



|||||

# Sustainability Report 2024



• **Sustainability Report**

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

**General Information (ESRS 2)**

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

**Climate Change (ESRS E1)**

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

**Own Workforce (ESRS S1)**

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

**Consumers and End Users (ESRS S4)**

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

**Corporate Culture (ESRS G1)**

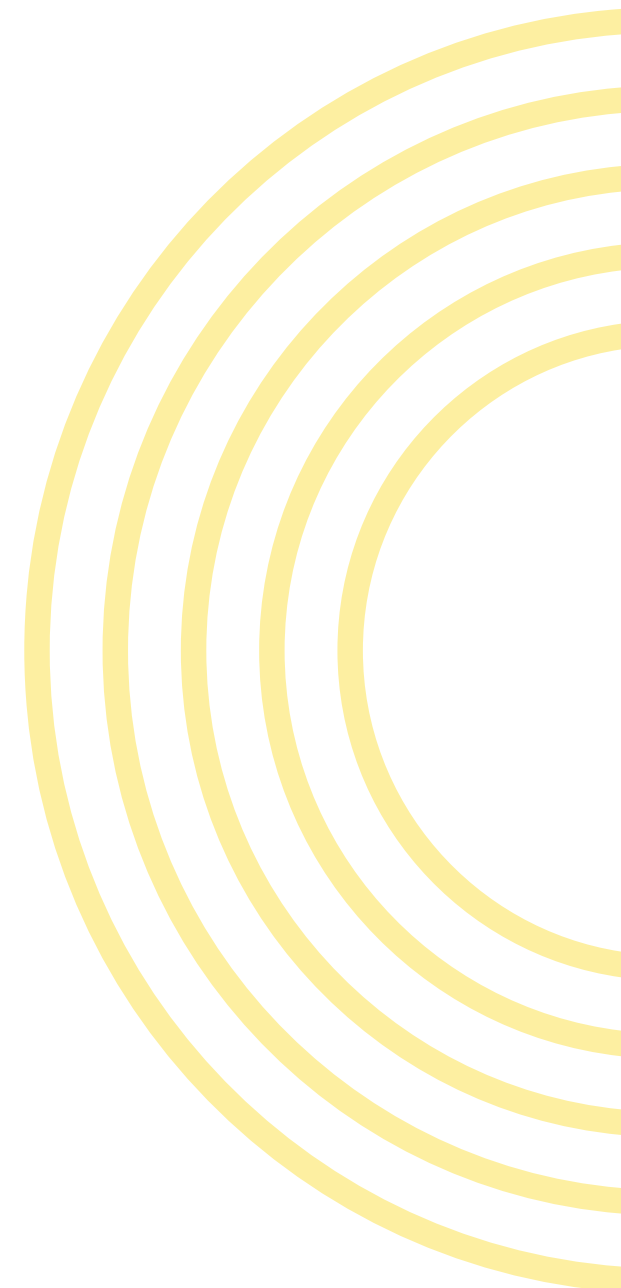
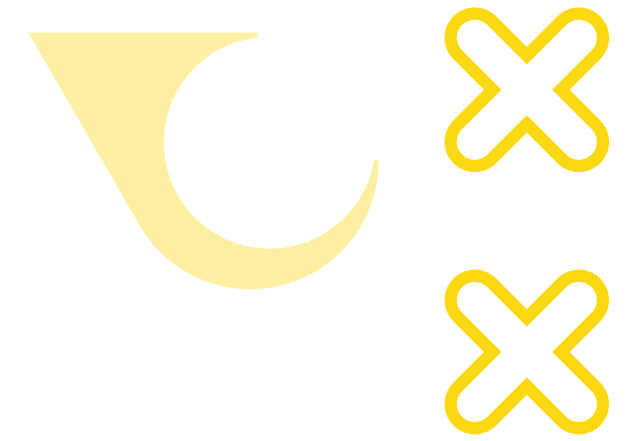
# About this Report

This document contains the Sustainability Report of Croatian Post for the year 2024.

The report is an English translation of the sustainability-related content extracted from the full 2024 Annual Management Report, which integrates sustainability disclosures as an inseparable part of corporate reporting, in line with new EU regulatory requirements.

While the original report is published in Croatian as a comprehensive document, this English version serves as a standalone extract, designed to provide international stakeholders with clear insight into Croatian Post's sustainability performance, strategy, and impacts.

The report has been prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), and adheres to the mandatory structure and disclosure requirements for sustainability reporting.



## Sustainability Report

- Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

# Foreword by Ivan Čulo, President of the Management Board

In 2024, Croatian Post took a significant step forward by integrating sustainability reporting into its Annual Management Report, in line with the new EU requirements. This marks the beginning of a new era of transparency and accountability, one that reflects our environmental and social performance and the maturity of our governance vision.

In 2024, we achieved a measurable reduction in greenhouse gas emissions, while increasing the share of renewable energy in our electricity consumption. With the largest electric vehicle fleet in the country and over 27% of green delivery kilometres, we continue to invest in decarbonised transport and energy-efficient infrastructure. These results are not coincidental. They reflect the systematic implementation of our ESG agenda and the growing integration of sustainability across our operations.

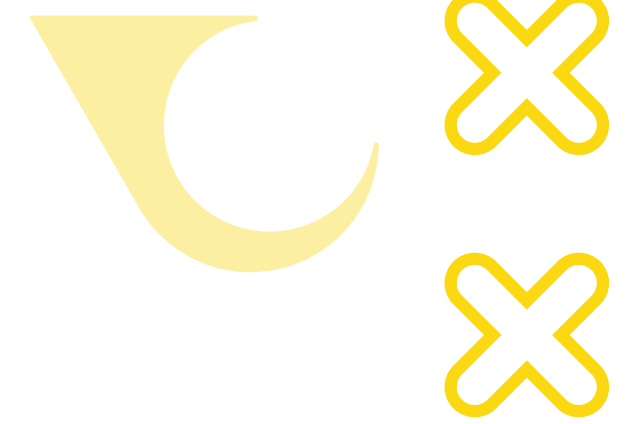
This report is a statement of intent. Our ambition is to ensure that Croatian Post plays a proactive role in the transition towards a climate neutral and resource efficient economy. By embedding sustainability into our decision making and reporting with integrity, we are strengthening stakeholder trust.

I would like to thank all employees and partners whose engagement made this progress possible. Together, we are delivering more than letters and parcels – we are delivering value for the future.

Ivan Čulo  
President of the Management Board  
Croatian Post



President of the  
Management Board  
**Ivan Čulo**



## Sustainability Report

Foreword by Ivan Čulo (CEO)

- Introduction
- Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

# Introduction of the Sustainability Report

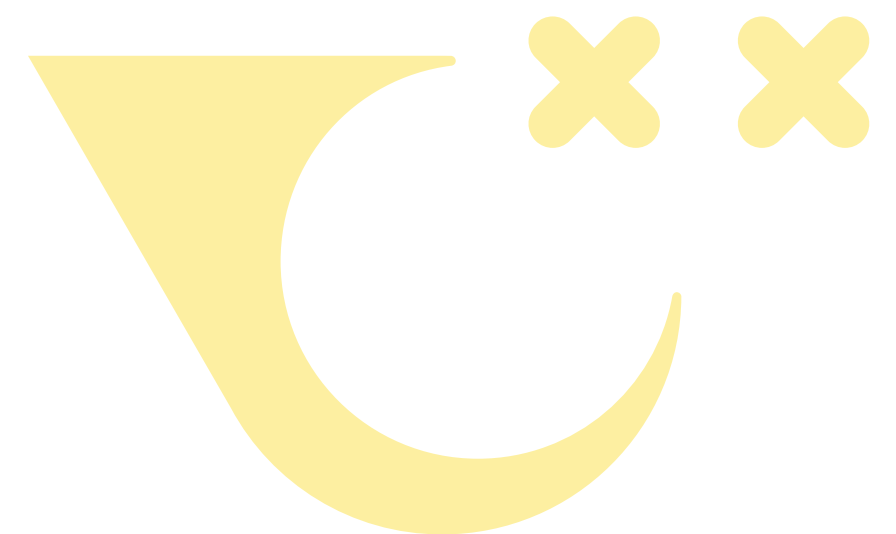
The climate challenges faced by the modern world require a transformation of business models, innovative solutions, and the application of new technologies. In this context, postal and logistics operators are assuming a responsible and proactive role in the transition towards sustainable business models. Croatian Post Inc. (hereinafter: Croatian Post), as a socially responsible market leader, adopts and applies European and international sustainability standards, reaffirming its strategic commitment to environmental protection, community well-being, and the long-term resilience of its business operations.

Croatian Post recognizes sustainability as a core value that shapes its long-term business success. By integrating ESG criteria into its Corporate Strategy Pošta2025(30), a framework has been established for enhancing socially responsible business practices. Aware of its role in society and the economy, Croatian Post is focused on creating sustainable value for all stakeholders while contributing positively to environmental, social, and economic objectives.

The Corporate Strategy Pošta2025(30) is founded on the values of responsibility, cooperation, and trust - fundamental principles for developing sustainable business models. Through the adoption of the Sustainability Management Strategy, Croatian Post has defined its priority areas of sustainable action and set ambitious and measurable targets. This ensures consistent implementation of sustainability policies across all levels of the organization.

The undertaken efforts and activities have ensured compliance with European and global regulatory frameworks on sustainable business practices, including the Corporate Sustainability Reporting Directive (hereinafter: CSRD) and the European Sustainability Reporting Standards (hereinafter: ESRS).

With its first sustainability report, Croatian Post will transparently present its efforts and actions, achieved results, and next steps towards creating a sustainable and innovative business environment.



## Sustainability Report

Foreword by Ivan Čulo (CEO)

- Introduction
- Structure

### General Information (ESRS 2)

Basis of Preparation  
Governance Model  
Management Strategy  
Policies  
Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy  
Impacts, Risks, and Opportunities  
Policies, Actions, Targets and Metrics  
Transition Plan  
EU Taxonomy Statement  
Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy  
Impacts, Risks, and Opportunities  
Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection  
Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

# Sustainability as the Foundation of Business Growth

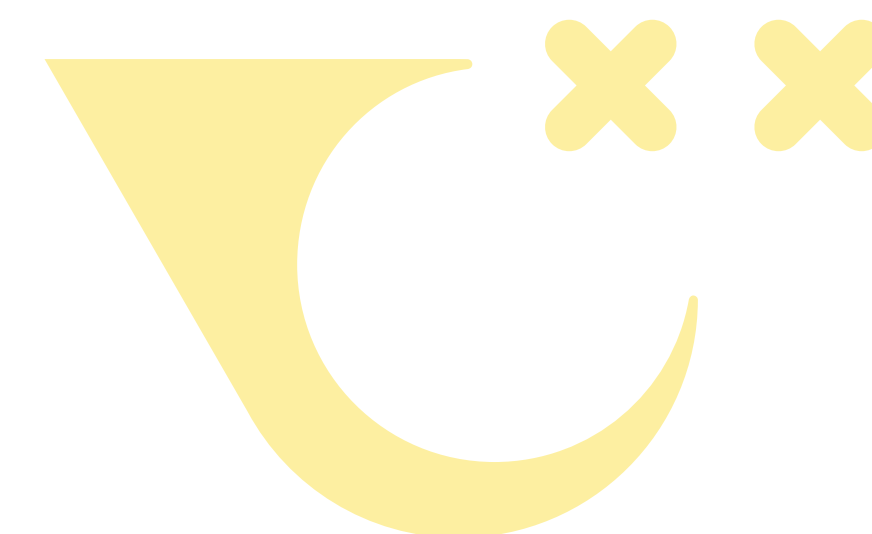
As part of its Sustainability Management Strategy "Growing Green and Sustainable", the Company continuously advances three key dimensions of sustainable business operations:

- Green business - reducing CO<sub>2</sub> emissions through fleet optimization, transition to electric vehicles, alternative delivery methods, energy efficiency, and the use of renewable energy sources.
- Socially responsible business - creating a high-quality work environment, improving employee well-being, ensuring work-life balance, empowering local communities, and strengthening social dialogue.
- Corporate governance - transparent decision making, ethical business conduct, and data protection.

Croatian Post has aligned its socially responsible business practices with relevant international initiatives, such as The Climate Pledge and the Science Based Targets Initiative (hereinafter: SBTi), thereby committing to scientifically based and ambitious greenhouse gas emission reduction targets, as well as to the implementation of comprehensive climate change adaptation strategies.

By adopting strategic documents, defining priority action areas and setting measurable targets, sustainability has been firmly integrated into Croatian Post's strategic priorities and operational processes at all levels.

This approach strengthens the Company's long-term resilience and competitiveness while creating added value for all key stakeholders - employees, customers, business partners, investors, and the wider community.



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

- Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

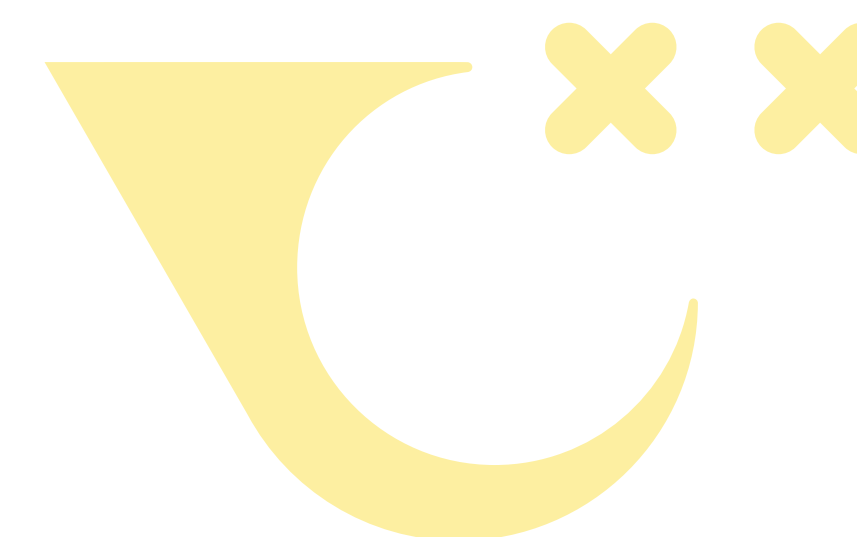
# Structure of the Sustainability Report

This Sustainability Report has been prepared in accordance with the European Sustainability Reporting Standards (ESRS), based on the double materiality approach and the results of the materiality assessment matrix. The content of the report is structured into chapters reflecting the key sustainability topics and aspects identified as material for Croatian Post and its stakeholders.

The report covers the following thematic areas:

- **General Disclosures (ESRS 2)** - presentation of basic company information, governance structure, business model, sustainability strategy, and the approach to managing sustainability - related risks and opportunities.
- **Climate Change and Environmental Sustainability (ESRS E1)** - data on greenhouse gas emissions, energy efficiency, and sustainability projects.
- **Own Workforce (ESRS S1)** - information on working conditions, employee health and safety, competence development, equal opportunities, and diversity promotion.
- **Consumers and End-Users (ESRS S4)** - overview of responsible customer relations, personal data protection, accessibility and availability of services, and the social inclusion of end users.
- **Corporate Culture and Business Ethics (ESRS G1)** - description of ethical standards, risk management, anti-corruption measures, transparency, and regulatory compliance.

This structure provides a transparent overview of the Company's achievements in the field of sustainability.



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

- Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

# General Information on the Sustainability Report (ESRS 2)

## Basis of Preparation of the Sustainability Report

The Sustainability Report of Croatian Post has been prepared in accordance with the applicable regulatory framework of the European Union and national legislation. The following were applied in its preparation:

- The Corporate Sustainability Reporting Directive (CSRD) as the primary legal framework for extended non-financial reporting in the EU,
- The European Sustainability Reporting Standards (ESRS) as the methodological basis for the content and structure of the report,
- The Accounting Act of the Republic of Croatia, which ensures national implementation of the EU legislative framework.

The principles of relevance, accuracy, completeness, comparability, and transparency have been respected. The report includes material information regarding the Company's impacts on the environment, society, and the economy, as well as the effects of sustainability-related factors on the Company's business. Given the evolving regulatory landscape, Croatian Post will continuously adapt and update the scope of its sustainability reporting.

