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**EG ETHICAL AND ENVIRONMENTAL  
CODE OF CONDUCT FOR SUPPLIERS OF  
GOODS AND SERVICES**

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## 1 INTRODUCTION

**Erste Group (EG)** was founded in 1819 as the first Austrian savings bank. In 1997, Erste Group decided to become a publicly-listed company, with a strategy to expand its retail business into Central and Eastern Europe (CEE). Since then its customer base has grown through numerous acquisitions and organic growth from 600,000 to more than 16 million. More than 99% of its clients are citizens of the European Union, which gives its member countries a stable regulatory framework that supports their economic development.

Today, Erste Group is one of the largest financial services providers in the eastern part of the EU, in terms of clients and total assets. Its core activities, besides the traditional strength in serving private individuals, include advisory services and support for corporate clients in financing, investment and access to international capital markets, public sector funding, and interbank market operations.

This EG Supplier Code of Conduct is based on: Erste Group's Statement of Purpose; supply management best practice; and the highest standards of ethics, labour rights, health and safety, environmental protection, and their related management systems. EG expects all its suppliers and subcontractors to share the principles expressed in this Supplier Code of Conduct, which also comprise an important component of our supplier selection and evaluation procedures. Moreover, we expect our suppliers to replicate these standards further down the supply chain.

("Erste Group" means Erste Holding and all entities in which Erste Holding has and/or will have an interest, irrespective of whether or not this is a direct or indirect, majority or minority, interest; as well as all entities that are included in Erste Holding's consolidated financial statements (including all members of the "Haftungsverbund" – a cross-guarantee system of Austrian savings banks ("Sparkassen")). The term Erste Group also includes entities that are directly or indirectly controlled by other members of Erste Group.)

### 1.1 Purpose

The EG Supplier Code of Conduct defines the non-negotiable minimum standards that we ask our suppliers and their sub-suppliers (the "Supplier") to respect and to adhere to when conducting business with EG. This document aids the continued implementation of our commitment to international standards such as the OECD Guidelines for Multinational Enterprises, the United Nations charter (the UN's Universal Declaration of Human Rights) and the Core Conventions of the International Labour Organisation (ILO) in addition to our own policies, to every link of our upstream supply chain.

### 1.2 Scope

The EG Supplier Code of Conduct sets forth our expectations of the Supplier, including its parent, subsidiary or affiliate entities, as well as all others with whom the Supplier does business, including all employees (including permanent, temporary, contract agency and migrant workers), upstream suppliers and other third parties. It is the Supplier's responsibility to disseminate, educate, and exercise diligence in verifying compliance with this Code of Conduct by its employees and agents.

### 1.3 Compliance

EG expects the Supplier to adhere to all applicable laws and regulations, and in particular to the four pillars detailed herein, and to strive to comply with international and industry standards and best practices. In addition, through its Supplier Audit Questionnaire (SAQ) process, EG reserves the right to verify Supplier compliance with the EG Supplier Code of Conduct through internal or external assessment mechanisms and to require implementation of progress towards audit requirements.

### 1.4 Continuous Improvement

EG recognises that reaching the standards established in this EG Supplier Code of Conduct is a dynamic process, and encourages the Supplier to continuously improve its operations. In cases where improvement is required, EG will support the establishment of milestones and systems to ensure that practices are continuously upgraded. Failure to do so shall impact directly the ability of the Supplier to do business with EG.

### 1.5 Application

Acknowledgement of the EG Supplier Code of Conduct is a prerequisite in every EG contract with the Supplier. Through its acceptance of a Purchase Order, which makes reference to the EG Supplier Code of Conduct, the Supplier commits that all its operations are subject to the provisions contained in this EG Supplier Code of Conduct. The standards of the EG Supplier Code of Conduct are in addition to, and not in lieu of, the provisions of any legal agreement or contract between the Supplier and EG.

## 2 The four pillars of the EG Supplier Code of Conduct

### 2.1 Human rights

EG fully supports the United Nations charter (the UN's Universal Declaration of Human Rights) and the Core Conventions of the International Labour Organisation (ILO) and expects the Supplier to respect all human rights, including labour rights, throughout its business activities. This includes the following, as a minimum.

