

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

## 1. INTRODUCTION

**Erste Group (EG)** was founded in 1819 as the first Austrian savings bank. In 1997 EG 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, EG 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 (hereinafter, the “Code”) is based on: EG’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 Code, which is an important component of our supplier selection and evaluation procedures. Moreover, we expect our suppliers to replicate these standards further down the supply chain.

The Code should always be considered in the context of:

- the size and nature of the supplier’s organisation;
- the nature of the goods and services it provides;
- the jurisdiction in which it operates.

A main principle of the Code is that the supplier, at all times, complies with applicable laws in meeting the requirements set out below.

“Erste Group” means Erste Group Bank AG (“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 AND SCOPE

The Code defines the non-negotiable minimum standards for suppliers in relation to sustainability. (A “supplier” or “suppliers”, in this Code, is any party providing a product or service to EG.) EG expects its suppliers’ employees to act responsibly, to observe this Code and to perform their work in accordance with its guidelines and principles. It is the supplier’s responsibility to disseminate, educate, and exercise diligence in verifying its employees’ compliance with this Code. Suppliers are contractually required, to the extent possible and reasonable, to ensure that the Code’s requirements are passed on to their subcontractors. If a supplier hires third parties (e.g., subcontractors), then within the scope of that supplier’s business relationship with EG, EG expects those third parties also to perform their work in accordance with the principles specified in this Code.

The purpose of this Code is to ensure that organisations are aware of the core values and additional standards of behaviour that EG requires its suppliers to conform to when providing goods and services to EG. This Code 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. CONTINUOUS IMPROVEMENT**

EG recognises that reaching the standards established in this Code is a dynamic process, and encourages suppliers to continuously improve their 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 directly affect a supplier's ability to do business with EG.

## **1.3. APPLICATION**

The supplier acknowledges that all its operations are subject to the provisions contained in this Code. The standards of the Code are in addition to, and not in lieu of, the provisions of any legal agreement or contract between the supplier and EG. (In cases where obligations, agreed with a supplier under an individual contract, diverge from the principles set forth in this Code, such divergent obligations shall prevail.)

## **2. THE FOUR PILLARS OF THE EG SUPPLIER CODE OF CONDUCT**

### **2.1. HUMAN RIGHTS AND EMPLOYMENT**

EG fully supports the United Nations charter (the UN's Universal Declaration of Human Rights), OECD Guidelines 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.

#### **2.1.1. ELIMINATION OF CHILD LABOUR AND THE PROTECTION OF YOUNG WORKERS**

The use of child labour by the supplier is strictly prohibited, in line with ILO Conventions No. 138 on the Minimum Age and No. 182 on the Elimination of the Worst Forms of Child Labour. ILO Convention No. 138 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.

A supplier employing young workers must demonstrate that such employment does not expose them to undue physical risks that can harm their physical, mental, or emotional development.

#### **2.1.2. NO MODERN SLAVERY, NO HUMAN TRAFFICKING AND NO UNETHICAL RECRUITMENT**

Under no circumstances may a supplier use forced labour, or benefit from it in any other way, in line with ILO Conventions No. 29 on Forced Labour and 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 a supplier is using migrant or prison labour in a legal framework, EG must be made aware of it, to review the documentation maintained by the supplier. The supplier must take appropriate and adequate measures to eliminate debt bondage, forced and compulsory labour, and all forms of modern slavery and human trafficking, in its own area of responsibility and/or along the supply chain.

#### **2.1.3. EMPLOYMENT PRACTICES**

The supplier shall employ only persons who are legally authorised to work in its facilities, and is responsible for validating employees' eligibility to work through documentation. All work shall be voluntary, and workers shall be free to leave work or terminate their employment upon providing 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 using labour-only contracting, subcontracting, or home-working arrangements, or through apprenticeship schemes where there is no real intention 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.

#### **2.1.4. NO DISCRIMINATION OR HARASSMENT**

The supplier must ensure that all forms of discrimination, intimidation, harassment, and unwarranted disadvantage towards its employees and in the workplace are avoided.

The supplier must operate with dignity, respect and integrity at the core of its treatment of its employees.

- The supplier shall not discriminate in its hiring and employment practices on 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.
- No form of psychological, physical, sexual or verbal abuse, intimidation, threat or harassment will 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, it shall ensure 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.

#### **2.1.5. WORKING HOURS 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 such 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.