### Reporting Scope

The 2024 report is not subject to external assurance. In accordance with the Accounting Act of the Republic of Croatia, Croatian Post will become subject to mandatory sustainability reporting as of 2026 for the financial year 2025. At that point, the report will undergo limited assurance by an independent auditor, with a gradual transition towards reasonable assurance.

The 2024 report has been prepared during a transitional period and represents a voluntary initiative. It is aligned with the principles of the CSRD and ESRS, aiming to ensure timely preparation for mandatory reporting, improve reporting methodology, and strengthen internal capacities. Although the report is structured in accordance with ESRS standards and covers material topics, certain areas currently do not include all mandatory disclosures required by the applicable framework.

### Reporting Boundaries

- Reporting period: The report covers the period from 1 January to 31 December 2024.
- Organisational boundary: Unless otherwise stated, the report includes all relevant business activities of the parent company and its subsidiaries, in accordance with the scope of consolidation defined in the financial statements.
- Value chain: Data relating to suppliers, partners, and business activities outside the Company's direct operational control are included where their material relevance has been identified through the double materiality assessment process.
- Methodological consistency: To ensure transparency and comparability, any changes in reporting approach, data sources, or methodology compared to previous periods will be clearly indicated and explained.



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

- Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

# Sustainability Governance Model

Croatian Post has established an integrated sustainability governance model based on ESG principles, strategic objectives, and regulatory requirements. Sustainable business practices are embedded at all levels of corporate governance.

The foundation of sustainability lies in the Company's purpose and vision, the Corporate Strategy Pošta2025(30), the Sustainability Management Strategy, corporate values, and the commitments undertaken under initiatives such as The Climate Pledge and the Science Based Targets Initiative (SBTi). Sustainability governance is carried out in accordance with applicable regulatory requirements, including guidance on corporate social responsibility, climate risk management, and sustainable value chains.

To ensure effective coordination and implementation of sustainability initiatives, an ESG Programme has been established. It coordinates the key areas of sustainable business and ensures alignment with both the Corporate Strategy and the Sustainability Management Strategy.

The sustainability governance model is structured around three core components: Strategic Governance, Operational Execution, and Oversight & Reporting. The Management Board of Croatian Post holds the highest level of responsibility for making strategic decisions related to sustainability. ESG and sustainability considerations are fully integrated into the corporate strategy.

The ESG Team and designated working groups at the operational level are responsible for implementing the strategy, launching projects and initiatives, and reporting on sustainability performance. Key performance indicators (KPIs) and monitoring mechanisms have been defined to track progress and ensure alignment with strategic goals. Progress is regularly evaluated against defined sustainability objectives.

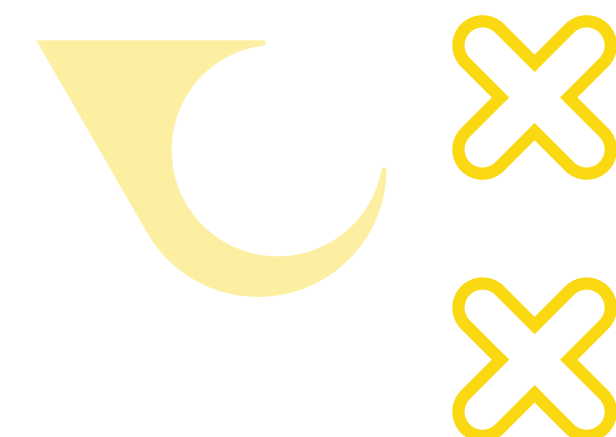
## Role of Key Stakeholders

Sustainability governance is based on the active engagement of relevant stakeholders. This approach enables multi-level governance that links strategic direction with operational execution.

The Company's Management Board holds the highest level of responsibility for sustainability - it defines strategic guidelines, approves targets, and makes key decisions that guide the transformation of the business model toward long-term resilience and sustainability.

The ESG Team, as the central operational and coordinating body, plays a key role in implementing the sustainability strategy, collecting and validating data, and aligning business processes with defined objectives. The team collaborates with various organisational units and thematic working groups, ensuring functional integration across all areas - from environmental topics to social and governance aspects.

Cooperation with both internal and external stakeholders - including employees, unions, suppliers, partners, and local communities - further enhances the relevance and effectiveness of ESG measures and strengthens the overall social responsibility of the Company.



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

# Sustainability Management Strategy

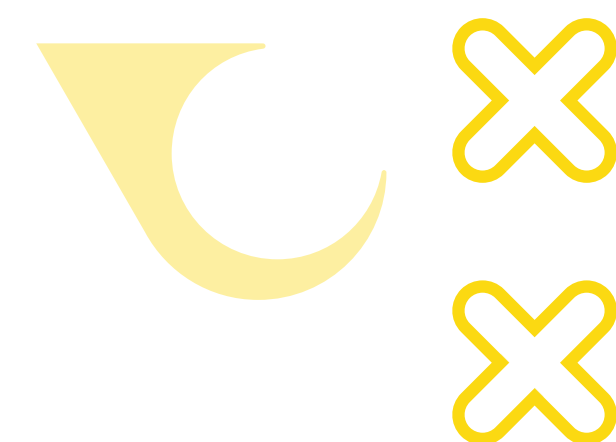
To ensure a long-term positive impact on economic development, the environment, and society, Croatian Post takes a strategic approach to sustainability. Sustainability is integrated into all key business processes with the aim of delivering postal and logistics services that meet the needs of modern customers while preserving natural resources and ensuring the long-term viability of capacities for future generations. By improving operational, environmental, and social standards, the Company seeks to balance business growth with responsibility toward the community, the environment, and its workforce.

## Key Areas of Sustainable Business

The sustainability approach is structured around four strategic pillars, as defined in the “Growing Green and Sustainable” Sustainability Management Strategy. Each area includes specific objectives that directly support ESG priorities and contribute to the long-term stability of the business.

Table 1: Excerpt from the Sustainability Management Strategy

Sustainability Pillars	Key Areas	Key Area Objectives
<b>We for the Economy</b> <b>Post - sustainable with contribution to the economy</b>	Customer focus Innovation and new technologies Increasing competitiveness	Development of a competitive business model and capital adequacy Ensuring the stability and security of the universal service Digitalisation and development of new services for citizens, businesses, and public administration Active contribution to the national economy Implementation of corporate governance in line with best practices
<b>We for the Environment</b> <b>Post - growing green today</b>	CO <sub>2</sub> emissions Waste management Green energy	Reduction of greenhouse gas emissions through fleet electrification Investments in renewable energy sources and increased energy efficiency of buildings Introduction of recycling solutions and waste reduction Promotion of sustainable delivery methods
<b>We for Society</b> <b>Post - socially responsible</b>	Community contribution Regional presence Data protection	Ensuring regional accessibility of postal services Expansion of the postal office and parcel locker network “Bank in the Post” program Increased social contribution through sponsorships and donations Strengthening the personal data protection system
<b>Post - That’s Us</b> <b>Post - employees as our greatest strength</b>	Capacity building, education, and recognition Health and safety Corporate culture	Development of corporate culture and strengthening of corporate values Implementation of medical check-ups, insurance, and psychological support for employees Promotion of diversity and equal opportunities Ensuring freedom of association and collective bargaining Introduction of incentive-based compensation models, including a voluntary pension fund



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

• Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

## Value Chain and Sustainable Logistics

One of the greatest challenges in achieving climate neutrality across the business sector lies in greenhouse gas (GHG) emissions from Scope 3. These are emissions resulting from activities beyond the Company's direct control, such as the procurement of goods and services or third-party logistics operations.

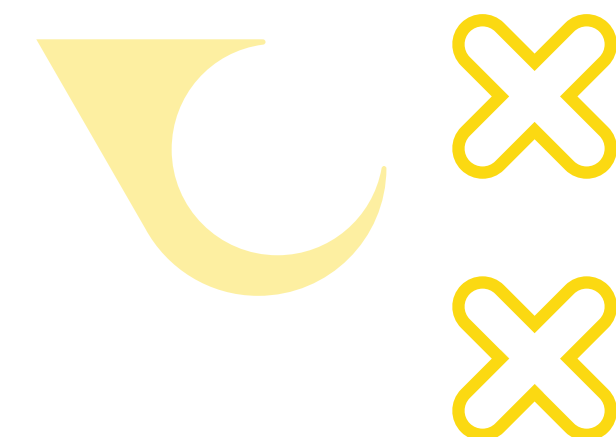
Croatian Post manages a complex and extensive logistics system that includes long-distance long-haul transport and last-mile delivery to end users. Distribution is carried out through various delivery modes - from commercial vehicles, electric vehicles, and bicycles to pedestrian delivery. Some logistics activities are performed in cooperation with subsidiaries and external logistics partners, providing greater operational flexibility. Optimisation of the value chain is a key lever for reducing operational costs and increasing distribution efficiency.

A Code of Conduct for Business Partners has been adopted, setting environmental, social, and ethical standards across the value chain. The Code outlines recommendations for business partners regarding GHG emission reductions, the use of sustainable materials, improvements in energy efficiency, and responsible waste management. This ensures that all actors in the value chain actively contribute to Croatian Post's sustainability objectives.

To manage emissions within the value chain, specific measures are planned to optimise procurement processes, focusing on responsible supplier selection, collaboration on improving sustainable practices, and the promotion of green procurement, particularly for low-carbon materials and services.

A decarbonisation target has been set to reduce Scope 3 emissions by 25% by 2030, relative to the baseline year 2023. This target applies to key emission categories: purchased goods and services, upstream transportation, capital goods, and waste.

Croatian Post has launched the ADMIRAL research project, in cooperation with the scientific community and industry partners, and co-financed by EU programme. The project aims to develop a digital solution for multimodal and energy-efficient logistics. It contributes to value chain sustainability by reducing transport-related emissions, increasing transparency, and enhancing the resilience of supply flows. Using artificial intelligence, a framework is being developed to assess environmental impacts and transform traditional logistics chains into sustainable, data-driven systems. This collaboration facilitates the application of the latest scientific insights and innovative practices in emission management along the value chain.



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

• Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

## Financial Indicators and Sustainability Performance

Croatian Post continues to strengthen its financial stability and resilience while developing a sustainable business strategy. At the end of the financial year, the Company employed 8,811 people, with total revenues amounting to EUR 322 million.

A Transition Plan has been developed to support the achievement of decarbonisation targets. The plan defines key measures, such as the electrification of the vehicle fleet, procurement of green electricity, installation of solar power systems, and the replacement of conventional lighting with energy-efficient LED technology. The plan includes scenario modelling and business cases with estimated impacts on operations. For the implementation of transition measures through 2030, capital expenditures (Capex) are estimated at EUR 33 million and operational expenditures (Opex) at EUR 8 million.

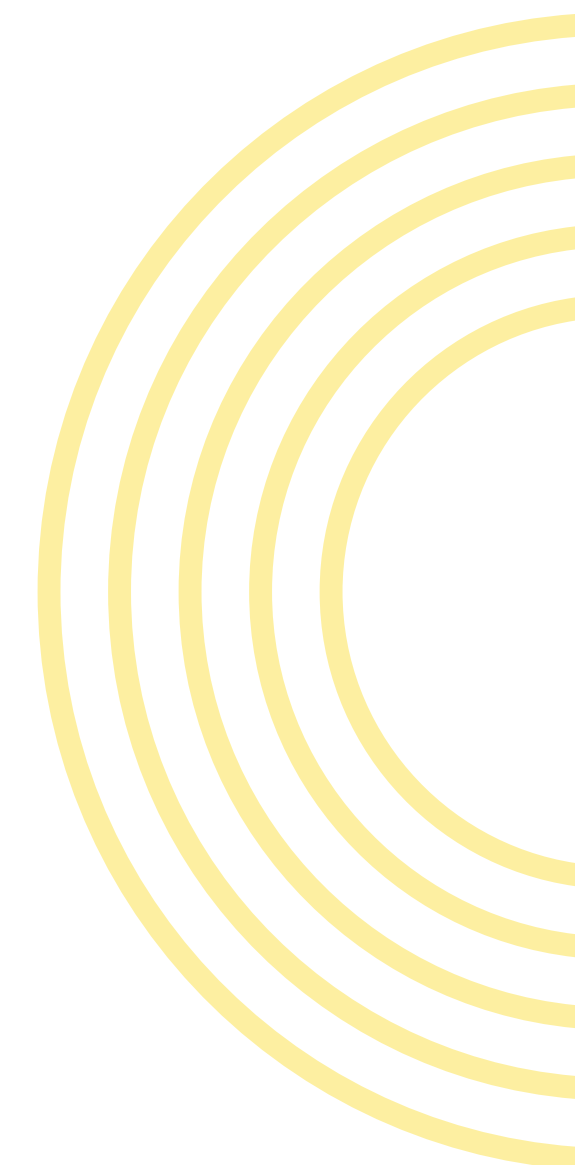
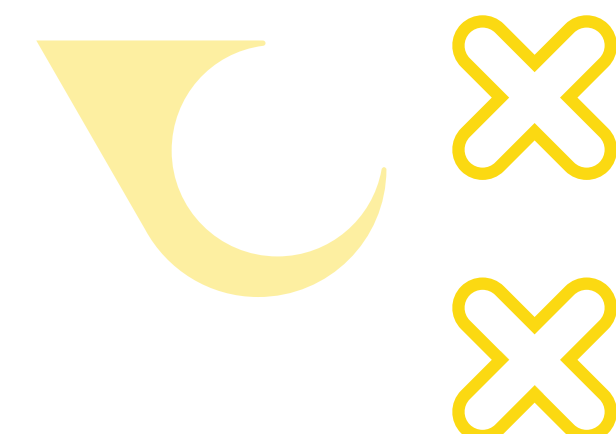
Croatian Post reports on the alignment of its financial activities with Commission Delegated Regulation (EU) 2021/2139, which defines the EU Taxonomy of environmentally sustainable economic activities. The share of taxonomy-eligible and taxonomy-aligned economic activities in the Company's operations is steadily increasing, primarily due to the acquisition of electric vehicles and supporting infrastructure, growth in parcel deliveries via e-vehicles, and investments in energy-efficient business premises.

A detailed overview of financial indicators planned investments, and their contribution to the sustainability performance of Croatian Post is provided in the dedicated chapters Transition Plan and EU Taxonomy Alignment Statement, where the impact of activities on the Company's climate targets is further explained.

## Further Development of the Sustainability Management Strategy

In the context of dynamic changes in the regulatory environment, increasing stakeholder expectations, and growing demands for transparency, Croatian Post will continue to systematically advance its Sustainability Management Strategy. The aim is to ensure the consistent integration of sustainability principles across all key business processes, further strengthen regulatory compliance, and continuously contribute to the creation of long-term value for all relevant stakeholders - customers, employees, business partners, the community, and investors.

In the upcoming reporting period, the sustainability management strategy will be further aligned with the outcomes of the materiality assessment. This will enable focused attention on the most significant impacts, risks, and opportunities related to sustainable business operations, with the goal of implementing advanced ESG practices and establishing internal sustainability standards throughout the Company.



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

## General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

- Policies

Double Materiality Assessment

## Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

## Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

## Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

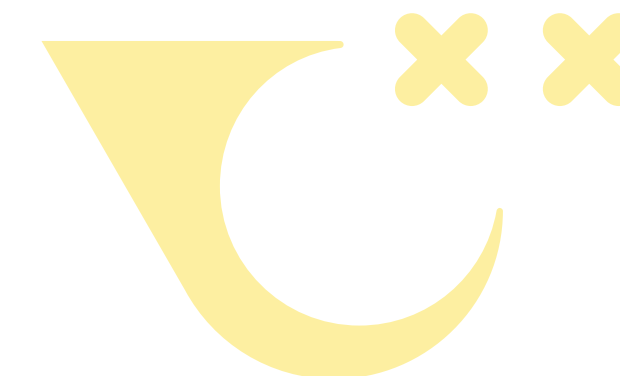
## Corporate Culture (ESRS G1)

# Policies

Croatian Post proactively develops and aligns its operations with the evolving sustainability regulatory framework and global best practices. In accordance with the Accounting Act of the Republic of Croatia, the obligation for Croatian Post to submit a sustainability report will commence in 2026 for the 2025 financial year.