#### **Freedom of Association and Collective Bargaining**

The Supplier should grant its employees the right to freedom of association and collective bargaining in accordance with all applicable laws and regulations.

#### **Forced Labour**

The Supplier must under no circumstances use forced labour, or in any other way benefit from it, in line with ILO Convention No. 29 on Forced Labour and ILO Convention No. 105 on the Abolition of Forced Labour. "Forced labour" refers to any form of indentured servitude, such as the use of physical punishment, confinement, or threats of violence as a method of discipline, or controls such as retaining employees' identification papers, passports, work permits or deposits as a condition of employment. Where the Supplier is using migrant or prison labour in a legal framework, EG must be made aware of it, in order to review the appropriate documentation maintained by the Supplier.

#### **Employment Practices**

The Supplier shall employ only persons who are legally authorised to work in their facilities, and is responsible for validating employees' eligibility to work through appropriate documentation. All work shall be voluntary, and workers shall be free to leave work or terminate their employment upon reasonable notice. To the fullest extent possible, work performed must be on the basis of a recognised employment relationship established through national law and practice. Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, subcontracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment. In the case of employment through third-party labour agencies, the Supplier shall comply with Convention No. 181 of the ILO on Private Employment Agencies.

#### **Minimum Age for Employment**

The use of child labour by the Supplier is strictly prohibited, in line with ILO Convention No. 138 on the Minimum Age, and Convention No. 182 on the Elimination of the Worst Forms of Child Labour. ILO Convention No. 138 on the Minimum Age indicates that no child below 15 years (or 14 in certain developing countries) is allowed to work, subject to exceptions allowed by the ILO or national law.

If the Supplier employs young workers, it must demonstrate that their employment does not expose them to undue physical risks that can harm their physical, mental or emotional development.

## Fair and Equal Treatment

The Supplier must operate with dignity, respect and integrity in regard to the treatment of its employees:

- The Supplier shall not discriminate in its hiring and employment practices on the grounds of criteria such as race, colour, religion, gender, age, physical ability, national origin, sexual orientation, political affiliation, union membership, medical tests, or marital status, in line with ILO Convention No. 111 on Discrimination.
- Any form of psychological, physical, sexual or verbal abuse, intimidation, threat or harassment will not be tolerated.
- The Supplier shall respect the privacy rights of its employees whenever it gathers personal information or implements employee monitoring practices.
- Whenever the Supplier retains direct or contracted workers to provide security to safeguard its personnel and property, the Supplier will make sure that such security personnel apply the same standards of fair and equal treatment.
- The supplier shall have a written policy on diversity, inclusion and non-discrimination.

## Working time and rest days

The Supplier must ensure that its employees work in compliance with all applicable laws and mandatory industry standards pertaining to regular working hours and overtime hours, including breaks, rest periods, holidays, and maternity and paternity leaves. In the absence of law, the Supplier shall not require a regular work week of over 60 hours. Employees shall be allowed at least one day off after six consecutive days of work, and any overtime worked shall be voluntary and compensated at a premium rate.

## Wages and benefits

The Supplier's employees must be provided with wages and benefits that, at a minimum, comply with national laws or industry standards, whichever is higher, as well as binding collective agreements, including those pertaining to overtime work and other premium pay arrangements. In any event, wages should always be enough to meet basic needs for employees and their entitled official dependents, and to provide some discretionary income. The Supplier must not apply disciplinary or any other forms of deductions from pay, nor apply any forms of discrimination in employment and remuneration practices.

## 2.2 Safety and Health

EG expects the Supplier's operating and management systems, as well as its employees, to work in preventing work-related injuries and illnesses.

### Workplace Environment

The Supplier shall provide its employees with a safe and healthy working environment. As a minimum, potable drinking water, adequate lighting and temperatures and ventilation and sanitation, and personal

protective equipment must be provided together with equipped work stations. In addition, facilities must be constructed and maintained in accordance with the standards set by applicable laws and regulations.

### **Housing Conditions & Respect of Privacy**

When provided by the Supplier, dormitory facilities shall be constructed and maintained in accordance with all applicable laws and regulations, and they shall be clearly segregated from the factory and production area. All dormitory buildings shall be clean and safe, and workers shall be able to enter and leave the dormitory buildings freely at any hour. There shall be clean toilet facilities, access to potable water, and sanitary food preparation and storage facilities. All dormitory facilities shall also provide workers with reasonable personal space, adequate heating and ventilation, and clean bathrooms.