#### **2.1.6. 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. OCCUPATIONAL HEALTH AND SAFETY, FIRE PROTECTION**

EG expects suppliers' operating and management systems, as well as their employees, to prevent work-related injuries and illnesses.

### **2.2.1. WORKPLACE ENVIRONMENT**

The supplier shall provide its employees with a safe and healthy workplace. As a minimum, potable drinking water, adequate lighting and temperatures, ventilation, sanitation, and personal protective equipment must be provided, together with equipped work stations. Facilities must be constructed and maintained in accordance with the standards set by applicable laws and regulations.

### **2.2.2. HOUSING CONDITIONS & RESPECT OF PRIVACY**

When provided by the supplier, dormitories shall be constructed and maintained in accordance with all applicable laws and regulations, and shall be segregated from all working areas. All dormitory buildings shall be clean and safe, and workers shall be able to enter and leave them 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 provide workers with reasonable personal space, adequate heating and ventilation, and clean bathrooms.

### **2.2.3. 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.

### **2.2.4. PRODUCT QUALITY AND SAFETY**

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

### **2.2.5. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING**

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

## **2.3. SUSTAINABILITY REQUIREMENTS IN ENVIRONMENTAL PROTECTION**

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

### **2.3.1. GREENHOUSE GAS EMISSIONS**

Suppliers must take appropriate measures to reduce air emissions that pose a risk to the environment and health, including greenhouse gas emissions. To improve the environmental performance of their products and services, suppliers must provide for proactive reduction of greenhouse gas emissions along the entire supply chain, for instance through increased use of carbon-neutral energy sources.

### **2.3.2. ENVIRONMENTAL PERMITS AND REPORTING**

The supplier shall obtain, keep current, and follow the reporting guidelines of all required environmental permits and registrations, so as to be at all times legally compliant.

### **2.3.3. 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.

### **2.3.4. HAZARDOUS MATERIALS AND PRODUCT SAFETY**

The supplier shall identify hazardous materials, chemicals, and substances, and ensure their safe handling, movement, storage, recycling, re-use, and disposal. All applicable laws and regulations on 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 are trained in product safety practices.

### **2.3.5. 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. SUSTAINABILITY REQUIREMENTS FOR BUSINESS**

EG requires suppliers 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.

### **2.4.1. 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, or 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 this Code, EG has implemented strict and binding guidelines to prevent corruption and bribery. The appropriate Compliance Integrity Programme is being constantly developed, 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 the limits defined in the Group Anti-Corruption Policy and the Local Anti-Corruption – Benefits: Gifts and Invitations Procedures.

#### **2.4.2. PROHIBITION OF MONEY LAUNDERING**

Suppliers shall ensure compliance with the applicable legal provisions against money laundering in their business operations.

#### **2.4.3. GRIEVANCE MECHANISMS**

The supplier shall establish a grievance mechanism suitable for its business, enabling the submission of anonymous and confidential grievances (related to business ethics, human rights, or the environment), and their reporting and management.

ERSTE GROUP WHISTLEBLOWER SYSTEM (Erste Integrity Line Platform)

EG does not tolerate any behaviour that contravenes any moral and ethical principles and applicable rules and regulations. In its Whistleblowing Programme, EG suppliers are invited to provide information at an early stage concerning any behaviour that does not conform to the rules.

This programme is especially aimed at, but not restricted to, notifications concerning the following categories:

- financial crime (fraud, embezzlement, misappropriation, etc.);
- theft (of physical assets and information);
- infringement of securities and market regulations (insider dealing, market manipulation);
- conflicts of interest other than in the context of securities transactions (invitations, gifts, secondary employment, intercompany relations, etc.);
- money laundering and terrorist financing;

The supplier should provide its employees with unhindered access to EG's Whistleblower System.

For more detailed information on the Erste Integrity Line Platform, please visit:

<https://www.erstegroup.com/en/about-us/subsidiaries/erste-group-procurement/whistleblower>

#### **2.4.4. RECORDS**

The supplier shall maintain transparent and up-to-date books and records to demonstrate compliance with applicable materials, services, governmental and industry regulations. Such information is to be disclosed, when requested by EG, insofar as disclosure does not violate legal requirements.

#### **2.4.5. FREE COMPETITION**

The supplier shall respect fair and free competition and comply with the applicable competition and antitrust laws. In particular, it must not enter into anti-competitive arrangements or agreements with competitors, suppliers, customers, or other third parties, nor abuse a possible dominant market position.

