

A decorative graphic on the left side of the page consists of a vertical red bar on the far left, with several horizontal red bars of varying lengths extending to the right from it, creating a stepped, staircase-like effect.

PLAVA LAGUNA

CODE OF
CONDUCT

CODE OF CONDUCT

- Message to employees, shareholders and business partners -

Plava Laguna is a company backed by over 60 years of successful operation and development, based on ecological principles and sustainable development, during which period it had constantly been on a leading position in Croatian tourism by permanently improving its overall offer and adapting to the needs of the increasingly demanding tourist market. Within our accommodation portfolio, we have 20 hotels, 11 apartment resorts, 9 campsites ie. total capacity of 16,219 accommodation units.

At the peak of the tourist season, Plava laguna employs around 3,000 people, of whom more than a half on a permanent basis. In its accommodation facilities, refined and adapted for guests through permanent investments, the company can accommodate over 43 thousand guests a day (Poreč, Umag, Rijeka) which makes over 4.8 million overnight stays a year. It also has 360 berths in two marinas and a number of restaurants and bars, sports and other facilities that complete the core offer.

Plava Laguna is building its business on five core values – tradition, stability, respect, responsibility and reality. Thus, the Management of Plava laguna, with the consent of the Supervisory Board, adopted this Code that defines standards of professional and ethical conduct required of each participant operating in the Plava laguna system.

Our foundation is the wisdom acquired throughout our history and our strength lies in the transfer of knowledge and of the system. We are a company whose success is based on continuity and keeping of proven procedures. Rational business decision-making gives us stability and a secure future, we plan carefully and approach change as a process. Trust, honesty and correctness in interpersonal relations and business cooperations, respect for the opinions and rights of all employees are the foundation of our successful cooperation. Responsibility is expected from all of our employees, managers and board members in relation to the company, guests, colleagues, business partners and our shareholders. We live in harmony with nature and our local community. We think realistically and give

priority to functional, proven solutions and stable growth.

We operate in accordance with all positive regulations of the Republic of Croatia, as well as European Union directives. We guarantee compliance with the Collective Agreement and other internal rules, regulations and procedures.

PLAVA LAGUNA BUSINESS PRINCIPLES

Plava Laguna adopts this **Code of conduct** prepared to ensure honesty in communication among its employees, responsibility for their words and actions, respect and equality between fellow employees, business partners and shareholders, and shrewdness in relation to applicable laws, provisions and strategies that affect business.

Plava laguna's policy is to fully follow positive regulations of the Republic of Croatia, as well as regulatory requirements that affect its operations. This includes compliance with regulations relating to market competition, trade, securities, copyrights, employment, health and safety and environment. All employees are required to respect applicable laws and ethical standards, and to treat all persons with whom

they come into contact with dignity.

Plava Laguna obliges its employees, managers and board members to respect company's business principles and all the behaviors that arise from them and which primarily benefit the company and its stakeholders.

RESPECT FOR CHILDREN'S RIGHTS

According to our basic principle, we do not employ children and do not support the use of child labour. We encourage the development of educational and internship programs for young people within their formal education. In our work, we respect the set of principles of the UN's Children's Rights and Business Principles and ask our partners to do the same.

ANTI-CORRUPTION POLICY

Plava Laguna promotes zero tolerance for corruption. Possible corruptive behavior represents a serious violation of the work contract regulations. Every important business process where corruption is possible is especially monitored.

RESPECT FOR HUMAN RIGHTS

Plava Laguna guarantees its workers gender equality and the implementation of the basic conventions of the International Labour Organization.

Plava Laguna does not discriminate candidates in the processes of employment and promotion in any way.

Considering that Plava Laguna is a company engaged in hotel business activities, special attention is given to guest relations. Through training about communication with guests, the obligation of equal approach to all guests regardless of their nationality, religion or gender is emphasized.

ECOLOGY AND SUSTAINABLE DEVELOPMENT

Environmental issues and environmental responsibility are among the most pressing challenges of the future. As an activity that is simultaneously based on the quality of the environment and also affecting it tremendously, tourism will be much more inclined to apply environmentally responsible 'green' concepts at the level of individual service providers and entire destinations.

