

**VALAMAR RIVIERA d.d.**

**CODE OF BUSINESS  
CONDUCT**

Poreč, June 2021



In accordance with the relevant provisions of the Corporate Governance Code of the Zagreb Stock Exchange d.d. and the Croatian Financial Services Supervisory Agency, the Management Board of Valamar Riviera Joint Stock Company for Tourism, with headquarters in Poreč, Stancija Kaligari 1, ID No. (OIB): 36201212847 (hereinafter: the Company or Valamar) at the meeting held on May 20, 2021 and the Supervisory Board of the Company at its meeting held on June 17 2021 determined the following

# CODE OF BUSINESS CONDUCT

## I. INTRODUCTION

### Article 1

This Code of Business Conduct (hereinafter: the Code) sets out the basic guidelines for the ethical conduct within the Company to achieve the common good.

The basic characteristics of the Company's culture and business are ethics and integrity. The highest priority is transparent business management, and the most important characteristics of the Company's corporate culture are the protection of human rights, the promotion of fair and secure employment conditions, responsible environmental management and high ethical standards.

### Article 2

This Code is binding for all employees of the Company and each individual is expected to behave in accordance with the Code and all relevant regulations in each situation.

## II. MISSION, VISION AND CORE VALUES

### Article 3

The vision of the Company is a perfect holiday, every day for every guest.

Mission of the Company:

- To be the leader in leisure tourism and create authentic guest experiences in partnership with our destinations.
- We create a stimulating corporate culture where guests and employees come first.
- We deliver new value for shareholders through corporate responsibility by promoting sustainable development and supporting local communities.

The core values of the Company are hospitality, ambition, responsibility, innovation and pride.

## III. GENERAL PRINCIPLES

### Article 4

Every employee of the Company is obliged to:

- Comply with laws and all relevant regulations, as well as internal general acts;
- Know the regulations, manuals, standard operating procedures and common business practices in a particular task area and apply them conscientiously and in the best possible way;
- Intervene in case of non-compliance with standards of conduct;
- Contribute to a work climate that encourages trust, professionalism, success, respect and self-esteem;
- Constantly act in good faith, responsibly, with appropriate care and competence, without misrepresenting the facts;
- Protect property and other resources and encourage their successful implementation;
- Act honestly and ethically, inter alia, with actual or potential conflicts of interest;
- Maintain and encourage cooperation and share knowledge and experience;

- To maintain and improve the public reputation of the Company.

Employee behavior should be in accordance with generally accepted rules of decency, which include greeting at the meeting, a polite communication style, appropriate addressing, apology and mistake rectification, adherence to agreed deadlines, appropriate business attire, cleanliness and tidiness of the workplace, avoidance and active prevention of quarrels and conflicts, avoiding participation in rumors or other types of negative and harmful communication.

#### **Article 5**

Managers in particular have a duty to promote a culture of ethical conduct and the rules set out in this Code. They are obliged to acquaint employees with the provisions of this Code and to take measures to comply with it.

Managers are obliged to set clear and realistic goals, fulfill their obligations, should be an example to other employees and be ready to advise associates and support them in performing tasks independently.

#### **Article 6**

In the performance of their duties and in communication with guests, partners and other stakeholders in their field, employees represent the Company and their behavior and actions affect the reputation of the Company.

Employees are obliged to be professional, honest, fair, dignified and to avoid all conflicts, including conflicts of interest, in their relations with other employees, guests, partners and other stakeholders they meet in the performance of their duties.

## **IV. PROTECTION OF PERSONAL DATA AND HANDLING OF CONFIDENTIAL INFORMATION**

#### **Article 7**

Data retention and compliance with applicable data protection regulations are important foundations for the trust of all Company stakeholders, which every employee must respect.

Employees are obliged to use all personal data they process in the performance of work tasks exclusively for the purpose for which they are intended and to process them legally, fairly, transparently, with limited purpose and storage, reducing the amount of data, taking into account accuracy, all in accordance with the provisions of EU Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation), Law on Implementation of the General Regulation on Data Protection (Official Gazette No. 42/2018) and other regulations governing the subject area, which are applied in the Republic of Croatia and in accordance with the provisions of the Company's Privacy Policy.

#### **Article 8**

Confidential information is information that is a business secret determined by law, other regulations, general acts or decisions of the Company and information from legal transactions that the Company concludes, and the disclosure of which could have serious consequences for the economic interests of the Company or third parties.

Confidential information also includes information on the Company's projects, information on business, infrastructure, equipment, intellectual property, business processes, financial data and all other information on

the Company, whether in written, oral, electronic or some other form.

No employee is authorized to disclose confidential information to other employees who do not need this information in the performance of their duties.

#### **Article 9**

Employees shall pay particular attention to the inside information defined in Article 7 of the Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directive 2003/124/EC, 2003/125/EC and 2004/72/EC. Any employee who has such information may not make recommendations or initiate transactions in respect of shares or other financial instruments the price of which may be affected by that information.