#### **2.4.6. INTELLECTUAL PROPERTY RIGHTS**

Suppliers are expected to respect intellectual property rights and protect associated information.



#### **2.4.7. COMPLIANCE WITH DATA PRIVACY AND DATA SECURITY LAWS**

The supplier is expected to comply with all applicable laws and prevailing industry standards concerning the privacy and security of personal and confidential information. The supplier shall ensure that sensitive data (trade secrets and personal data) are properly and lawfully collected, processed, saved and deleted. The supplier shall impose a corresponding obligation on its employees. Sensitive data and all other confidential information must not be transmitted to a third party or made available in any other form without authorisation, and must be protected in this respect.

#### **2.4.8. AVOIDING 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. The supplier is expected to make its decisions solely based on objective criteria and must not allow itself to be influenced by extraneous interests or relationships.

#### **2.4.9. REQUIREMENTS FOR RESPONSIBLE SUPPLY CHAINS**

To identify and mitigate sustainability risks in the supply chain, the supplier, on request, shall disclose information on its supply chains to EG that are required by the EG to fulfil its legal obligations. The supplier shall impose a corresponding disclosure obligation on its sub-suppliers, which are in turn are required to pass on to their sub-sub-suppliers. 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 a full supply chain map back to origins, to facilitate assessment of upstream supply chain compliance.

#### **2.4.10. VERIFICATION OF COMPLIANCE WITH THE SUSTAINABILITY REQUIREMENTS BY ERSTE GROUP**

EG expects the supplier to adhere to all applicable laws and regulations, particularly to the four pillars detailed herein (sustainability requirements), and to strive to comply with international and industry standards and best practices. The supplier must comply with all applicable laws and regulations of the countries in which operations are managed or services provided.

When conducting international business, suppliers must comply with applicable local and international laws and regulations. This includes, but is not limited to, laws and regulations relating to the environment, occupational health and safety, labour practices, International Labour Organisation (ILO) conventions, trade control, fair competition, anti-money laundering, anti-bribery, and anti-corruption.

When engaging and reviewing a potential new supplier relationship, all elements of this Code will be evaluated, taking into account the size of the supplier's operations, its location, and the nature of goods and services provided. EG reserves the right to verify regularly the compliance with sustainability requirements stated herein, randomly or for specific events, and using appropriate and adequate means, before awarding a new contract and throughout the business relationship. This may be done, for example, through Supplier Audit Questionnaires (SAQs) and/or by on-site assessments. Any on-site assessment shall be carried out in the presence of representatives of the supplier, during regular working hours, and in accordance with applicable laws, in particular regarding data protection.

#### **2.4.11. ASSESSMENT PRIOR TO ENTERING A CONTRACT**

If sustainability risks are identified during pre-contractual assessments referred to above, any resulting measures will be included in the contract. In this case, the supplier is obliged to assess any identified or possible violation of sustainability requirements in its own business area or in its supply chain, to do so within a reasonable period following contract signature, and to remedy any such non-compliance at no additional cost to EG.

The findings of the pre-contractual assessments for compliance with the sustainability requirements are an important criterion in EG's awarding of contracts.

#### **2.4.12. VIOLATION OF SUSTAINABILITY REQUIREMENTS BY SUPPLIER AND OTHER CONSEQUENCES**

If a violation of the sustainability requirements by the supplier has occurred or is possible, the supplier must report it to EG. EG is entitled to take prompt and appropriate measures to prevent, stop, or minimise the range of such violation.

The supplier must also take all appropriate measures to prevent, stop, or minimise the range of such violation.

If the supplier violates or does not observe the principles defined in this Code, EG is entitled to request implementation of improvement measures or to terminate contract with the supplier for exceptional reasons.

If there is substantiated information that a human rights or environmental obligation may have been violated in the upstream supply chain (with indirect suppliers of EG), the supplier shall, without undue delay, take appropriate prevention measures with respect to the respective supplier, and support EG in its action to prevent, minimise, or stop the violation.

**DISCLAIMER:** The requirements set out in this Code are not superseded once a contract has been entered into with a supplier. Suppliers are expected to continue to monitor at regular intervals their compliance with the Code's requirements. This Code does not dilute a supplier's legal obligations, but supplements the contracts between EG and its suppliers. It is regularly reviewed and if revised, and new versions are published on the following website: <https://www.erstegroup.com/de/ueber-uns/tochtergesellschaften/erste-group-procurement> . Each version is given a distinguishing version number.