### **Emergency preparedness**

The Supplier shall be prepared for emergencies. This includes employee notification and evacuation procedures, emergency training and drills, appropriate first-aid supplies, appropriate fire detection and suppression equipment, and adequate exit facilities. The Supplier shall regularly train employees in emergency planning and responsiveness, as well as medical care.

### **Product Quality and Safety**

All products and services delivered by the Supplier must meet the quality and safety standards required by applicable law.

## **2.3 Environmental Sustainability**

EG requires the Supplier to comply with all applicable legal environmental requirements and to demonstrate continual improvement of its environmental performance.

### **Environmental Permits and reporting**

The Supplier shall make sure that it obtains, keeps current, and follows the reporting guidelines of all the required environmental permits and registrations, so as to be at all times legally compliant.

### **Environmental Management System**

The Supplier shall document and implement a relevant environmental management system (based on international standards such as ISO 14001), designed to identify, control and mitigate significant environmental impacts.

### **Hazardous Materials and Product Safety**

The Supplier shall identify hazardous materials, chemicals and substances, and ensure their safe handling, movement, storage, recycling, reuse and disposal. All the applicable laws and regulations related to hazardous materials, chemicals and substances shall be strictly followed. The Supplier shall comply with material restrictions and product safety requirements set by applicable laws and regulations. The Supplier shall ensure that key employees are aware of and trained in product safety practices.

## **Resource Consumption, Pollution Prevention and Waste minimisation**

The Supplier shall optimise its consumption of natural resources, including energy and water. The Supplier shall implement and demonstrate sound measures to prevent pollution and shall minimise the generation of solid waste, wastewater and air emissions. Prior to discharge or disposal, the Supplier shall characterise and treat wastewater and solid waste appropriately and according to applicable laws and regulations.

## **2.4 Business Integrity**

EG requires the Supplier to comply with all applicable ethical trade laws and regulations in the countries where materials are sourced and produced (“country of use”). In the case of services, the location of service delivery shall prevail.

### **Anti-bribery**

The Supplier must never, directly or through intermediaries, offer or promise any personal or improper advantage in order to obtain or retain a business advantage or other advantage from a third party, whether public or private. The Supplier must not pay or accept bribes, arrange or accept kickbacks, and shall not take any actions to violate, or cause its business partners to violate, any applicable anti-bribery laws and regulations, including the UK Bribery Acts.

As part of its EG Supplier Code of Conduct, Erste Group has implemented strict and binding guidelines to prevent corruption and bribery. In this context, the appropriate Compliance Integrity Programme is being constantly developed, so as to take account of regulatory and legal requirements.

The giving and receiving of gifts and invitations in the context of business activities (other than in relation to public officials) is permissible within certain limits defined in the Group Anti-Corruption Policy as well as in Local Anti-Corruption – Benefits: Gifts and Invitations Procedures.

### **Grievance mechanisms**

The Supplier shall have systems in place enabling the submission of anonymous grievances, and their reporting and management. A designated officer shall continuously monitor the grievance mechanism, keep records of the issues raised, and take appropriate action in a confidential manner.

### **Records**

The Supplier shall maintain transparent and up-to-date books and records to demonstrate compliance with applicable materials, services, governmental and industry regulations.

### **Origin**

The Supplier shall be able to disclose all the potential sources of primary origins (country of origin) associated with deliveries made. EG reserves the right to ask the Supplier to create, at a point of time, full supply chain mapping back to origin, to facilitate assessment of upstream supply chain compliance.

### **Intellectual property**

The Supplier shall take appropriate steps to safeguard and maintain the confidential and proprietary information of its business partners, and shall use such information only for the purposes authorised in the contractual agreement. In the case of sub-contracting, any sharing of confidential information requires the prior consent of EG.

### **Conflict of Interest**

The Supplier is expected to report to EG any situation that may appear to be a conflict of interest, and disclose to EG if any EG employee or professional under contract with EG may have an interest of any kind in the Supplier's business or any kind of financial ties with the Supplier.