



UBB Sustainability Code of Conduct for Suppliers of Goods and Services

Introduction

We at UBB are aware that we can achieve sustainable growth only when all our stakeholders have committed to the idea and have been involved in the Bank's activity in one way or another. It is our mission to build a culture where sustainable development, responsibility and accountability are integrated in the Bank's operations.

As suppliers of goods and services are some of our main partners, we would like them to integrate respective criteria in the procedures they apply to the performance of activities, related to purchase, sale and outsourcing, which criteria should reflect our strive towards empathy and involvement in the social, ethical and environmental concerns of the present day. Suppliers should comply with the principles, outlined in this Sustainability Code of Conduct for Suppliers of Goods and Services, which is one of the components of our overall Corporate Responsibility and Sustainable Development Strategy. Our Sustainability Code of Conduct for Suppliers of Goods and Services is in line with the UN Global Compact Principles and is being applied to all outsourcing activities of UBB.

UNGC Principles

We at UBB believe that it is only by integrating the principles of sustainable development, responsibility and accountability into our activity that we will be able to provide sustainable added value to all stakeholders. In this case, as well as in other situations too, the key to success in this endeavor lies in the close cooperation with our partners. By working in partnership with third parties, we aim at offering products and services that have the least possible impact on the environment and that contribute to the sustainable development of society.

Sustainable development is a chain-based process. By encouraging our partners to aim at higher sustainability, we target to inspire each party in the supply chain to behave in a similarly sustainable manner.

It is the Bank's policy to formally request that our suppliers* should respect and endorse the principles of this Code of Conduct.

** Suppliers shall mean all present or potential companies, supplying to UBB, i.e. contractors, suppliers of goods and services, consultancy firms, etc. This Code of Conduct shall also apply to all supplier entities, i.e. supplier parent companies and subsidiaries, if relevant.*

The Code of Conduct sets out the following requirements:

- Suppliers shall be obliged to comply with all applicable laws and other statutory requirements.

- Suppliers shall be obliged to respect human rights and shall not permit any physical or mental harassment, or any other form of human dignity abuse.
- Suppliers shall be obliged to respect the applicable local and international labour law regulations with regard to working hours and labour remuneration.
- Suppliers shall be obliged to guarantee non-use of labour practices, containing elements of duress, and that their employees are free to terminate their employment contracts through their own will, after giving a reasonable notice period.
- Suppliers shall be obliged to have a non-discrimination policy in place, prohibiting discrimination on the basis of gender, race, social vulnerability or physical handicap, religion, origin.
- Suppliers shall be obliged to observe the core principles of the International Labour Organization. This includes, but is not limited to the requirement that they shall not employ individuals below 14 years of age, or below the age defined under national legislation; (in the Republic of Bulgaria below 16 years of age, except in the cases when special exceptions have been envisaged and under the terms and conditions for such exception); children shall be entitled to education and should be enabled to develop freely.
- Suppliers' employees must enjoy freedom of association and the right to collective bargaining.
- Suppliers shall be obliged to provide their employees and appointees by virtue of some other type of civil relations with safe and healthy working conditions.
- Suppliers shall be obliged to conduct their activities with due respect for the protection of the environment and shall be involved, to the extent possible, in initiatives for reducing their ecological footprint.
- Suppliers shall be obliged to deliver products and services that meet the quality and safety criteria, as agreed between them and the Bank in relevant contracts.
- Suppliers shall be obliged to conduct their business with integrity and shall have to apply policies for combating fraud, money laundering, bribes and corruption. Suppliers shall be obliged to have zero tolerance towards any forms of corruption.

This *Sustainability Code of Conduct for Suppliers* enables UBB to perform periodical screenings in view of assessing whether suppliers are complying with the agreed CSR requirements. Upon establishing any violations that cannot be eliminated within a reasonable period of time, UBB shall be entitled to terminate on such grounds all contracts with the respective Supplier.

Approval

Approved by Group Exco
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