Plava Laguna invests efforts both in water conservation and its rational use. Energy savings are achieved through the use of various energy-saving devices, use of heat pump systems and solar panels.

With the selection of non-hazardous from hazardous waste at the place of its generation, the quantity of secondary raw materials that can be recycled is increased thus reducing the amount of waste that is permanently disposed of in landfills. Disposal of waste is carried out by authorized companies for certain types of waste acting in accordance with the principles of environmental protection.

The preservation of seawater quality is achieved by

regular maintenance of beaches managed by Plava Laguna and the quality of seawater is monitored through regular seawater analyses conducted from May until October. Quality of the seawater and maintenance of the beaches is recognized by obtaining the international Blue flag label for the ecological program of the protection of environment, sea and coastline whose primary goal is sustainable management of the sea and coastal zone.

SOCIALLY RESPONSIBLE BUSINESS OPERATION AND COOPERATION WITH LOCAL COMMUNITY

Plava Laguna is a socially responsible company that invests in the community in which it operates. Donations are directed to encourage excellence (education), humanitarian projects, development of sport for children and young people in the community, cultural projects and care for the environment. In our philanthropic activities, we are guided by cooperation with local communities in which we operate, their tourist boards, public institutions, sports clubs, associations and healthcare system.

RESPONSIBILITY OF MANAGERS AND ALL EMPLOYEES

This Code of Conduct applies to all of the employees of Plava Laguna. Every employee is obliged to study the provisions of this Code, to understand and

consistently apply them in his/her everyday work. Managers shall provide all necessary support to employees in understanding, explaining and applying this Code.

Violation of the provisions of this Code is the basis for the application of disciplinary procedures which, taking into account the circumstances of the case, may include the termination of the employment contract. In the event of any information about actions or procedures that do not comply with this Code or doubts about the existence of such actions, each employee shall contact the Legal Department of Plava Laguna ([Odjel pravnih poslova Plave Lagune](#)). Failure to report a suspected violation of the provisions of this Code also represents a violation of its provisions.

Reporting can be done in writing or orally. The Legal department is obliged to carry out the procedure of examination of allegations from the report and guarantee the confidentiality of the data and protection of privacy of every person involved, bearing in mind that it does not harm Plava Laguna's business operations.

Plava Laguna encourages all its employees to express their doubts and concerns about the application of the standards defined by this Code. Plava Laguna will protect the confidentiality of the person submitting a complaint and will not allow any possibility of sanctions against the person suspected of asking the question or expressing concern related to compliance

with the provisions of this Code.

Although the prescribed procedure for reporting suspected violations of the provisions of this Code defines Legal department as the recipient of the report, in certain cases it is possible that some employees will decide beforehand or exclusively to speak to their manager or another responsible person in Plava Laguna. In such cases, the manager shall ensure further procedure of examining the report is carried out.

All employees of Plava Laguna are obliged to

- respect and comply with all legal provisions applicable to the job duties they perform
- respect and comply with the Collective Agreement and other sources of law
- respect and comply with this Code of Conduct and other decisions of the employer
- report any suspected violation of the provisions of this Code to the Legal department and/or directly to their superior manager.

BUSINESS MANAGEMENT

EXTERNAL RELATIONS

TRANSPARENCY IN REPORTING

It is the duty of the Plava Laguna Management Board to keep accurate and complete financial records that accurately and impartially reflect the transactions and assets of Plava Laguna, and to keep an internal control system sufficient to enable adequate assurance that transactions are duly authorized, executed and recorded in accordance with the bookkeeping policy of Plava Laguna.

It is the duty of the Management Board to disclose in a clear and unambiguous manner, timely and completely, all information that may affect the decision-making process of investing in Plava Laguna securities or the use of rights that arise from securities immediately and simultaneously for all persons that may be interested in it.

It is the duty of the Manager to accurately, fully and in a timely manner report to the Management Board all relevant business indicators in his/her segment of work, observed market trends, changes and difficulties. It is forbidden to take any actions that intentionally conceal or fake the real nature of any transaction

carried out by or relating to Plava Laguna.