The Company's commitment to sustainable business practices is supported by a set of internal documents that ensure the consistent implementation of sustainability principles in practice. These include:

- 1. Sustainability Policy** - Guides the Company's actions towards achieving sustainable business objectives.
- 2. Code of Ethics** - Establishes core values and principles of conduct for employees and management, including compliance with laws, integrity, and anti-corruption.
- 3. Diversity Policy** - Promotes equal opportunities, inclusiveness, non-discrimination, and respect for diversity in the workplace.
- 4. Code of Business Conduct** - Provides a framework for responsible corporate behaviour in stakeholder relations and transparent risk management.
- 5. Corporate Governance Code** - Sets high standards for governance practices, transparency, accountability, and control, in line with principles of good corporate governance.
- 6. Code of Conduct for Business Partners on Environmental Protection** - Defines environmental, social, and governance standards that all suppliers and partners in Croatian Post's value chain are required to uphold.



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

- Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

# Double Materiality Assessment

The materiality assessment is a fundamental step in the development and implementation of the sustainability strategy, as it enables the identification of topics that are material for the long-term resilience and success of the business. Through this process, the most significant impacts that the Company has on the environment and society (impact materiality), as well as the effects that environmental, social, and governance factors may have on the Company's financial performance and stability (financial materiality), are identified and evaluated.

Sustainability reporting is based on the outcomes of this assessment, ensuring that the disclosed data and information reflect the Company's real priorities and risks, as perceived by both the organisation and its stakeholders.

The assessment process was carried out in line with the regulatory requirements of the CSRD and ESRS, applying the guidance published by the European Financial Reporting Advisory Group (EFRAG).

Key internal and external stakeholders participated in the assessment process, including management, employees, social partners, and relevant external collaborators. Stakeholder input was gathered through structured interviews and online surveys, enabling a comprehensive understanding of sustainability-related risks, opportunities, and impacts on the business. To ensure objectivity and quality of the analysis, external experts were engaged to support methodological alignment with the regulatory framework and leading practices in sustainability reporting.

## Methodological Approach to Double Materiality Assessment

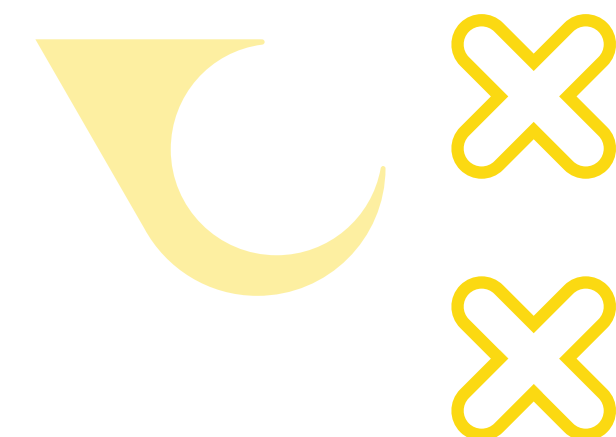
To ensure a comprehensive and transparent identification of the most relevant ESG topics, a three-step methodological approach was applied in the double materiality assessment.

### 1. Mapping Relevant ESG Topics

The first step in the assessment involved the identification of material ESG topics, as well as actual and potential impacts, risks, and opportunities. Key environmental, social, and governance factors that could affect Croatian Post's business - or be significantly affected by the Company's activities - were analysed.

The analysis drew on a combination of internal and external information sources. Internal sources included in-depth risk assessments, strategic document analysis, operational data, and internal ESG guidelines. External sources comprised academic research, industry and market studies, benchmarking with leading company practices, and regulatory requirements, including the guidelines issued by the European Financial Reporting Advisory Group (EFRAG).

Through the mapping of impacts, risks, and opportunities, material topics were identified that have a significant effect on Croatian Post's business model. The analysis was carried out across multiple time horizons - medium term (2025-2030) and long term (2030-2040) - to ensure a comprehensive understanding of their implications for the resilience and sustainability of the business over time.



## Sustainability Report

Foreword by Ivan Čulo (CEO)  
Introduction  
Structure

### General Information (ESRS 2)

Basis of Preparation  
Governance Model  
Management Strategy  
Policies  
• Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy  
Impacts, Risks, and Opportunities  
Policies, Actions, Targets and Metrics  
Transition Plan  
EU Taxonomy Statement  
Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy  
Impacts, Risks, and Opportunities  
Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

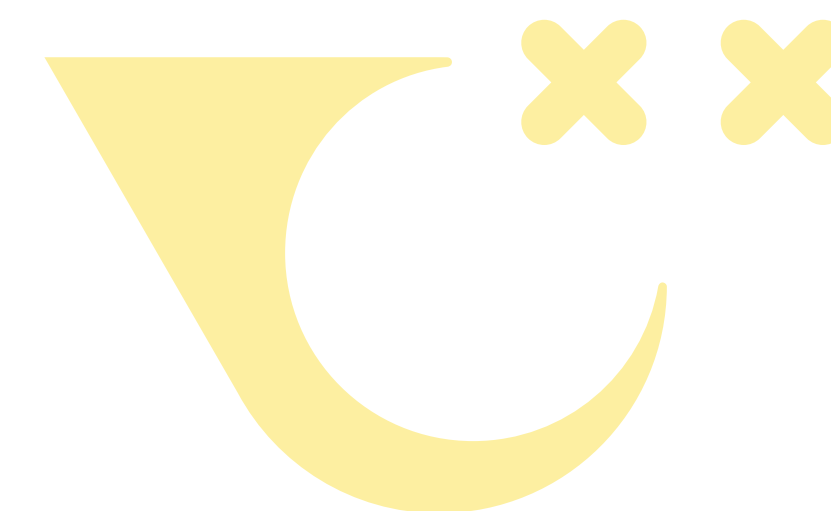
Material Subtopic: Personal Data Protection  
Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

## Sustainability Report

Table 2: Initial List of Identified Material Topics and Subtopics

Category	Material Topics	Subtopics
Environmental Topics <i>(E – Environmental)</i>	Climate Change	Energy efficiency Use of renewable energy sources Climate change mitigation Climate adaptation Sustainable investments and strategies
	Pollution	Air pollution prevention Water and soil pollution Emissions from transport and logistics
	Resources Use and Circular Economy	Circularity and use of raw materials Waste management Logistics resource optimisation
	Biodiversity and Ecosystems	Business impact on biodiversity Environmental protection plans and measures
	Water and Marine Resources	Water consumption Wastewater management
Social Topics <i>(S – Social)</i>	Own Workforce	Secure employment Working conditions and occupational health and safety Worker consultation and social dialogue Gender equality and equal pay Training and skills development Work-life balance Employment and inclusion of persons with disabilities Prevention of workplace violence and harassment
	Affected Communities by Business Operations	Privacy and data protection Provision of essential community needs (access to services) Security and freedom of expression
	Consumers and End Users	Access to information and service digitalisation Product and service safety Protection of user personal data
Governance Topics <i>(G – Governance)</i>	Business Conduct and Ethics	Corporate culture Supplier management and ethical business practices Anti-corruption Whistleblower policy
	Cybersecurity	Protection of IT systems and data Security of digital services and transactions Digital risk management



## Sustainability Report

Foreword by Ivan Čulo (CEO)  
 Introduction  
 Structure

### General Information (ESRS 2)

Basis of Preparation  
 Governance Model  
 Management Strategy  
 Policies  
 • Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy  
 Impacts, Risks, and Opportunities  
 Policies, Actions, Targets and Metrics  
 Transition Plan  
 EU Taxonomy Statement  
 Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy  
 Impacts, Risks, and Opportunities  
 Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection  
 Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

## 2. Identification and Assessment of the Materiality of Impacts, Risks, and Opportunities

Following the mapping phase, a detailed materiality assessment was conducted. The evaluation considered the scale, scope, and irremediability of each impact to determine which factors have the most significant actual or potential effect on the Company's operations and its stakeholders. Through consultations with key stakeholders, a structured list of relevant impacts, risks, and opportunities was compiled, serving as the basis for the next stage of the process - materiality analysis and significance assessment for Croatian Post's business.

Criteria used to assess the significance of each topic's impact:

- **Scale** - the severity of the impact, risk, or opportunity on the business and the environment,
- **Scope** - the extent of the impact across operations, the value chain, and stakeholders,
- **Irremediability** - the extent to which negative effects can be mitigated or reversed through business decisions and corrective actions.

A subsequent assessment of financial risks and opportunities was also conducted. This dimension focused on evaluating the potential impact of each factor on revenues, costs, cash flows, and cost of capital, to understand its financial materiality for Croatian Post's operations.

Data collected during this phase were enriched through a combination of quantitative and qualitative sources, including internal financial data and academic research. To ensure the objectivity of the analysis, the assessments were validated in cooperation with both internal and external experts. This process resulted in the identification of priority topics that require immediate action and will be central to sustainability reporting.



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

- Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

Table 3: List of Impacts, Risks, and Opportunities

Material Topic	Subtopic	Impacts	Risks	Opportunities
ESRS E1	Energy Efficiency	Reduced operational costs via energy optimization	High initial investment costs	Lower energy costs
		Improved resilience to energy price fluctuations GHG emissions reduction Productivity gains through logistics and energy management digitalization	Regulatory changes requiring infrastructure adjustments Dependence on technology availability	Market position improvement Subsidies for energy projects Enhanced stakeholder trust
Climate Change	Use of Renewable Energy	CO <sub>2</sub> and carbon footprint reduction	High capital costs for solar panels	Access to funding
		Long-term cost reduction through renewable energy	Weather variability	Market resilience
		Reduced reliance on fossil fuels Improved energy security	Technical challenges integrating renewables	Sustainability leadership Attractive employer and partner reputation
Sustainable Investments and Strategies	Sustainable Investments and Strategies	Financial stability through green infrastructure investments	Long payback period;	Competitive edge
		Lower emissions-related risk	Unexpected costs from new regulations;	Access to green financing
		Regulatory compliance with sustainable finance	Limited access to green finance instruments	



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

- Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

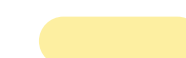
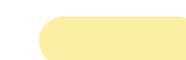
### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

Material Topic	Subtopic	Impacts	Risks	Opportunities
ESRS S1	Secure Employment	Employment stability for over 8,800 workers	High turnover and low motivation	Attract and retain talent through improved benefits
		Higher salaries and benefits Improved working conditions	Safety issues Workload stress	Lower turnover via reward systems
Own Workforce	Worker Consultation and Information	Enhanced social dialogue Better communication with workers	Failure to consult may breach legal obligations	Greater worker inclusion and satisfaction
		Work-Life Balance	Flexible hours support better balance, boosting productivity and loyalty	Imbalance leads to stress, lower motivation, and higher turnover
Own Workforce	Health and Safety	Improved safety and well-being reduce injuries and boosts satisfaction	Workplace injuries, especially in field delivery and warehouses	Education and automation reduce risks and increase efficiency
		Gender Equality and Equal Pay	Promotes positive workplace culture and fairness	Unfair pay and gender disparity may harm morale and legal compliance
Own Workforce	Training and Skills Development	Upskilling increases competitiveness and decision-making quality	Skill shortages Lack of training leads to outdated skills and inefficiency	Mentorship and training improve workforce capability
		E-learning accelerates adaptability to business changes	Training gaps reduce adaptability and competitiveness	Digital skills enhance agility and support transformation



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

## General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

## Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

## Own Workforce (ESRS S1)

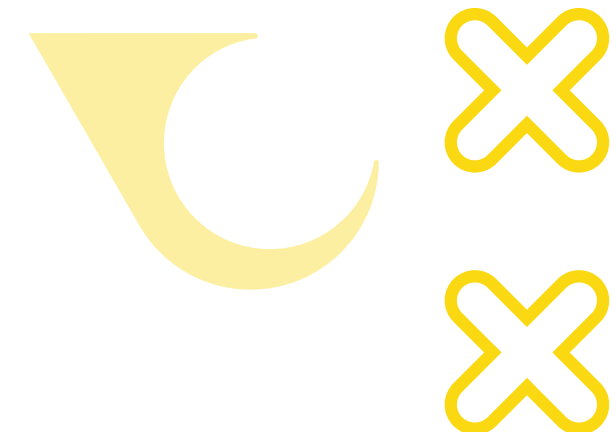
- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

## Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

## Corporate Culture (ESRS G1)

Material Topic	Subtopic	Impacts	Risks	Opportunities
ESRS S4 Consumers and End Users	Data Protection	Large volumes of personal data management	Cybersecurity threats due to digital system complexity	Brand trust through strong data governance
	Access to Services and Products	Extensive branch network supports local economic development	Financial strain and reduced demand threaten branch viability	Platform for innovative service expansion and revenue streams
ESRS G1 Business Conduct	Corporate Culture	Stronger worker loyalty and service quality through positive culture	Ethical breaches damage reputation	Ethical practices boost employer
	Cybersecurity	Trust, operational continuity through strong data protection	Cyberattacks Legal and regulatory risks	Innovation in security increases competitiveness



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

## Sustainability Report

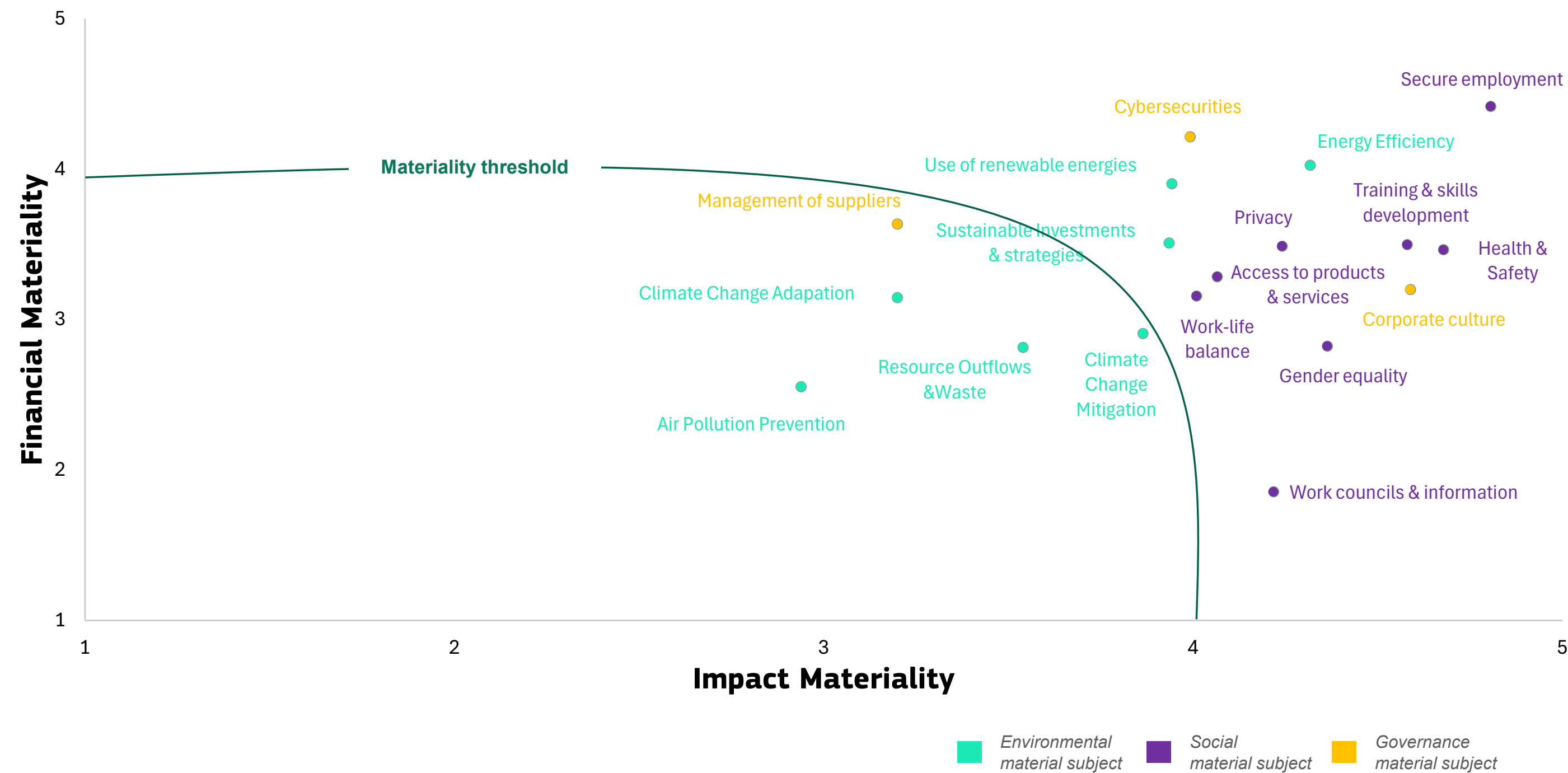
### 3. Validation and Consolidation of Material Topics for Reporting

The final step involved the validation of the identified material topics to ensure that the recognised impacts, risks, and opportunities were accurately defined, properly assessed, and strategically aligned with the Company’s business context.