#### **Article 10**

In case of violation of the provisions of this Code as well as the provisions of other acts on confidential information, each employee is obliged to notify the Management Board or the Supervisory Board immediately upon learning of the violation, in case a member of the Management Board committed the violation.

#### **Article 11**

In the event that the Company is liable for damages to third parties due to the actions of employees in relation to violations of confidentiality provisions, the Company reserves the right to claim compensation from employees who have violated such provisions.

## **V. PRESERVATION OF HUMAN AND WORKERS' RIGHTS**

#### **Article 12**

Ethics in business, equal opportunities and working conditions for all employees, equality and protection of human rights and nurturing cultural diversity are the basic principles that guide the Company in business.

Fundamental human rights and their protection, including the protection of life, health, dignity and privacy and the prohibition of discrimination on any grounds, the Company respects and applies in accordance with the regulations of the Republic of Croatia and incorporated them into its internal acts including the Collective Agreement concluded with trade union partners.

The Company is committed to the implementation of the UN Principles on Business and Human Rights, as well as to the core conventions of the International Labor Organization, and insists that the Company's activities never result in human rights abuse.

#### **Article 13**

Since October 2017, the Company has been a signatory to the Diversity Charter.

Bearing in mind that diversity is among the most important values of modern society; the Company has adopted a Diversity Policy, in accordance with the previously signed Charter, and has included the topic of diversity in regular employee training.

Diversity enables the realization of the full potential of each person, and a diversity and non-discrimination policy in the workplace is a prerequisite for the development of creativity, innovation and individual talent.

#### **Article 14**

The Company will not tolerate discrimination or dignity violations in the workplace based on criteria such as age, disability, na-

tionality, gender, race, political attitudes or activities of employees, and religious or sexual orientation.

In the event of such occurrences, it will take all measures provided by positive regulations and internal acts of the Company in order to prevent and stop such behavior.

### **Article 15**

The Company respects the privacy of its employees and requests and stores their personal data that are necessary to work in a light of mutual trust. Access to personal data of employees is limited only to authorized persons within the Company.

Employee personal data is used exclusively for the purpose for which it is intended and is processed lawfully, fairly, transparently, with limited purpose and storage, reducing the amount of data, taking into account the accuracy and completeness and confidentiality of data, all in accordance with the provisions of the General Regulation on data protection, the Law on Implementation of the General Regulation on Data Protection and other regulations.

In accordance with the above principles, the Company has established a Privacy Policy (<https://valamar-riviera.com/en/gdpr-privacy-policies/>).

## **VI. PROTECTION OF PROPERTY AND THE ENVIRONMENT**

### **Article 16**

The Company's property should be used only for lawful business purposes, responsibly and in a prudent manner, to protect it from loss, damage, theft, embezzlement or destruction.

It is prohibited to use the Company's business premises contrary to their purpose and for private purposes.

### **Article 17**

A high level of environmental awareness has become an extremely important factor in the tourism sector, which due to its volume and intensity has one of the most responsible roles in preserving the environment. The company has a special responsibility to systematically apply high standards in environmental protection - a key resource in tourism.

Environmental responsibility is one of the pillars of sustainability that Company has incorporated into its Quality and Sustainable Business Policy and strategic goals.

Employees are required to pay due attention to the protection of natural resources and to ensure that the potential negative impact of internal operations on the environment is minimized through savings and energy efficiency planning and waste reduction and recycling.

## **VII. BUSINESS WITH KEY STAKEHOLDERS AND BUSINESS PARTNERS**

### **Article 18**

The Company's key stakeholders are guests, employees, shareholders, the local community and destinations, and related stakeholders are suppliers, the public, public administration bodies, the investment public, trade unions and professional associations.

Long-term open and partnership communication with key stakeholders is one of the conditions for the Company's success.

The dialogue with the Company's stakeholders is considered an important part of corporate social responsibility integrated into the Company's business strategy.

The Company has adopted business sustainability policies by which it has committed to be at the top in the hospitality industry in Croatia in terms of service quality,

guest and other customer satisfaction while respecting the interests of employees, the Company, local community, protecting the environment and resource management.

#### **Article 19**

Employees who participate in their work and decide on the selection of business partners (suppliers, distributors, contractors, tenants, lessors, etc.) are required to comply with the Company's Procurement policy and other internal rules to ensure impartiality and objectivity in the selection.

Employees must not deceive business partners or service users with their actions or statements. In doing so, depending on the service and/or business relationship, they are required to provide appropriate information necessary to conclude a particular legal transaction.

## **VIII. FINANCIAL REPORTING AND PRESS RELEASES**

#### **Article 20**

The Company undertakes to provide complete, accurate, timely and comprehensible financial statements.

All business transactions must be kept in the business books completely and accurately in accordance with legal and other applicable regulations.

