management board or supervisory board of a company or other organization that has a supervisory board, management board, or governing council shall be preceded by a thorough understanding of the associated responsibilities, applicable rules, and ethical obligations. Each member must possess appropriate expertise, independence of judgment, and integrity.

2.2 Principle of Due Care and Loyalty

Members are obliged to act with the care of a prudent and diligent businessperson, in the interest of the company as a whole, while respecting the balance of interests between shareholders and other stakeholders. This duty of care equally applies when performing functions in other organizations, always with due regard to the interests of all stakeholders.

2.3 Professional Development and Lifelong Learning

Members are required to continuously develop their knowledge and competencies, particularly in the areas of:

- ESG factors
- digital transformation and ethics of artificial intelligence
- risk management and organizational resilience
- good practices in corporate supervision

2.4 Independence and Objectivity

Independent decision-making is a fundamental value of ethical conduct. Members must avoid conflicts of interest and, in the event that such conflicts arise, immediately disclose them and refrain from participating in related decision-making processes.

2.5 Ethical and Transparent Communication

Communication with other members, stakeholders, and the public shall be based on truthfulness, legality, timeliness, and respect for confidentiality and business secrecy.

2.6 Sustainable and Inclusive Governance

Members shall promote socially responsible governance, including gender equality, environmental protection, fair working conditions, and respect for human rights.

2.7 Digital Ethics and Responsible Data Management

The use of digital tools and artificial intelligence in business shall be grounded in the principles of accountability, transparency, and protection of fundamental rights, particularly the right to privacy.

3. RESPONSIBILITY AND OVERSIGHT

3.1 Compliance and Oversight Committee

To monitor the implementation of this Code and ensure compliance, the Presidency shall appoint a Compliance and Oversight Committee. The Committee shall consist of three members and shall have the following powers:

- to interpret the provisions of the Code
- in cases of reports or justified suspicions of breaches, to propose the initiation of disciplinary proceedings before the competent bodies specified in Article 20 of the Statute of the Croatian Corporate Governance and Management Society
- to recommend appropriate disciplinary measures in accordance with Article 20 of the Statute.

3.2 Violations and Sanctions

A violation of this Code may include, inter alia:

- intentional concealment of a conflict of interest
- participation in decision-making contrary to the principle of responsibility
- neglect of sustainability and stakeholder interests

Possible sanctions in the form of disciplinary measures are prescribed under Article 20 of the Statute of the Croatian Corporate Governance and Management Society

4. TRANSITIONAL AND FINAL PROVISIONS

4.1 Adoption and Entry into Force

This Code of Ethics shall enter into force on the date of its adoption at the session of the Main Committee of the Croatian Corporate Governance and Management Society held on 7 October 2025.

4.2 Review and Amendments

The Code shall be reviewed and, where necessary, amended to reflect changes in legislation, international standards, or developments in corporate governance practice.