Based on the collected data and conducted analysis, a final list of material topics was prepared and validated by ESG experts. This final step ensured that the selected topics were fully integrated into the Company’s corporate strategy and aligned with its business priorities and the expectations of key stakeholders.

Through the completed materiality assessment, Croatian Post’s sustainability reporting has been aligned with regulatory requirements, laying the foundation for the development of a new sustainability strategy. The identified material topics will play a key role in shaping both operational and strategic decisions.

Graph 1: Double Materiality Matrix



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

## Final List of Material Topics and Subtopics for Sustainability Reporting

In accordance with the applied methodology for assessing material impacts, material topics and subtopics that have exceeded the materiality threshold for reporting have been identified. These are the topics on which Croatian Post will report.

Table 4: Final List of Material Topics and Subtopics

Reporting Area	Material Topics	
Environmental Impacts (ESRS E)	ESRS E1 – Climate Change	Energy Efficiency Use of Renewable Energy Sources Sustainable Investments and Strategies
Social Impacts (ESRS S)	ESRS S1 – Own Workforce	Secure Employment Worker Consultation and Information (Social Dialogue) Work-Life Balance Health and Safety Gender Equality and Equal Pay Training and Skills Development
	ESRS S4 – Consumers and End Users	Personal Data Protection Access to Services and Products
Governance Impacts (ESRS G)	ESRS G1 – Business Conduct	Corporate Culture Cybersecurity

The materiality assessment will be regularly updated, particularly in cases of significant changes in the Company's operations, to ensure that the reporting reflects the latest developments in the business environment, strategic priorities, and stakeholder expectations.

As this represents the first double materiality assessment conducted by Croatian Post, the material topics will be re-evaluated in the next reporting cycle. Special emphasis will be placed on strengthening quantitative indicators and incorporating the supply chain and other relevant external stakeholders into the assessment process.



**Sustainability Report**

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

**General Information (ESRS 2)**

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

**Climate Change (ESRS E1)**

- Strategy
  - Impacts, Risks, and Opportunities
  - Policies, Actions, Targets and Metrics
  - Transition Plan
  - EU Taxonomy Statement
  - Climate Change Risk and Vulnerability Assessment

**Own Workforce (ESRS S1)**

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

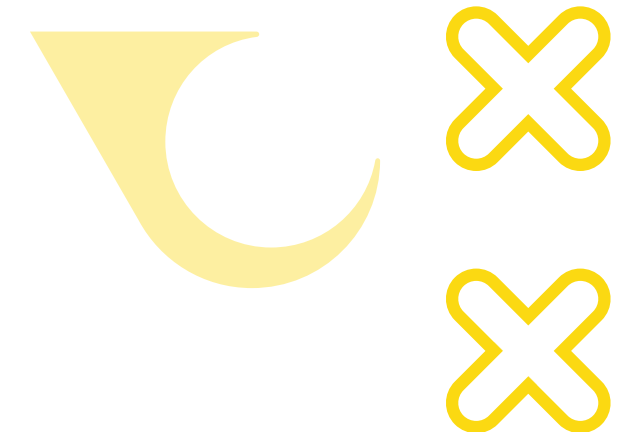
**Consumers and End Users (ESRS S4)**

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

**Corporate Culture (ESRS G1)**

# Environmental Factors (ESRS E)

## Climate Change (ESRS E1)



The ESRS E1 disclosure requirements include an analysis of the Company’s strategy and business model in the context of climate change, the identification and assessment of material impacts, risks, and opportunities, as well as a presentation of adopted policies, targets, and actions—supported by relevant indicators and metrics.

This report also includes disclosures related to the EU Taxonomy, an assessment of physical and transition climate risks, and the transition plan toward a low-carbon business model.

## Strategy

Croatian Post implements its climate strategy in alignment with the goals of the European Green Deal, the European Union legislative sustainability framework, and its internal strategic documents - the Pošta2025(30) Corporate Strategy and the Sustainability Management Strategy. ESG and sustainability are cross-cutting themes within the corporate strategy, and sustainability is integrated into key decision-making and management processes.

The Company has adopted and applies international best practices through participation in global initiatives and sustainability measurement and management systems.

Croatian Post has joined the Science Based Targets initiative (SBTi) and, in 2024, completed the process of setting decarbonisation targets for reducing greenhouse gas emissions by 2030, with 2023 as the baseline year.

Earlier, as part of The Climate Pledge initiative, Croatian Post committed to achieving net-zero greenhouse gas emissions by no later than 2040 - ten years ahead of the target set by the Paris Agreement. By joining the initiative, the Company committed to transparent reporting, regular emissions measurement, and continuous investment in low-carbon solutions, including fleet electrification, the use of renewable energy sources, and the optimisation of logistics processes.

As part of the Sustainability Measurement and Management System (SMMS) programme, Croatian Post systematically monitors and manages its carbon footprint. SMMS covers not only carbon emissions but also a broader set of sustainability indicators. Monitoring is conducted across seven key areas: employee health and safety, education and skills development, optimisation of resource use (real estate and transport), climate change impact, air quality, circular economy, and sustainable procurement.

## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

A decarbonisation strategy and transition plan have been developed for the period 2023–2030. Investments will be directed towards technologies and processes that reduce GHG emissions and resource consumption, thereby enhancing the resilience of the business model to climate risks and supporting the achievement of sustainability goals.

In 2024, Croatian Post conducted a climate risk and vulnerability assessment, in line with EU Taxonomy alignment requirements. The assessment covered economic activities related to logistics services and infrastructure, and identified a high risk related to extreme heatwaves, particularly for field workers. The analysis evaluated exposure and vulnerability to climate impacts and defined necessary adaptation measures to ensure operational resilience and protect employee health.

## Material Topics

The double materiality assessment identified environmental topics of highest significance for Croatian Post. Their relevance was confirmed through expert analyses and the engagement of key internal and external stakeholders.

The following topics were identified as material under ESRS E1 – Climate Change:

### 1. Energy Efficiency

Energy efficiency has been recognised as a priority material topic, given the significant share of energy consumption in total Scope 1 and 2 emissions. Croatian Post continuously implements energy optimisation measures to reduce greenhouse gas emissions and operational costs.

Through investments in facility modernisation, energy efficiency measures are being implemented, including the installation of efficient heating, cooling, and ventilation systems, replacement of general and safety lighting with LED technology, and automation of energy consumption management in sorting centres, offices, and the vehicle fleet. Additionally, fuel consumption in the delivery fleet is being optimised through eco-driving programmes and increased use of electric vehicles.

### 2. Use of Renewable Energy Sources

The transition to renewable energy is one of the core pillars of the Company’s decarbonisation efforts. Croatian Post is investing in its own renewable electricity generation, with a focus on installing photovoltaic systems on the rooftops of logistics facilities. In parallel, the e-mobility infrastructure is being continuously developed through the expansion of an internal charging network and systems for electric vehicle charging. These activities contribute to reducing dependence on fossil fuels and enhancing energy independence.

### 3. Sustainable Investments

Investments in sustainable technologies, green infrastructure, and circular solutions are essential for the long-term transformation of the business model. In the selection of capital projects, priority is given to solutions that contribute to reducing GHG emissions, lowering resource consumption, and promoting environmentally responsible procurement practices.

Sustainable investments are integrated into the planning, procurement, and evaluation processes of capital expenditures, where, in addition to financial return, environmental impacts and contributions to strategic sustainability goals are systematically considered.

## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

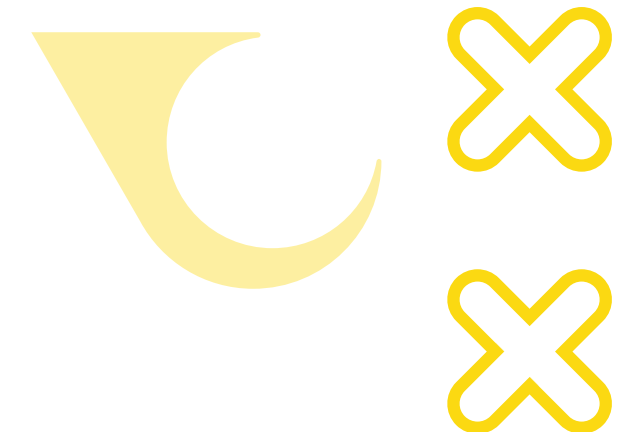
### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

Table 5: Overview of Material Topics – ESRS E1: Climate Change

Material Topic	ESRS E1 – Climate Change
<b>Subtopics</b>	Energy Efficiency Use of Renewable Energy Sources Sustainable Investments
<b>Key Policies and Guidelines</b>	Sustainability Management Strategy Sustainability Policy Code of Business Conduct Environmental Code of Conduct for Business Partners
<b>Targets</b>	Reduction of direct emissions (Scope 1 and 2) by 42% for the period 2023–2030 Reduction of indirect emissions (Scope 3) by 25% for the period 2023–2030 Achieving net climate neutrality by 2040
<b>Key Activities</b>	Improving energy efficiency and switching to renewable energy sources Optimising the vehicle fleet and transition to alternative-fuel vehicles Optimising delivery and expanding the parcel locker network Decarbonising the supply chain
<b>Metrics</b>	Absolute emissions by Scope 1, 2, and 3 (tCO <sub>2</sub> e) Share of renewable energy in total consumption (%) Number and share of electric vehicles in the fleet (%) Emission reduction relative to baseline year (%) Building energy efficiency (kWh/m <sup>2</sup> ) Delivery efficiency (CO <sub>2</sub> e/package, CO <sub>2</sub> e/km) Number and capacity of solar power plants (MWh) Share of capital investments aligned with the EU Taxonomy (%)



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

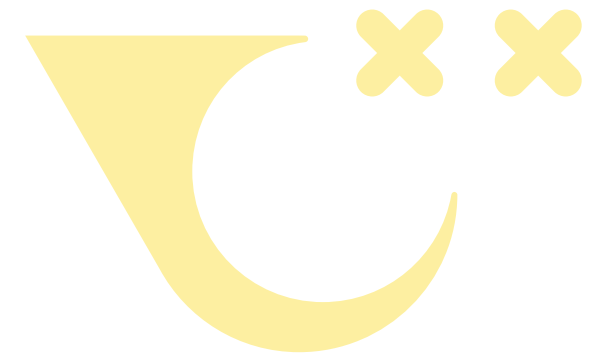
### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)



# Impacts, Risks, and Opportunities

Climate change presents a range of challenges, including operational, regulatory, and financial risks. At the same time, it offers opportunities for the development of innovative low-carbon solutions that strengthen the resilience of the business model and generate long-term value. By strategically managing environmental topics, the Company ensures regulatory compliance, enhances operational efficiency, reduces costs, and strengthens its competitive market position.

The assessment of impacts, risks, and opportunities was conducted in accordance with the ESRS E1 standard, considering the specific characteristics of Croatian Post's operations and the sector in which it operates.

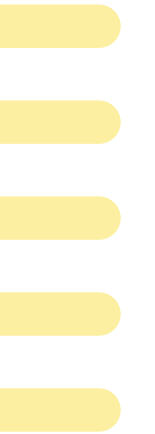
**Objective of the assessment:** To identify and manage factors that have an actual or potential impact on the Company's business.

Understanding impacts enables deeper insight into how Croatian Post's business activities affect the environment and society, including both direct and indirect consequences. On the other hand, risk assessment helps the Company identify potential threats, ensure compliance with regulatory requirements, and minimise potential financial consequences. At the same time, by identifying business opportunities, Croatian Post can leverage innovation, new technologies, and sustainable financing sources to improve operational efficiency, reduce environmental footprint, and strengthen the resilience of its business model.

**Impacts:** Croatian Post's business activities have a material impact on the environment, primarily through greenhouse gas (GHG) emissions, energy consumption, and the use of natural resources.

Based on the conducted analyses, the most significant environmental impacts identified are:

- Improving energy efficiency in buildings and logistics processes – through the use of smart energy management systems, installation of LED lighting, and promotion of eco-driving – contributes to reduced energy consumption, CO<sub>2</sub> emissions, and operational costs.
- Transitioning to renewable energy sources, including the use of solar power and the purchase of electricity from renewable sources, enables the reduction of the Company's carbon footprint. Investments in electric vehicle charging infrastructure further contribute to energy independence and strengthen the Company's resilience to market disruptions in energy supply.
- Integration of sustainable investments into the business strategy increases long-term resilience to climate change and reduces exposure to GHG-related risks. By investing in low-carbon technologies, infrastructure optimisation, and the development of circular business models, the Company simultaneously reduces its environmental footprint and enhances operational efficiency.



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

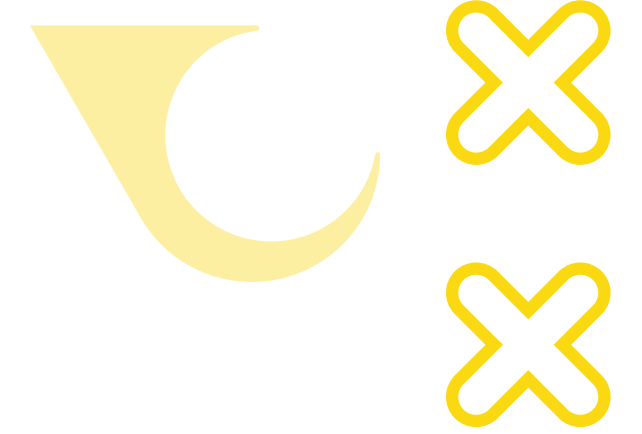
### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)



**Risks:** Climate-related and transition risks may have significant adverse effects on the financial stability and operational performance of the business. While energy efficiency measures yield long-term savings, initial capital investments - particularly in infrastructure modernisation projects and the procurement of energy-efficient vehicles - can pose financial challenges.

Technical barriers, such as the complexity of adapting existing facilities to meet new energy standards, may slow down the implementation of planned measures. Moreover, older infrastructure is often unsuitable for the seamless integration of advanced energy solutions.

Variability in renewable energy production represents an additional challenge, especially when ensuring reliable and stable energy supply for logistics operations that require high availability.

Sustainable investments frequently require substantial financial resources and typically have longer payback periods compared to traditional investments. In addition, technological uncertainty exists - given the rapid pace of green technology development, there is a risk that certain solutions may become obsolete before their full benefits are realised. Another source of risk stems from fluctuations in the regulatory environment and the availability of financial incentives, which can affect the profitability of specific projects and the long-term viability of investment decisions.

**Opportunities:** Despite existing challenges, climate change also presents numerous opportunities for innovation, growth, and financial strengthening. Energy consumption optimisation contributes to long-term cost savings and increases operational resilience to market fluctuations - particularly in the context of energy price volatility. By implementing advanced digital solutions for monitoring and managing energy use, Croatian Post can further enhance the efficiency of its logistics and infrastructure operations.