It is the duty of every employee to provide his/her manager with all relevant information from their scope of operations, which includes observed difficulties, deviations or malfunctions, timely and completely, in order to ensure timely dealing with the arisen situation and possibly carrying out corrective actions. Employees should not knowingly misrepresent, omit or encourage others to misrepresent or omit facts about business operations that they are obliged to report to the Manager.

CONFIDENTIAL INFORMATION

All data used in the business process, including computer programs and other data, regardless of their form and storage method, which were created or used as part of business activities in Plava Laguna are considered business data and represent its assets.

Every employee is responsible for the use, keeping and protection of data considered to be a trade secret and which he/she learned in the performance of job duties and tasks in Plava Laguna. The employee responsible for breach of trade secrets is materially and criminally liable for misconduct in accordance with special regulations, depending on the consequences of disappearance or disclosure of secrets.

Besides respecting confidentiality of data and information owned by Plava Laguna, employees shall respect ownership of other companies over the data

and information that represent their assets, including but not limited to copyright or other legally regulated rights over data, work and information.

PUBLIC RELATIONS

Only appropriately appointed employees can provide answers to questions about Plava Laguna and its business activities, that may be raised by the press, securities analysts or others from the social, financial and media community.

If any inquiry is received, each employee is obliged to forward this inquiry to the Management Board's office for further action.

CONFLICT OF INTEREST

All stakeholders of Plava Laguna (members of the Management Board and the Supervisory Board, shareholders, employees) shall act in accordance with the best interest of Plava Laguna. Accordingly, they shall avoid any situation that could put them in conflict of interest with Plava Laguna. They shall not get involved in any financial, proprietary or other relationship with suppliers, customers or other business partners that could adversely affect their independence in decision-making they are obliged to do on behalf of and for the benefit of Plava Laguna.

The conflict of interests management policy regulates in more detail the procedure in the event of identifying and managing conflicts of interest in Plava Laguna.

BRIBE AND CORRUPTION

Plava Laguna prohibits giving, offering, promising, giving authority or taking bribes in any of the circumstances.

The concept of giving bribe includes not only cash and its equivalents but also gifts, leisure arrangements, covering travel expenses, accommodation expenses and all other tangible and intangible values.

Failure to comply with the provisions on prohibition of bribe may result in serious civil or criminal law consequences for Plava Laguna and its employees, and will be the reason for initiating appropriate proceedings against such employees for breach of employment obligations, which may include dismissal. Representation expenses and gifts are generally used to improve good will and to strengthen business relations. Accordingly, the policy of Plava Laguna allows employees to use the representation expenses in line with the law and allows them to give and receive appropriate business gifts in line with the law, provided that it is a gift of appropriate value which is given and received for business purposes in accordance with the laws.

COMPLIANCE WITH LEGAL PROVISIONS

In accordance with Plava Laguna's business principles, it is company policy to comply with all applicable legal regulations of the Republic of Croatia and markets in

which the company operates. It is the responsibility of the Management Board, all of the managers and each employee to be familiar with legal regulations that regulate their scope of business activity and to comply with their provisions.

Each department in its segment, with the support of the Legal department, is responsible for compliance activities and regularly informs the Management Board, managers and all employees about the important changes to applicable laws or new legal provisions. The Legal department is available to provide legal advice, clarify legal provisions or assess the appropriateness of a particular action. In addition to the advisory role of the Legal department, it is the obligation of the Management Board to ensure compliance and application with all legal regulations in everyday work. If an employee has any ambiguity or doubts about the legal compliance of any action in which he/she is involved, he/she shall contact the Legal department for advice and instructions, and shall act in accordance with the advice or instruction received.

MARKETING AND ADVERTISING

There is no covert advertising in Plava Laguna. Our advertising is never aimed at children. All advertising is aimed at parents and adults and we provide them with access to information and decisions, in order to help them make thoughtful decisions for themselves and their families related to where and how to spend their holidays.

INTERNAL RELATIONS

PROTECTION OF WORKPLACE FROM DISCRIMINATION AND HARASSMENT

Plava Laguna employs, pays their salary and promotes employees, and makes other decisions related to employment based on relevant factors, primarily qualifications and performance, rather than race, gender, color of skin, religion, age, ethnicity, sexual orientation, disability or other permanent characteristics.

