



Exclusion of Privredna banka Zagreb from participation in activities related to armaments

Privredna banka Zagreb d.d (hereinafter - the Bank) as part of the Intesa Sanpaolo Group (hereinafter - the Group), guided by the values and principles of the Code of Ethics, has implemented the Bank's internal Rules governing transactions with subjects active in the armaments sector (hereinafter referred to as the Rules), which provides for the exclusion of the Bank from participation in activities related to the manufacture and/or trade of weapons, even if such activities are permitted by the legislation of Croatia. The aforementioned principle is in accordance with the socially responsible business practices applied by the Bank, which aims to create value for society as a whole by implementing a strategy focused on the environment, society and quality management of companies (ESG¹).

The Rules apply to all operations carried out at the initiative or for the benefit of the Bank's clients - legal entities and natural persons - entrepreneurs.

According to the Rules, weapons are all equipment that, according to technical conditions and characteristics, is created primarily for military use or for use by the armed forces or the police. In particular, the list from Commission Delegated Directive (EU) 2024/242 of 27 September 2023 (amending Directive 2009/43/EC of the European Parliament and of the Council as regards the update of the list of defence-related products in line with the updated Common Military List of the European Union of 20 February 2023) and subsequent revisions shall be taken into account in order to define armaments.

The following are not considered to be armaments and therefore do not fall within the scope of these Rules:

- sporting and hunting weapons and their ammunition;
- cartridges for industrial use and light and smoke devices;
- common firearms and ammunition,
- short firearms provided they are not automatic;
- reproductions of antique weapons and explosives other than those for military use.

According to the Rules, the following is **prohibited**:

Banking activity (Operations) - any transfer of financial funds (money, securities or granting credit) through the Bank. In particular, incoming and outgoing bank transfers and other types of fees or payments related to the purchase or sale of weapons both on the domestic market and abroad; as well as operations related to the payment of intermediary activities related to the field of armaments.

Financing of activities (Lending) - all forms of short-, medium- and long-term lending, including, but not limited to, special and general targeted credit lines, international

¹ ESG is an abbreviation for: "Environmental", "Social" (social rules), "Governance" (corporate management practices)



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settlements (advances according to contracts, invoice accounts, factoring, investment withdrawal portfolios); guarantees and financial obligations; letters of credit, standby letters of credit, lease agreements, participation in syndicated loans or acquisition of shares.

Exceptions

Banking operations and the issuance of loans for the production and/or sale of weapons, which are intended for the respective purposes and for use by the Armed Forces, specialized organizations, and the police of Croatia, can be carried out in exceptional cases and subject to the approval of the Head Office of Intesa Sanpaolo. In all other cases, banking activities in the field of armaments are not allowed.

We kindly ask that you understand the restrictions introduced by the Bank related to the policy of non-armament. In case of need for additional information, please contact your relationship manager.