Although the use of renewable energy sources entails certain risks, the long-term benefits are substantial. In-house energy production reduces operating costs, strengthens independence from external suppliers, and improves resilience to market disruptions.

Investments in renewables open access to green financial instruments, potentially lowering the overall cost of capital projects. The transition to clean energy sources also enhances the Company's reputation and increases its appeal to investors and business partners.

## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

• Policies, Actions, Targets and Metrics

Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

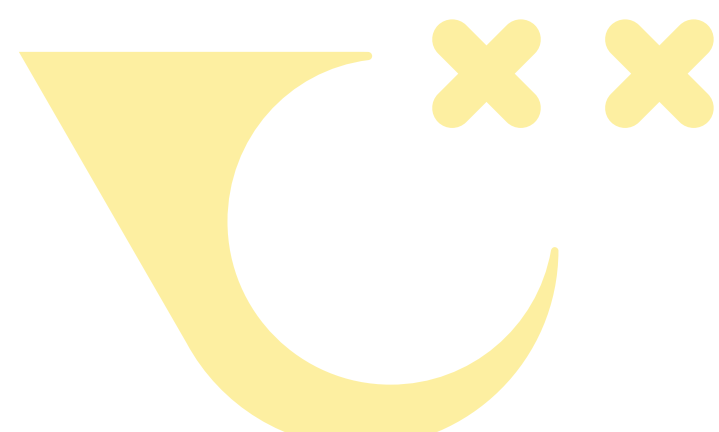
### Corporate Culture (ESRS G1)

## Policies, Targets, Actions and Metrics

### Policies

Croatian Post's sustainability policies are grounded in strategic guidelines aimed at long-term resilience and the reduction of environmental impact. The core elements of these policies include:

- A gradual but measurable decarbonisation of the business model, with the goal of achieving net climate neutrality by 2040,
- Investments in low-carbon technologies, energy efficiency, and self-generation of electricity from renewable sources,
- Establishment of digital systems for monitoring and managing energy consumption, emissions, and resource use,
- Development of sustainable mobility and promotion of green logistics solutions, such as fleet electrification, charging station networks, and automated parcel lockers,
- Integration of ESG risks into the Company's overall risk management system. Climate-related risks and opportunities were, for the first time, systematically analysed through the Climate Risk and Vulnerability Assessment and the Double Materiality Matrix, in accordance with ESRS requirements,
- In 2024, a Decarbonisation Strategy was developed, accompanied by an Action Plan, based on the GHG Protocol and Science Based Targets initiative (SBTi) guidelines. At the same time, key operational and administrative processes were reorganised, and new systems for monitoring and reporting on energy use and GHG emissions were introduced,
- An ESG Programme was established to coordinate all strategic sustainability projects. By the end of 2024, most of these projects had been launched and are in the implementation phase,
- Additionally, an Environmental Code of Conduct for Business Partners was adopted, serving as a tool for setting fundamental sustainability principles and environmental responsibilities within the supply chain. It defines minimum environmental standards that all business partners must adhere to,
- The Sustainability Policy is supported by operational plans, clearly defined responsibilities across organisational units, and aligned budgets. The monitoring system is based on a standardised data collection methodology and a centralised digital platform, ensuring the quality and consistency of reporting.



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

## Targets, Actions, and Metrics

Croatian Post is strongly committed to reducing the carbon footprint of its operations and promoting green technologies and sustainable logistics solutions. Fleet electrification is one of the key steps in reducing greenhouse gas emissions. Currently, 400 electric vehicles are in use, representing 14% of the total fleet. The share of so-called "green kilometres" - including distances covered by electric vehicles, bicycles, and walking routes - accounts for 27% of total annual mileage.

To support further electrification and improve charging infrastructure availability, Croatian Post has developed a network of 130 electric vehicle charging stations, strategically installed across the country.

Parcel lockers have been implemented as an innovative solution to optimise last-mile delivery and reduce emissions. They enable package delivery with minimal movement by delivery vehicles and customers, thus further lowering the carbon footprint of logistics operations. Currently, 300 parcel lockers are operational, with plans to expand the network to improve accessibility and efficiency.

Croatian Post's climate targets and net-zero roadmap are aligned with the Paris Agreement and science-based methodologies, including the Science Based Targets initiative (SBTi), the GHG Protocol, and the EU Taxonomy. The targets are focused on limiting the global temperature increase to no more than 1.5°C above pre-industrial levels, in line with international commitments.

**Net-Zero Target and Interim Climate Goals:** Croatian Post has committed to achieving net-zero greenhouse gas emissions by 2040, covering all Scope 1, 2, and 3 emissions, in line with the principles of The Climate Pledge.

**Near-term targets for 2030, relative to the 2023 baseline,** include:

- 42% reduction in absolute Scope 1 and 2 emissions,
- 25% reduction in absolute Scope 3 emissions.

*Note:* These decarbonisation targets were submitted for validation to the Science Based Targets initiative (SBTi) in March 2025.

Additional targets have been set through participation in the SMMS and IPC programmes, which define collective targets for all member organisations:

- 50% reduction in total CO<sub>2e</sub> emissions by 2030, relative to 2019,
- An increase in the share of electric vehicles in the fleet to 30% by 2026.



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

Achievement of these targets is based on a comprehensive set of interconnected decarbonisation measures, covering the Company’s key operational segments:

- Fleet electrification, with Croatian Post operating the largest electric vehicle fleet in Croatia,
- Development of e-mobility infrastructure, including the deployment of an in-house charging network at strategically important operational sites,
- Energy refurbishment of business facilities, focusing on improved energy efficiency, implementation of LED lighting, and integration of solar systems for electricity generation,
- Expansion of the parcel locker network as a sustainable delivery model enabling shipment consolidation and emission reductions per parcel,
- Process automation in warehouse and logistics centres, including optimised sorting, energy management, and digital control of resources - leading to increased efficiency and reduced energy consumption and emissions.

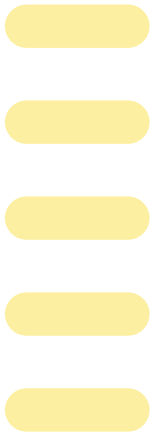
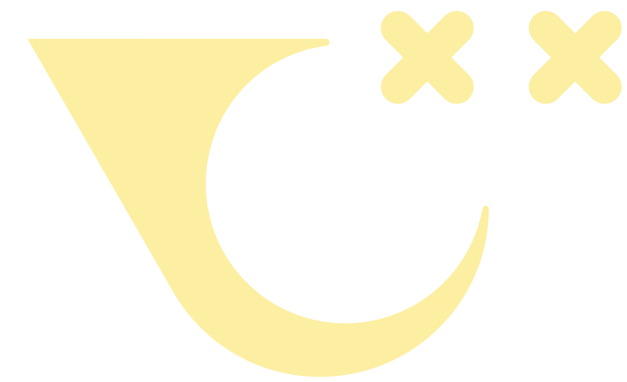
### Monitoring, Evaluation, and Performance Indicators

To ensure transparency, track progress, and evaluate the achievement of climate targets, the following key performance indicators (KPIs) have been defined:

- Absolute emissions by Scope 1, 2, and 3 (tCO<sub>2</sub>e)
- Share of renewable energy in total energy consumption (%)
- Number and share of electric vehicles in the total fleet (%)
- Percentage reduction in emissions relative to the baseline year (%)
- Building energy efficiency (kWh/m<sup>2</sup>)
- Delivery efficiency (CO<sub>2</sub>e per parcel, CO<sub>2</sub>e per kilometre)
- Number of locations and total capacity of installed solar power plants (MW<sub>p</sub>)
- Share of capital investments aligned with the EU Taxonomy (%)
- Energy consumption per employee (kWh)
- Share of “green kilometres” in total logistics mileage (%)

Key performance indicators (KPIs) are monitored using integrated digital tools, accounting systems, and operational databases. Data collection and processing procedures are standardised to ensure accuracy, consistency, and traceability, enabling transparent and reliable reporting in line with regulatory requirements and best practices.

Progress reviews and performance tracking against defined indicators will be regularly included in future sustainability reports, ensuring a systematic evaluation of the implementation of climate and environmental goals and continuous improvement of effectiveness.



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

- Policies, Actions, Targets and Metrics

Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

Greenhouse gas (GHG) emissions data for 2024 show significant progress in business decarbonisation. Total emissions were reduced by 18.1%, from 64.1 ktCO<sub>2</sub>e in 2023 to 52.5 ktCO<sub>2</sub>e in 2024. Most emission categories showed a positive downward trend, confirming the effectiveness of energy efficiency measures, fleet electrification, and logistics process optimisation.

GHG emissions per million euros of revenue decreased from 239 tCO<sub>2</sub>e in 2023 to 164 tCO<sub>2</sub>e in 2024, representing a 31.4% relative reduction. This indicator confirms that Croatian Post's operations have become less emission-intensive in relation to generated revenue, thus increasing business model efficiency and sustainability.

Similarly, emissions per employee were reduced from 7 tCO<sub>2</sub>e in 2023 to 6 tCO<sub>2</sub>e in 2024, a 14.3% decrease. This trend indicates the positive impact of implemented decarbonisation measures and their contribution to lowering the environmental footprint per employee.

Croatian Post operates the largest electric vehicle fleet in the Republic of Croatia. In 2024, the number of electric vehicles reached 400, out of a total fleet of 2,867 vehicles, maintaining an electric fleet share of 14%, the same as in 2023.

The Company reports significant progress in the integration of EU Taxonomy-aligned activities, particularly in terms of revenue, expenditure, and investments supporting climate transition goals.

In the revenue segment, the share of Taxonomy-aligned activities increased from 8.1% in 2023 to 18.7% in 2024, reflecting the growth of services contributing to the EU's environmental objectives.

Operating expenses (Opex) aligned with the Taxonomy increased from 1.1% to 3.3%, while the most significant progress was recorded in capital investments (Capex), where the share of aligned investments grew from 22.9% in 2023 to 58.7% in 2024.

These results confirm the Company's strategic commitment to climate transition investments and its growing orientation towards long-term sustainable business solutions. For the purpose of calculating Taxonomy-aligned activities, Croatian Post has applied the "green kilometres" metric, defined as operational distances covered by electric vehicles, bicycles, electric and cargo e-bikes, as well as pedestrian delivery routes in zero-emission zones.

Performance analysis reveals a clear upward trend in the share of green kilometres. In 2023, the share was 10.4%, while in 2024 it increased significantly to 27.3%. The year-on-year comparison shows that the number of zero-emission operational kilometres has increased by a factor of 2.6, reflecting the impact of systematic electric vehicle deployment and the expansion of bicycle logistics.



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

## Transition Plan for Achieving Decarbonisation Targets

The transition plan has been developed in accordance with the methodology of the Science Based Targets initiative (SBTi), the GHG Protocol, and the regulatory requirements of the EU Taxonomy, and is fully aligned with the ESRS E1-5 standard. The reference year is set as 2023, the first year in which the GHG Protocol was fully applied, and the plan covers the period up to 2030.

Emissions are categorised according to the GHG Protocol, with the following shares in total emissions:

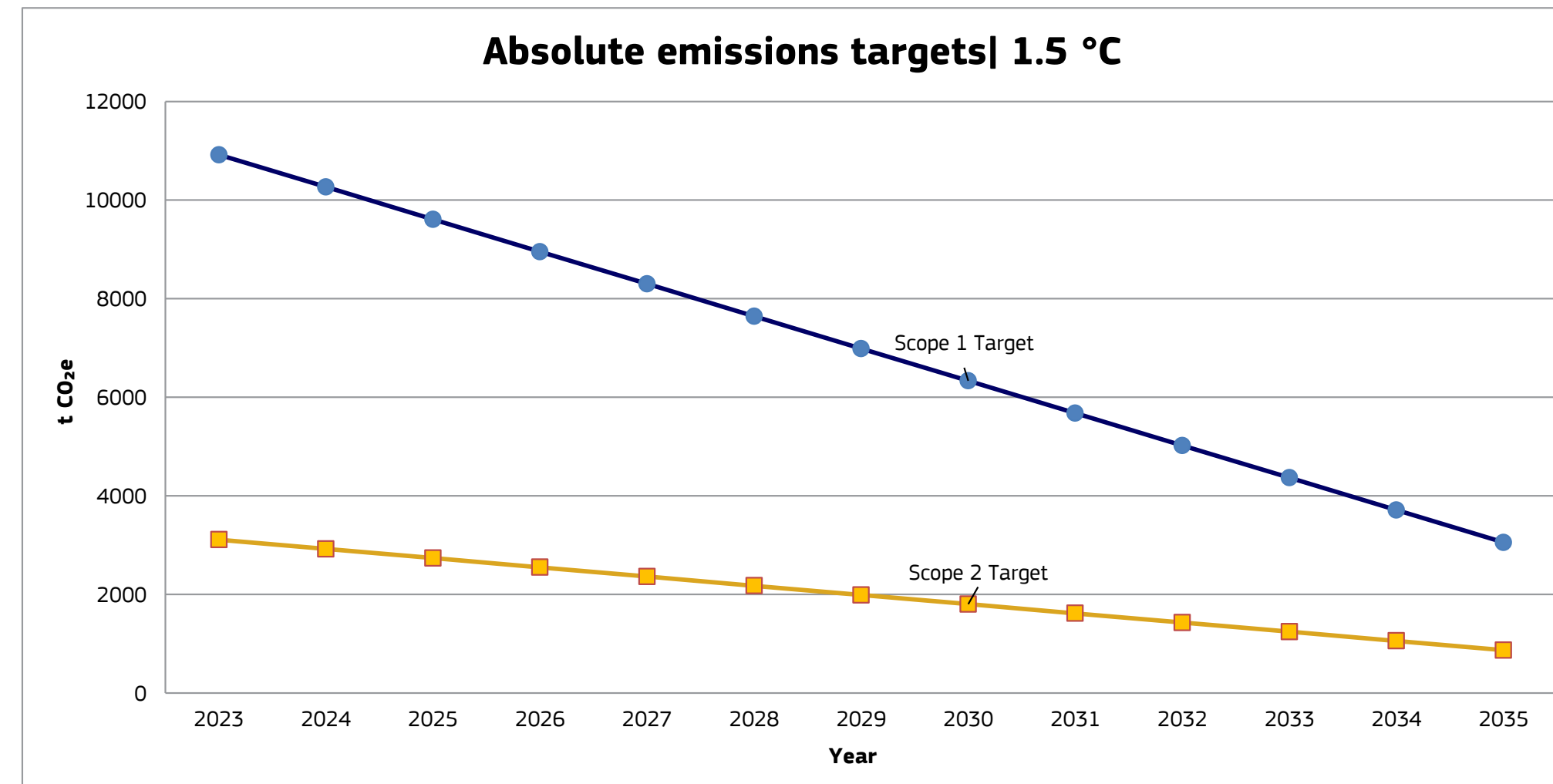
- Scope 1 (direct emissions from fuel and owned sources): 17%
- Scope 2 (emissions from electricity and heating): 5%
- Scope 3 (indirect emissions from the supply chain, transport, services, and capital goods): 78%



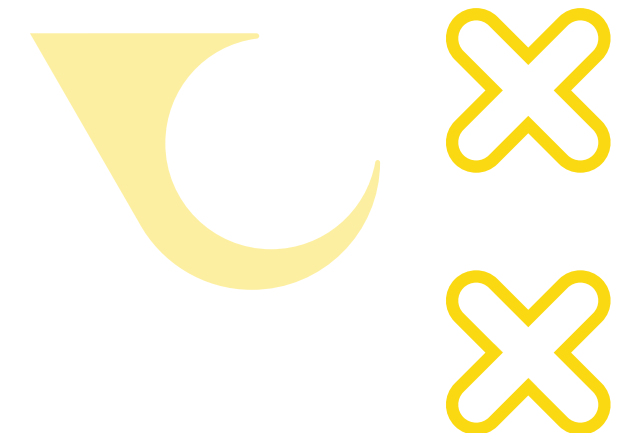
Croatian Post is focused on the absolute reduction of emissions by 2030, relative to the 2023 baseline, with the following targets:

- 42% reduction in Scope 1 and 2 emissions
- 25% reduction in Scope 3 emissions

Key decarbonisation measures for Scope 1 and 2 include fleet electrification, comprising the full electrification of mopeds and the gradual replacement of light delivery vehicles, following defined implementation scenarios, improving energy efficiency in buildings, through the installation of solar power systems and the modernisation of lighting in operational facilities.