We consider our employees one of our most valuable resources. We have dedicated ourselves to creating a professional work environment in which our employees are treated with respect and dignity and in which there is no inappropriate behavior, discrimination or harassment. Harassment of employees, customers, suppliers, business partners or competitors by employees constitutes a violation of this Code. In its work Plava Laguna respects all rights guaranteed to workers – parents, in accordance with all legal regulations, the Collective Agreement and work contract.

PROTECTION OF HEALTH AND SAFETY

Plava Laguna complies with all applicable laws relating to health protection and safety in the working environment. Occupational safety is an integral part of

the organization of work and the work process. It is implemented by applying legal regulations and recognized rules of safety at work, in order to improve the health and safety of workers, prevent work-related accidents and injuries, occupational and other diseases and protect the working environment. All workers are trained to work safely, use necessary protective agents/equipment in accordance with the workplace, and are obliged to comply with the rules of occupational safety.

In our facilities, we have the utmost respect for the hygiene standards and safety in products and services. In the event of any emergency, there are clear internal protocols that all employees must follow.

Special internal regulations regulate the rules of safety and security at work in more detail.

USE OF ELECTRONIC COMMUNICATION AND INFORMATION TECHNOLOGY

The information system is an important tool in conducting our everyday business. It includes computers, servers, databases, software, systems, telephones, mobile phones and other electronic devices, as well as electronic services such as e-mail, instant messaging, voice mail and internet access. All employees are required to use such means with great care, professionalism and good judgment, including respect for confidential information, security and privacy.

Electronic communication such as e-mail, posts on social media sites and blogs, instant messages and voice mails can be distributed quickly and widely. All documents and communication produced, stored or transmitted through the use of the information system of Plava Laguna are considered related to the job performance and all such forms of communication must be in accordance with the requirements of this Code.

Employees should not use the information system of Plava Laguna to send any content that is contrary to Plava Laguna's policies or that could damage its reputation. This includes posting public messages on blogs, personal websites, bulletin boards or social media sites. Employees should not download, post or transmit offensive information or images using Plava Laguna's technological means, and should not send offensive or disturbing messages or material. In addition, employees should not download, copy or use software from the technological resources of Plava Laguna if that infringes copyright or license restrictions.

Employees are not allowed to send unwanted commercial or bulk e-mails or large non-business files via Plava Laguna's information system.

We respect the legal rights of our employees to use social media channels. All employees of Plava Laguna who present themselves as Plava Laguna employees on social media or is their act in any way being associated

with Plava Laguna, must adhere to the following policy:

- employees must ensure that their use of social media does not have a negative impact and that it does not affect their work and the work of other employees
- employees must take into consideration the manner in which they are representing themselves on the internet's social networks, in a way that refrains from forms of expression that may result in harmful effects on Plava Laguna's reputation
- all employees must be aware of their association with Plava Laguna on the internet's social networks, and must make sure that their profile and corresponding content comply with the provisions of this Code
- employees must not publish and communicate information whose content is contrary to Plava Laguna's policies or that may damage its reputation
- when changing the employer it is desirable for employees to update their social media profile to properly reflect the job description and job position
- employees must take into account the fact that content that they published can remain publicly available for a long time, and must take into account the terms of use of websites.

Any unauthorized use or disclosure of Plava Laguna's confidential information on social media is prohibited. Special internal regulations regulate information security rules in more detail.

SUBSTANCE AND ALCOHOL ABUSE, PROTECTION OF NON-SMOKERS

It is prohibited to consume alcohol in the workplace, as well as to work in an intoxicated state.

In the premises of Plava Laguna, the unlawful use, sale, purchase, transfer and possession of narcotic drugs is prohibited, as well as work under the influence of drugs and other addictive substances.

In order to protect non-smokers from the effects of tobacco smoke, smoking in working areas and other premises is prohibited, except in those areas identified and adequately marked with smoking allowed signs. It is prohibited to smoke at work meetings.

POLITICAL ACTIVITIES

Political activity, political campaigns or other political activities of employees during working hours or in the premises of Plava Laguna are prohibited. Employees are free to engage in personal voluntary political activity and contribute to candidates and political parties, as permitted by law but should not use resources of Plava Laguna or the name of Plava Laguna for their own personal political activity.

PLAVA LAGUNA j.s.c.