#### **Article 21**

All media inquiries related to the Company must be forwarded to the Corporate Affairs Department. Only members of the Management Board, the chairman of the Supervisory Board or his deputy in case of the chairman's absence, and the Corporate Affairs Department may give statements for the media, while other employees of the Company may appear publicly on behalf of the Company only with the approval of the Corporate Affairs Department.

All press releases or statements, interviews, publications or presentations must be approved by the Corporate Affairs Department.

## **IX. AVOIDING CONFLICTS OF INTEREST AND PREVENTING BRIBERY AND CORRUPTION**

#### **Article 22**

The company gives high priority to the interests of its business partners and other stakeholders. Conflicts of interest may jeopardize the integrity and professionalism of the Company, and if they cannot be avoided, any situation in which there is a conflict of interest must be resolved in a fair manner.

Employees must always act in the best interests of the Company, avoid situations of potential or actual conflict of interest and be loyal to the Company.

Employees must not compete with the Company and are required to adhere to the Conflict of Interest Management Policy.

#### **Article 23**

Although the exchange of gifts is to some extent in line with normal business practice, it is important to know to keep a decent distance so as not to overdo it, create an obligation or an unfair advantage in business communication, and especially not to interpret these actions as bribes.

In order to prevent bribery and corruption, the acceptance of gifts and other benefits is allowed only in the following situations:

- When the value of the gift does not put the recipient in a situation of obligation (it is recommended not to accept gifts above the estimated amount of EUR 100.00);
- Gifts exceeding the amount of EUR 100.00, which cannot be deducted in the interest of a business relationship, should be donated to charities whenever possible;

- Invitations to business lunches (lunch or dinner) can generally be accepted.

When inviting to non-business events, such as concerts, theater performances, sporting events and other similar events, each employee must assess whether his or her participation in such an event is in accordance with normal business practice, and in case of doubt, the immediate supervisor should be consulted.

Promotional items and materials of modest value are not subject to the provisions of this Code of Business Conduct.

Charitable contributions and sponsorship payments must remain within the individual legal system and current corporate policy. Political contributions and contributions to political parties are decided and communicated by the Company's management.

The same rules apply to gifts, invitations and benefits that the Company's employees provide to third parties as when accepting gifts and invitations.

## **X. REPORTING AN IRREGULARITY**

### **Article 24**

No employee who reports a problem in good faith, i.e. reports behavior contrary to the business ethics and rules of the Company, will be subject to sanctions based on that report, even if the report is found to be unfounded.

### **Article 25**

The procedure for internal reporting of irregularities, appointment of a confidential person, the right to protection of whistleblowers and other issues related to internal reporting of irregularities within the Company are regulated by the Ordinance on internal reporting of irregularities available on the Company's website (<https://valamar-riviera.com/hr/zastita-prijavitelja/nepravilnosti/>).

### **Article 26**

All employees, business partners, shareholders and all other interested persons may send their proposals and complaints to the Company electronically to the e-mail address [pritužbe.prijedlozi@valamar.com](mailto:pritužbe.prijedlozi@valamar.com).

## **XI. NON-COMPLIANCE WITH PROVISIONS AND PENALTIES**

### **Article 27**

The violation of the provisions of this Code is a violation of the employment obligation.

Violation of the Code of Business Conduct is decided in accordance with the provisions of the Regulation on violations of work obligations and the procedure for determining responsibility, except in case of violation of the Code by members of the Management Board in which case the Supervisory Board decides.

## **XII. FINAL PROVISIONS**

### **Article 28**

An integral part of this Code are:

- Annex 1: Conflict of interest management policy
- Annex 2: Policies and procedures for approving and disclosing transactions with related parties
- Annex 3: Risk management policy
- Annex 4: Corporate social responsibility policies:
  - 4.1. Service excellence and sustainable business policy,
  - 4.2. Health and safety policy,
  - 4.3. Food safety protocol,
  - 4.4. Diversity and non-discrimination policy,
  - 4.5. Responsible business policy (treatment of employees, local community and protection of children),
  - 4.6. Procurement policy.

## **Article 29**

The Management Board and the Supervisory Board of the Company determine this Code, as well as all its annexes, and they enter into force on the day of their determination by the Supervisory Board of the Company.

The Code and the Policies set forth in Article 28 of this Code are published on the Company's website and are available free of charge.

## **Article 30**

As this Code becomes effective, the following shall cease to be valid:

- Company Code of Ethics of July 2, 2012,
- Quality and sustainable business policy of August 10, 2020,
- Health and safety policy from August 10, 2020,
- Protocol on ensuring the health safety of food of 17 April 2015,
- Diversity and non-discrimination policy of 20 November 2018,
- Responsible Business Policy (treatment of workers, local community and protection of children) from 5 May 2017 and
- Valamar's procurement policy of 27 June 2016.