Graph 2: Greenhouse Gas Emission Reduction Trend – Scope 1 and 2



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

The graph illustrates the targeted reduction trend of greenhouse gas emissions, with a focus on Scope 1 and Scope 2 emissions. It confirms progress aligned with the decarbonisation targets defined in the transition plan through 2030.

Scope 1 emissions (blue line) represent direct emissions from owned sources, including fuel consumption in delivery vehicles and energy use within the Company's infrastructure. Scope 2 emissions (yellow line) include indirect emissions from purchased electricity, heating, and cooling from external providers.

The high share of Scope 3 emissions confirms that procurement, transport, and business services remain key decarbonisation challenges. Measures aimed at reducing these emissions are centred around supply chain decarbonisation, as external supplier activities constitute a significant portion of the total carbon footprint.

By integrating the requirements of the Supplier Code of Conduct, Croatian Post sets clear expectations regarding environmental accountability. This ensures that key suppliers gradually align their operations with the Company's decarbonisation goals. In doing so, the Company reduces emissions beyond its direct operational control while strengthening collaboration with partners on shared climate targets.

The impact of planned investments and transition measures has been thoroughly analysed. For key projects, implementation scenarios and business cases were developed to assess operational, financial, and environmental outcomes. For each project, the expected contribution to greenhouse gas reduction was calculated, ensuring that investments are aligned with decarbonisation targets and enabling optimal resource allocation.

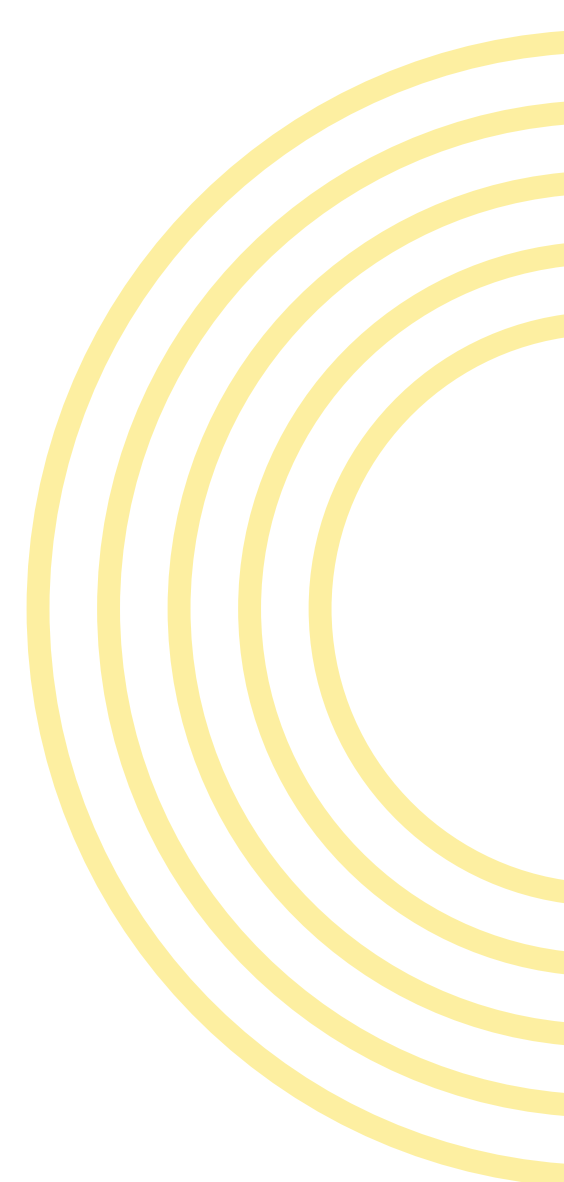
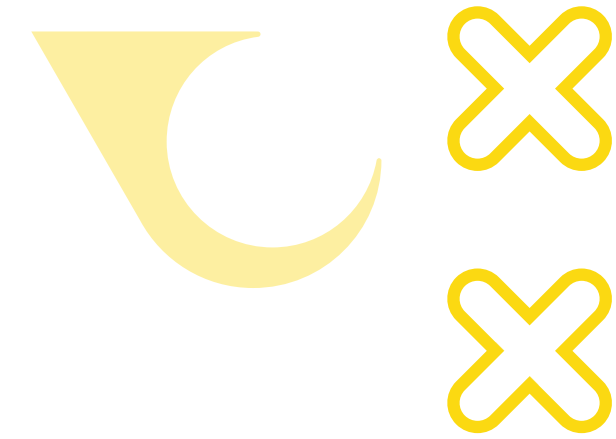
#### Participation in the SMMS Programme

Croatian Post is an active member of the Sustainability Monitoring and Measuring System (SMMS), a programme led by the International Post Corporation (IPC) that brings together 24 international postal operators. The programme is based on a harmonised methodology that enables international comparability of results and identification of best practices in the field of sustainability. Based on submitted data from the previous year, results are published annually in October.

Croatian Post contributes to the collective target of reducing emissions by 50% by 2030, compared to 2019, and increasing the share of alternative-fuel vehicles to 50%, of which at least 25% must be electric. By 2023, the group had achieved a share of 28% alternative-fuel vehicles, including 22% electric. Croatian Post participates with an electric fleet share of 14%.

In the area of renewable energy, the group increased its share of renewable electricity from 14% in 2012 to 36% in 2023. Croatian Post contributes significantly to this progress, with 55% of electricity used coming from renewable sources.

According to the latest published SMMS Report (2024), Croatian Post achieved improvements across all key areas of sustainability. The Sustainability Management Proficiency (SMP) score increased from 53% to 60%. Compared to 2019, total emissions were reduced by 8%, indicating progress, but also the need to accelerate decarbonisation efforts, particularly through continued investment in renewable energy and alternative fuels.



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

- Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

Parcel delivery efficiency improved significantly in 2023: emissions per delivered parcel decreased from 814.3 g CO<sub>2</sub> to 682.1 g CO<sub>2</sub>, due to route optimisation, the growing share of electric vehicles, and better load factors. At group level, parcel emissions also decreased—from 536.5 g to 509.7 g CO<sub>2</sub> per parcel.

In contrast, letter delivery efficiency declined both for Croatian Post and at the group level. This trend is linked to declining mail volumes, which hampers the operational optimisation of the delivery network and negatively affects emission efficiency.

Other indicators reflect ongoing commitment, but also areas for improvement. The share of renewable electricity in Croatian Post's buildings was 56% in 2023, down from 100% in 2022, due to a change of supplier. A similar decline was recorded at group level—from 38% to 36%.

In waste management, the share of recycled and reused waste at Croatian Post decreased from 41% in 2022 to 32% in 2023. This change highlighted the need for standardised data collection, which was improved during 2024. In parallel, the SMMS group increased its recycling rate from 61% to 69%. Croatian Post plans to implement additional measures to reach its 2030 target of 75% recycled waste.

### Greenhouse Gas Emissions Report (GHG)

Croatian Post calculates its greenhouse gas (GHG) emissions in accordance with the GHG Protocol, covering all three scopes of emissions:

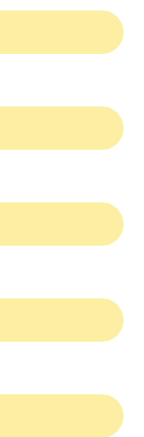
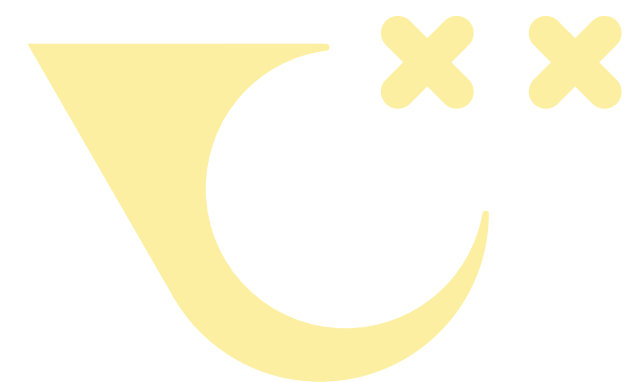
- **Scope 1:** Direct emissions from fuel consumption and operational equipment, including the vehicle fleet,
- **Scope 2:** Indirect emissions from the consumption of purchased electricity, heating, and cooling,
- **Scope 3:** Other indirect emissions from the supply chain, business travel, end-of-life product treatment, and other activities.

In 2023, Croatian Post achieved full coverage of all Scope 3 categories for the first time, aligning its reporting with the GHG Protocol – Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

This methodological alignment enabled accurate and comparable year-on-year analysis between 2023 and 2024. A comprehensive emissions review was conducted, including independent verification by an accredited third party, confirming the quality of the calculation methodology and the accuracy of published data.

The emissions inventory covers 100% of the Company's operational carbon footprint, regardless of the size or perceived immateriality of individual emission sources.

The reporting boundaries are defined based on the operational control approach, and the materiality threshold for any change in the reporting model is set at 5% cumulative change in total emissions relative to the baseline year.



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

- Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

#### Calculation Methodology

The methodology for calculating greenhouse gas emissions for the year 2024 is based on the GHG Protocol, an internationally recognised framework aligned with the ISO 14064 standard. The calculation was carried out using the digital platform Greenly, in compliance with the requirements of ESRS E1-6.

The approach is based on comprehensive mapping of emission flows across all business units and locations, covering the entire life cycle of business activities, including both direct and indirect emission sources. Emissions are categorised into the three standard scopes: Scope 1, Scope 2, and Scope 3. All emission categories are calculated using appropriate emission factors corresponding to units of consumption (e.g. kg CO<sub>2</sub>e/km, litres of fuel, kWh, EUR of expenditure).

Two complementary methodological approaches have been applied:

- The Operational approach, based on actual data on fuel, energy, and resource consumption, and
- The Financial approach, based on analysis of accounting data, with prior elimination of duplicate entries.

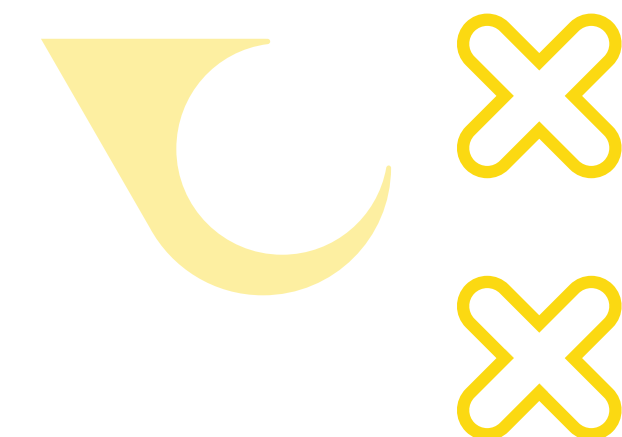
In 2024, 66% of emissions were calculated based on actual data, while 34% were estimated using the financial approach. Compared to 2023, where the ratio was 60% to 40%, this represents progress in the accuracy and reliability of the carbon footprint assessment.

The carbon footprint is calculated using conversion factors from international databases (ADEME, CDP, Eurostat, IEA, Exiobase), as well as the Croatian national emission factor database, ensuring that calculations are adapted to the local context and actual energy mix.

#### Results Overview

Greenhouse gas (GHG) emissions data in 2024 confirm the effectiveness of implemented decarbonisation and business optimisation measures. Total emissions decreased by 18.1%, from 64.1 ktCO<sub>2</sub>e in 2023 to 52.5 ktCO<sub>2</sub>e in 2024.

Reductions were recorded across all emission categories, indicating a systematic and coordinated approach to implementing measures throughout the organisation.



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
  - EU Taxonomy Statement
  - Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

Table 6: Emissions by Scope

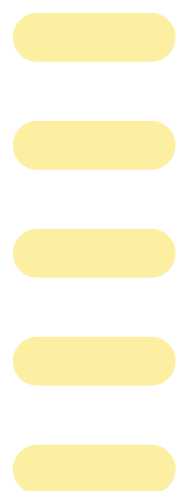
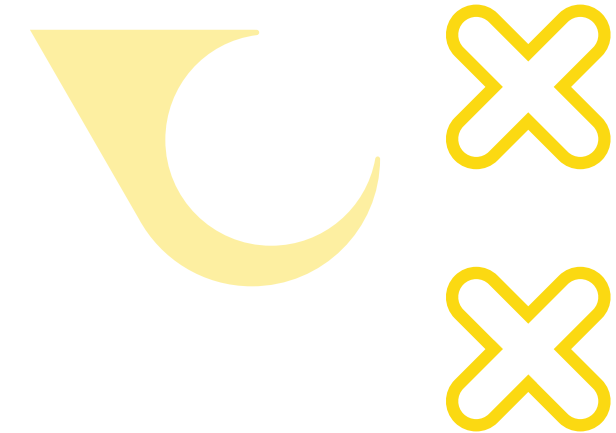
Emission Scope	2023.		2024.		Change (%)
	Total Emissions (ktCO <sub>2e</sub> )	Share of total (%)	Total Emissions (ktCO <sub>2e</sub> )	Share of total (%)	
Scope 1	14	21,8	11	20,8	-21,4
Scope 2	4,1	6,4	3,5	6,6	-14,6
Scope 3	46	71,8	38	72,7	-17,4
<b>TOTAL</b>	<b>64</b>	<b>100</b>	<b>53</b>	<b>100</b>	<b>-18,1</b>

Scope 1 emissions, which include direct emissions from fuel consumption in the vehicle fleet and operational activities, decreased by 21.4%, from 14 ktCO<sub>2e</sub> in 2023 to 11 ktCO<sub>2e</sub> in 2024. This reduction is primarily the result of fleet electrification and fuel optimisation through eco-driving practices and systematic consumption monitoring.

Scope 2 emissions, representing indirect emissions from electricity, heating, and cooling consumption, decreased by 14.6%, from 4.1 ktCO<sub>2e</sub> in 2023 to 3.5 ktCO<sub>2e</sub> in 2024. The reduction is attributed to the implementation of technical and management-based energy efficiency measures.

Scope 3 emissions, covering indirect emissions related to the supply chain, business travel, procurement, and services, decreased by 17.4%, from 46 ktCO<sub>2e</sub> in 2023 to 38 ktCO<sub>2e</sub> in 2024. This represents the largest absolute reduction in emissions, which is particularly significant given that Scope 3 still accounts for 72.7% of total emissions. The result reflects the Company's efforts to manage emissions beyond its direct control, including supplier engagement, logistics optimisation, and the adoption of sustainable procurement practices.

In line with reporting obligations and environmental data management best practices, a regulatory GHG report was prepared based on the GHG Protocol, the internationally recognised standard for greenhouse gas accounting and reporting.



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

- Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

Table 7: Regulatory GHG Report

Scope	GHG Category	Description	2023. (tCO <sub>2</sub> e)	2024. (tCO <sub>2</sub> e)	Change (%)
1	1.1	Combustion of fuels for electricity, heat, or steam generation	1.797	2.192	22
1	1.2	Transport of materials, products, waste, and employees	9.124	7.736	-15,2
1	1.4	Fugitive emissions	0	1.012	n/p
<b>Total Scope 1</b>			<b>10.921</b>	<b>10.939</b>	<b>0,2</b>
2	2.1	Indirect emissions from purchased electricity	3.138	3.281	4,6
2	2.2	Indirect emissions from purchased steam, heat, and cooling	490	186	-62
<b>Total Scope 2</b>			<b>3.628</b>	<b>3.467</b>	<b>-4</b>
3	3.1	Purchased goods and services	13.817	8.632	-37,52
3	3.2	Capital goods	3.214	5.651	75,9
3	3.3	Fuel- and energy-related activities (not in Scope 1 or 2)	3.889	3.440	-11,5
3	3.4	Upstream transport and distribution	15.198	11.650	-23,4
3	3.5	Waste generated in operations	3.215	2.968	-7,7
3	3.6	Business travel	127	49	-61,6
3	3.7	Employee commuting	2.737	2.729	-0,3
3	3.8	Upstream leased assets	6.203	1.449	-76,6
3	3.9	Downstream transport and distribution	478	749	56,7
3	3.12	End-of-life treatment of sold products	973	1.018	4,7
<b>Total Scope 3</b>			<b>49.850</b>	<b>38.336</b>	<b>-23,1</b>
<b>TOTAL (Scope 1 + 2 + 3)</b>			<b>64.400</b>	<b>52.742</b>	<b>-18</b>

## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

### Emissions Intensity Analysis

The analysis of emissions intensity enables the evaluation of carbon footprint reduction effectiveness relative to key business performance indicators, such as revenue and number of employees. A comparison of the 2023 and 2024 results provides additional insight into energy efficiency improvements and the impact of implemented decarbonisation measures.

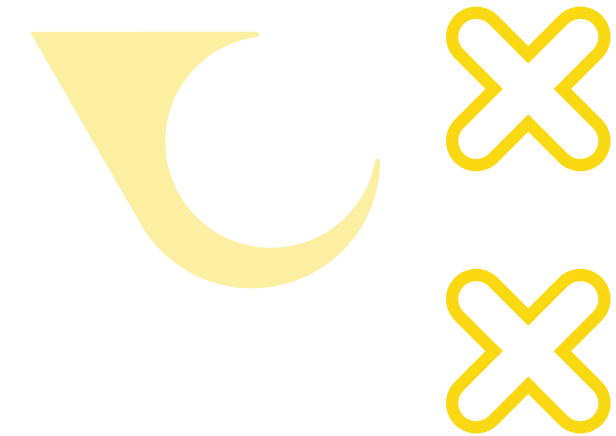
The comparison reveals a notable reduction in emissions intensity:

- Emissions per million euros of revenue decreased from 239 tCO<sub>2</sub>e in 2023 to 164 tCO<sub>2</sub>e in 2024, representing a 31.4% reduction. This indicates that Croatian Post's operations have become less carbon-intensive relative to generated revenue.
- Emissions per employee decreased from 7 tCO<sub>2</sub>e in 2023 to 6 tCO<sub>2</sub>e in 2024, a 14.3% reduction, reflecting progress in the optimisation of operational processes and more efficient resource use.

These indicators confirm that business growth is being achieved alongside a decreasing carbon footprint, which is a core objective of sustainable development.

Table 8: Emissions Intensity Indicators

Indicator	Unit	2023	2024	Change (%)
Emissions intensity per €1 million revenue	tCO <sub>2</sub> e	239	164	-31,4
Emissions intensity per employee	tCO <sub>2</sub> e	7	6	-14,3



### Energy Consumption Report

Croatian Post has established a system for the collection, management, and verification of energy consumption data, enabling accurate quantification of greenhouse gas emissions. The system covers all key sources of energy and resources relevant for emissions calculations and environmental impact assessments, including electricity, natural gas, heating oil, vehicle fuels, thermal energy, water consumption, and waste volumes.

For the years 2023 and 2024, absolute energy consumption data are presented in megawatt-hours (MWh) and other appropriate measurement units. For reporting purposes aligned with ESRS E1, energy consumption is converted into the common unit of megawatt-hours (MWh), allowing consistent evaluation of total energy use and associated GHG emissions.

In 2024, the following trends were recorded:

- Electricity consumption decreased by 7.7% compared to 2023,
- Mixed municipal waste volumes decreased by 7.5%,
- Consumption of natural gas, thermal energy, and water remained stable.

## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

- Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

Table 9: Energy and Fuel Consumption Trends

Energy Source	Unit	2023.	2024.	Change (%)
Electricity	MWh	19.950	18.404	-7,7
Heating oil	MWh	1.214	864	-28,8
Natural gas	MWh	11.078	11.259	1,6
Firewood	MWh	526	101	-80,8
District heating	MWh	4.548	3.517	-22,7
Water	MWh	3.711	3.703	-0,2
Mixed municipal waste	MWh	6.343	5.870	-7,5
Vehicle fuel	MWh	42.834	53.776	25,5
Electricity (vehicles)	MWh	641	644	0,5

An analysis of total energy consumption and intensity provides deeper insight into the efficiency of energy use in Croatian Post's operations. The data cover buildings and vehicles and are expressed in megawatt-hours (MWh) to ensure alignment with the ESRS E1 standard and enable year-on-year comparisons.

The table below presents changes in absolute energy consumption from renewable and fossil sources, as well as energy consumption intensity in transport per unit of revenue. Additional indicators are also included, such as the share of renewable energy sources and the recycling rate, offering a more comprehensive view of resource efficiency management.

## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

• Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

Table 10: Total Energy Consumption and Intensity by Category

Indicator	Unit	2023.	2024.	Change (%)
Total energy consumption related to own operations (buildings & vehicles)	MWh	90.205	97.495	8,1
Energy consumption from renewable sources	MWh	11.159	11.309	1
Share of renewable energy in total electricity consumption	%	55,9	61,4	10
Energy consumption from crude oil and petroleum products (buildings & vehicles)	MWh	42.193	53.132	25,9
Natural gas consumption (buildings)	MWh	11.078	11.259	1,5
Energy consumption from other fossil sources (heating oil)	MWh	1.214	864	-28,8
Energy consumption in climate-relevant sectors (transport)	MWh	42.834	53.776	25,5
Energy intensity in transport per €1 million revenue	MWh/M€	158,8	167	5,1
Recycling percentage	%	31,9	36	12,9

Decarbonisation activities continued in 2024, with a stable level of total energy consumption despite increased operations, indicating effective management of energy demands. At the same time, a significant 30% reduction in emissions intensity relative to revenue confirms the resilience of the business model and its alignment with decarbonisation targets.

Total energy consumption in own operations increased by 8.1%, while energy from fossil sources rose by 19.8%, reflecting both increased operational activity and the ongoing need for further investments in renewable energy and a higher share of green energy in total consumption.

## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

In 2024, the absolute amount of certified renewable electricity (HROTE - Cancellation Statement) increased from 11,159,000 kWh to 11,309,000 kWh (+1%). Simultaneously, the share of renewable energy in total electricity consumption increased from 55.9% to 61.4%, a relative increase of 10%.

Own production of renewable energy has not yet been established, and electricity supply is based on a mixed supplier energy mix, without direct control over the share of green energy.

Specific energy consumption reduction targets have not yet been defined, representing an opportunity for improvement in energy management systems.

Energy consumption intensity from transport per €1 million revenue increased by 5.1%, from 158.8 MWh/M€ in 2023 to 167 MWh/M€ in 2024, due to increased logistics activity and fleet mobility in response to rising parcel and shipment volumes. This trend highlights the need for additional energy efficiency measures and accelerated fleet electrification, particularly in last-mile distribution.

Concrete measures to reduce emissions and improve energy efficiency have already been integrated into the 2025 procurement plans, including the installation of solar power systems at two logistics centres and the expansion of the electric vehicle fleet.

Ongoing projects include:

- the modernisation of general and security lighting in 560 post offices,
- a smart eco-driving and telematics programme to monitor fuel consumption, driving behaviour, and driver performance, aimed at reducing fuel use and transport-related emissions.

As part of the transport sector decarbonisation strategy, the introduction of alternative low-carbon vehicles, including electric and hydrogen-powered heavy delivery vehicles, is under consideration as a key tool for reducing Scope 1 emissions and achieving climate neutrality across the logistics chain.

#### Conclusion

In 2024, Croatian Post achieved significant progress toward its sustainability goals, as confirmed by measurable results in the reduction of greenhouse gas emissions, improvements in energy efficiency, and the sustainable management of resources. A total emissions reduction of 18.1%, despite an increase in operational activity, demonstrates the resilience of the business model and the effective implementation of decarbonisation measures.

The establishment of a monitoring system for emissions, consumption, and resource intensity provides a solid foundation for further strategic planning, transparent reporting, and full alignment with ESRS standards. Activities such as fleet electrification, infrastructure modernisation, and logistics optimisation clearly reflect the Company's strategic direction toward achieving net zero emissions by 2040.

While the progress achieved is notable, the analysis has also identified areas for improvement, including the definition of energy reduction targets, increasing the share of self-generated renewable energy, enhancing the circular economy, and deeper integration of the supply chain into climate-related policies.

In the upcoming reporting period, focus will shift to strengthening climate risk management, aligning strategic investments with the EU Taxonomy, and implementing ESG initiatives across all levels of the organisation, to ensure long-term sustainable development in line with regulatory expectations and the needs of the wider community.

## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

# Statement of Alignment with the EU Taxonomy

Croatian Post's business activities are aligned with Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (EU Taxonomy), including the relevant delegated acts and technical screening criteria.

This report reflects the latest methodological guidance, documents progress made in aligning operations with Taxonomy requirements and presents the Key Performance Indicators (KPIs) for 2024, in line with disclosure obligations and transparency principles.

## Taxonomy of Sustainable Activities

The EU Taxonomy forms the cornerstone of the European sustainable finance framework and is a key tool for increasing transparency in capital markets. Its objective is to direct investments towards economic activities most critical to enabling the green transition, in line with the European Green Deal.

The Taxonomy is a classification system that defines technical screening criteria to identify economic activities that are aligned with the transition to net zero emissions by 2050.

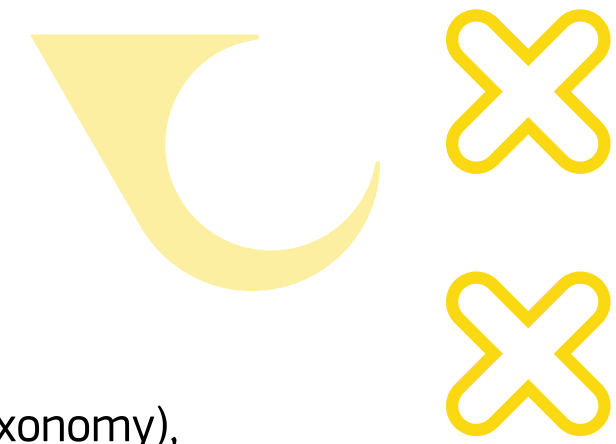
According to Regulation (EU) 2020/852, companies are required to disclose the eligibility and alignment of their business activities with the following six environmental objectives:

1. Climate change mitigation,
2. Climate change adaptation,
3. Sustainable use and protection of water and marine resources,
4. Transition to a circular economy,
5. Pollution prevention and control,
6. Protection and restoration of biodiversity and ecosystems.

An economic activity is considered Taxonomy eligible if it is listed in the delegated acts of the EU Taxonomy, regardless of whether it meets the technical screening criteria for environmental objectives.

To be considered Taxonomy aligned, an activity must additionally fulfil all of the following conditions:

- Substantial contribution to at least one of the six environmental objectives under Article 9 of the Regulation,
- Do no significant harm (DNSH) to any of the other environmental objectives,
- Compliance with technical screening criteria,
- Compliance with minimum safeguards, including requirements related to human rights, labour standards, anti-corruption, and good corporate governance.



## Sustainability Report

Foreword by Ivan Čulo (CEO)  
 Introduction  
 Structure

### General Information (ESRS 2)

Basis of Preparation  
 Governance Model  
 Management Strategy  
 Policies  
 Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy  
 Impacts, Risks, and Opportunities  
 Policies, Actions, Targets and Metrics  
 Transition Plan  
 • EU Taxonomy Statement  
 Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy  
 Impacts, Risks, and Opportunities  
 Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection  
 Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

This classification allows for the clear identification of activities that contribute to the EU's sustainable finance objectives and support the transition to a climate-neutral and resource-efficient economy.

In line with the EU Taxonomy Regulation, companies are required to provide quantitative and qualitative disclosures on predefined KPIs, with the aim of ensuring transparency regarding the share of business activities contributing to the EU's environmental goals.

#### Preparation for Taxonomy Reporting

The methodology for calculating key EU Taxonomy performance indicators (KPIs) is based on alignment with relevant items in the consolidated financial statements. Data collection followed a bottom-up approach, analysing the activities of all Croatian Post organisational units and their respective financial data.

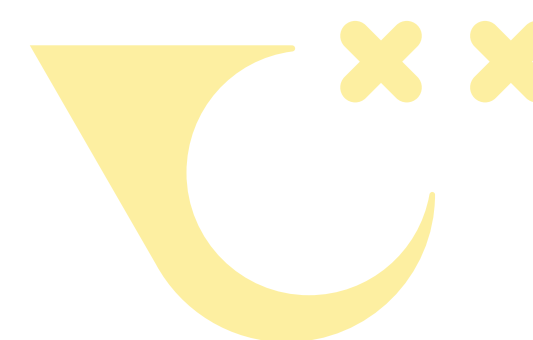
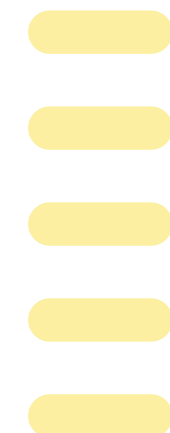
For the reported Taxonomy KPIs, Turnover, Operating Expenditure (Opex), and Capital Expenditure (Capex), results are based on actual values recorded in general ledger accounts, as reported in the consolidated financial statements.

In accordance with EU Taxonomy requirements, quantitative disclosure is provided using the standardised reporting template. For readability and clarity, a simplified version of the table with relevant indicators for the reporting year is presented below.

The application of EU Taxonomy requirements is grounded in official regulatory documents, including the European Commission's Frequently Asked Questions (FAQs). Where necessary, the criteria have been interpreted in the context of Croatian Post's operations. Although the regulatory framework is detailed, certain elements still leave room for interpretation. In such cases, the principle of due diligence was applied, in consultation with professional advisors and peers, to ensure the highest possible level of transparency.

The assessment of alignment with the EU Taxonomy criteria was carried out through the following key steps:

- Evaluation of economic activities against the Taxonomy classification of eligible activities,
- Contextual interpretation of requirements in areas where Taxonomy criteria are unclear or not sufficiently specific,
- Assessment of technical specifications of activities and related assets against the criteria for substantial contribution,
- Verification of compliance with the Do No Significant Harm (DNSH) criteria and minimum social safeguards, based on existing policies and business practices,
- Climate risk assessment, specifically in relation to the DNSH criteria on climate change adaptation.



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
  - Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

## Taxonomy Aligned Activities and Key Interpretative Elements

For the 2024 reporting year, Croatian Post identified its dominant economic activities that qualify as taxonomy-eligible and potentially aligned with the technical screening criteria for environmental objectives. This classification was based on a detailed assessment of the Company’s operational model, existing investments, expenditure structure, and relevance to the taxonomy framework.

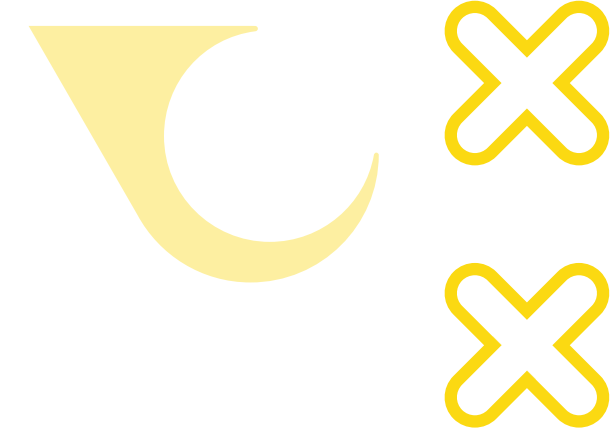
Below is a summary of key economic activities included in the taxonomy reporting for 2024, along with interpretation elements applied where additional clarification or methodological adjustment was required.

### 6.4. Operation of personal mobility devices, cycle logistics

This activity 6.4. refers to the operation of personal mobility devices, including bicycles, e-bikes, and cargo e-bikes, as well as delivery by foot or any other zero-emission mode. In the context of Croatian Post’s operations, this category covers kilometres travelled in deliveries made using e-bikes, cargo e-bikes, and walking. The share of aligned revenue is calculated based on the ratio of "green kilometres" travelled (taxonomy-aligned) to total kilometres travelled within this activity.

### 6.5. Transport by motorcycles, passenger cars, and light commercial vehicles

This activity covers the acquisition, financing, leasing, and operation of vehicles in categories M1 (passenger cars), N1 (light commercial vehicles), and L (motorcycles, scooters, and quadricycles). Croatian Post classifies all operations involving small delivery vehicles, motorized scooters, and lightweight electric delivery vehicles under this activity. Alignment share is based on the proportion of kilometres driven by zero or low-emission vehicles within the total kilometres travelled.



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
  - Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

#### 6.6. Freight transport services by road

This activity relates to motor vehicles with four or more wheels used for transporting goods. Croatian Post assigns its heavy goods vehicles (HGVs) to this activity, including linehaul trucks used between logistics and distribution centers.

#### 6.15. Infrastructure enabling low-carbon road transport and public transport

Croatian Post links its mail sorting and logistics center operations to sub-activity 6.15, specifically referring to transshipment infrastructure. This interpretation is based on Annex I, Article 6.15 of the Delegated Act, which includes infrastructure supporting the modal transfer of freight.

Such infrastructure is considered essential for decarbonising Croatian Post’s logistics chain, enabling route optimisation and emissions reduction.

#### 7.1. Acquisition and ownership of buildings

This activity includes the acquisition and long-term ownership of real estate used for investment or operational purposes. In Croatian Post’s case, this covers investments in new and existing buildings, connected with additional taxonomy activities under Chapter 7:

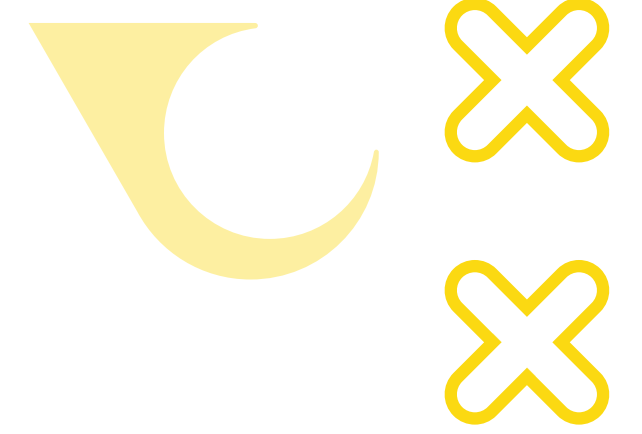
- 7.1 – Construction of new buildings
- 7.2 – Renovation of existing buildings
- 7.3 – Installation, maintenance, and repair of energy efficiency equipment

Taxonomy alignment includes evaluating building energy performance, compliance with technical screening criteria, and contribution to climate mitigation and adaptation objectives.

#### 8.1. Data processing, hosting, and related activities

Croatian Post operates its own data center, which is classified under taxonomy activity 8.1 according to Annex I, Article 8.1 of the Delegated Act. This includes infrastructure management, server maintenance, and digital service provision within the organisation.

Alignment is assessed based on the center’s energy efficiency and the share of renewable electricity used. Emphasis is placed on compliance with technical criteria and the potential for increasing operational energy efficiency.



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

• EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

### Key Performance Indicators (KPI)

This statement includes disclosures on the key performance indicators (KPIs) of total operating revenue, capital investments, and operating expenditures. The tables below present the corresponding monetary values and the percentage of alignment with the EU Taxonomy for each KPI.

#### Turnover

To determine the share of net turnover generated through taxonomy-eligible activities, we assessed the extent to which each activity is covered by the EU Taxonomy. Turnover considered taxonomy eligible under the EU framework consists almost entirely of revenues primarily related to the collection, sorting, and delivery of postal and parcel shipments.

Therefore, revenue classified as both taxonomy eligible and taxonomy aligned is entirely associated with these postal and logistics operations.

Revenue not eligible under the EU Taxonomy consists of income generated from air transportation of postal and parcel shipments and services related to logistics organisation.

The allocation of revenue to various economic activities under the EU Taxonomy is based on the relative operating costs of the individual activities.

Table 11: Turnover aligned with the EU Taxonomy

Code	Economic Activities	Absolute Turnover (in mil €)	Turnover Share (%)	Climate Change Mitigation (%)	Climate Change Adaptation (%)	Do No Significant Harm (DNSH)
6.4.	Operation of personal mobility devices, bicycle logistics	0,9	0,3	0,3%	0,0%	Yes
6.5.	Transport by motorcycles, passenger cars and light commercial vehicles	58,9	18,3	18,3%	0,0%	Yes
6.6.	Road freight transport services	0,2	0,1	0,1%	0,0%	Yes
6.15.	Infrastructure enabling low-carbon road and public transport	0	0,0	0,0%	0,0%	Yes
7.1.	Construction of new buildings	0	0,0	0,0%	0,0%	Yes
8.1.	Data processing, server services, and related activities	0	0,0	0,0%	0,0%	Yes
<b>Total Taxonomy-Aligned Activities</b>		<b>60,1</b>	<b>18,7</b>			



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

- EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

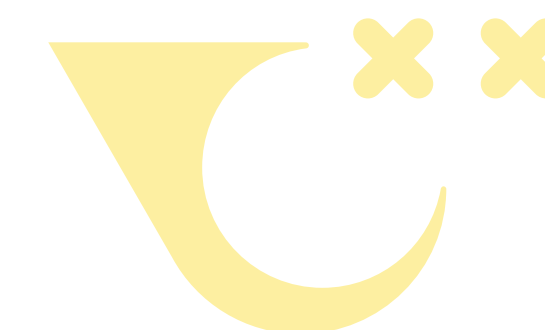
Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

Table 12: Turnover that is Eligible but not Aligned with the EU Taxonomy

Code	Economic Activities	Absolute Turnover (in million €)	Turnover Share (%)
6.4.	Operation of personal mobility devices, bicycle logistics	2,5	0,8
6.5.	Transport by motorcycles, passenger cars and light commercial vehicles	156,7	48,6
6.6.	Road freight transport services	0	0,0
6.15.	Infrastructure enabling low-carbon road and public transportInfrastructure	0	0,0
7.1.	Construction of new buildings	1,6	0,5
8.1.	Data processing, server services, and related activities	0	0,0
<b>Total Taxonomy-Eligible but Not Aligned Activities</b>		<b>160,8</b>	<b>49,9</b>



The gap between Croatian Post's taxonomy eligible and taxonomy aligned turnover stems from the gradual integration of low-emission vehicles into the overall fleet. The criterion for allocating aligned turnover is based on the number of kilometres driven per vehicle type during the reporting year.

Although a substantial portion of logistics activities already meets eligibility criteria, the overall share of aligned activities remains limited due to the relatively low share of electric and low-carbon vehicles in the total mileage. As the number of electric vehicles grows and their utilization increases, a corresponding rise in "green kilometres" is expected, which will, in turn, increase the proportion of taxonomy-aligned turnover in the coming years.

#### *Operating Expenditures (Opex)*

For the calculation of operating expenses (Opex), where operating expenditures are not material to the business model, the EU Taxonomy permits an exemption (Article 8 of the Delegated Act, Annex I, section 1.1.3.2). Croatian Post is a labor-intensive, people-centered company, with taxonomy-related operating expenditures representing a relatively small portion of total expenditures.

The numerator of total taxonomy-covered Opex amounts to €9.3 million, which corresponds to approximately 3.3% of Croatian Post's total operating expenses of €285.5 million in the year 2024.

## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

- EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

Table 13: Taxonomy Aligned Opex

Code	Economic Activities	Absolute OPEX (in mil. €)	Share of OPEX (%)	Climate Change Mitigation (%)	Climate Change Adaptation (%)	Do No Significant Harm
5.5.	Collection and transport of non-hazardous waste	0	0,0	0,0%	0,0%	Da
6.15.	Collection and transport of non-hazardous waste in segregated fractions at source	0	0,0	0,0%	0,0%	Da
6.4.	Operation of personal mobility devices, bicycle logistics	0,07	0,0	0,0%	0,0%	Da
6.5.	Transport by motorcycles, passenger cars and light commercial vehicles	2,24	0,8	0,8%	0,0%	Da
6.6.	Road freight transport services (transitional activity)	6,9	2,5	2,5%	0,0%	Da
7.2.	Renovation of existing buildings	0	0,0	0,0%	0,0%	Da
7.3.	Installation, maintenance, and repair of energy efficiency equipment	0,11	0,0	0	0	Da
7.1.	Acquisition and ownership of buildings	0	0,0	0,0%	0,0%	Da
<b>Total taxonomy-aligned activities</b>		<b>9,3</b>	<b>3,3</b>			



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

---

- General Information (ESRS 2)**

---

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

---

- Climate Change (ESRS E1)**

---

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

---

- Own Workforce (ESRS S1)**

---

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

---

- Consumers and End Users (ESRS S4)**

---

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

---

- Corporate Culture (ESRS G1)**

## Sustainability Report

Table 14: Taxonomy Eligible but Not Aligned Opex

Code	Economic Activities	Absolute OPEX (mil. €)	Share of OPEX (%)
5.5.	Collection and transport of non-hazardous waste in segregated fractions at source	0,4	0,1
6.15.	Infrastructure for low-carbon road and public transport	2,6	0,9
6.4.	Operation of personal mobility devices, bicycle logistics	0,6	0,2
6.5.	Transport by motorcycles, passenger cars and light commercial vehicles	9,2	3,3
6.6.	Road freight transport services (transitional activity)	0	0,
7.2.	Renovation of existing buildings	0,5	0,2
7.3.	Installation, maintenance, and repair of energy efficiency equipment	0	0,0
7.1.	Acquisition and ownership of buildings	3,9	1,4
<b>Total taxonomy-eligible activities</b>		<b>17,2</b>	<b>6,1</b>



The proportion of taxonomy aligned activities in operating expenses (Opex) is relatively low due to the gradual introduction of low-carbon vehicles into Croatian Post's total fleet, as well as the fact that most electric vehicles are still under warranty and therefore do not incur operational costs.

### Capital Expenditures (Capex)

The assessment of eligibility is based on the categorization of assets according to activities covered by the taxonomy, followed by an analysis of the extent to which these activities are aligned with the EU's environmental objectives. In 2024, most capital investments considered taxonomy eligible relate to transport equipment and electric vehicles, infrastructure for logistics and delivery (including sorting centres), and investments in buildings and real estate.

Conversely, investments not considered eligible under the EU taxonomy primarily relate to freight transport using vehicles that do not meet emissions efficiency criteria, and infrastructure not directly covered by taxonomy activities or that fails to meet the technical screening criteria.

This classification enables a transparent evaluation of the extent to which capital investments support the green transition and contribute to the climate neutrality of Croatian Post's business model.

## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

• EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

Table 15: Capex aligned with the taxonomy

Code	Economic Activities	Absolute Capex (in € million)	Capex Share (%)	Climate Change Mitigation	Climate Change Adaptation	Do No Significant Harm
6.4.	Operation of personal mobility devices, bicycle logistics	0,3	1,6	1,6%	0,0%	Da
6.5.	Transport by motorcycles, passenger cars, and light commercial vehicles	0	0,0	0,0%	0,0%	Da
6.6.	Road freight transport services (transitional activity)	3,2	19,3	19,3%	0,0%	Da
6.15.	Infrastructure enabling low-carbon road and public transport	1,6	9,9	9,9%	0,0%	Da
7.1.	Construction of new buildings	0	0,0	0,0%	0,0%	Da
7.2.	Renovation of existing buildings	0	0,0	0,0%	0,0%	Da
7.3.	Installation, maintenance, and repair of energy efficiency equipment	0,6	3,5	3,5%	0,0%	Da
8.1.	Data processing, hosting, and related activities	3,8	24,3	24,3%	0,0%	Da
<b>Total Taxonomy-Aligned Activities</b>		<b>9,2</b>	<b>58,7</b>			



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

- EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

Table 16.: Capex that is Taxonomy Eligible, but Not Taxonomy Aligned

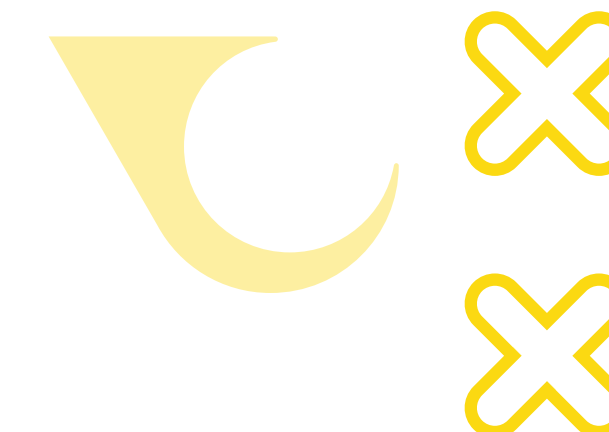
Code	Economic Activities	Absolute Capex (in € million)	Share of Capex (%)
6.4.	Operation of personal mobility devices, bicycle logistics	0	0,0
6.5.	Transport by motorcycles, passenger cars, and light commercial vehicles	1	6,
6.6.	Road freight transport services (transitional activity)	0	0,0
6.15.	Infrastructure enabling low-carbon road and public transport	0,1	0,9
7.1.	Construction of new buildings	0,1	0,6
7.2.	Renovation of existing buildings	0,1	0,9
8.1.	Data processing, hosting, and related activities	0	0,0
<b>Total Taxonomy-Eligible Activities</b>		<b>1,3</b>	<b>8,4</b>

The main reasons for the gap between eligibility and alignment of Croatian Post's capital investments stem from the gradual integration of low-carbon vehicles into the fleet. Currently, none of the heavy-duty delivery vehicles are powered by zero-emission technology, as defined in Delegated Act, Annex I, Article 6.6, paragraphs 1.a and 1.b of the technical screening criteria. As a result, although investments in transport are considered eligible under the EU Taxonomy, their alignment remains limited until the stringent technical requirements for emission performance are met.

As the share of electric and other low-carbon vehicles in the fleet increases, the proportion of taxonomy-aligned capital investments will grow accordingly. Furthermore, with technological advancements and greater market availability of heavy-duty alternative-fuel vehicles, one of the main barriers to fleet decarbonisation will be removed, enabling higher taxonomy alignment of investments in the coming years.

#### Minimum Safeguards

Compliance with the minimum safeguards required by the EU Taxonomy has been assessed, particularly in relation to human rights, anti-corruption, fair competition, and taxation. Croatian Post has integrated the relevant aspects of business conduct related to these topics into formal policies and procedures, as part of its Code of Business Conduct. This assessment provided a sufficient basis to conclude that the company meets the criteria for minimum safeguards.



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

## Monitoring the Progress of Taxonomy KPIs

An analysis of 2024 data compared to 2023 reveals several key trends:

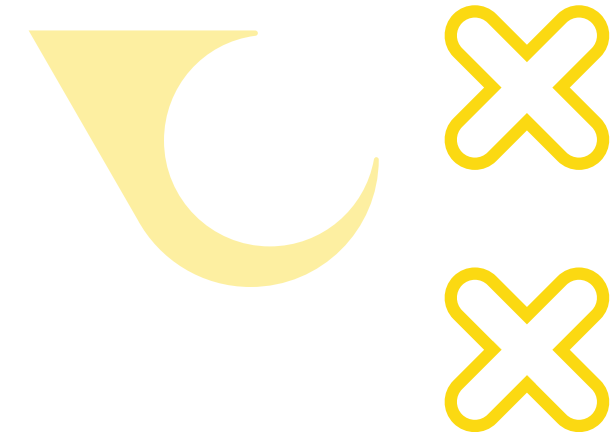
**Revenue:** In 2024, taxonomy aligned business activities generated €60.1 million in revenue, a significant increase compared to €21.7 million in 2023. The share of taxonomy aligned revenue also increased from 8.1% in 2023 to 18.7% in 2024, indicating progress in aligning operations with sustainable economic activities.

**Operating Expenditures (Opex):** Taxonomy aligned Opex increased from €2.7 million in 2023 to €9.3 million in 2024. The share of aligned Opex in total operating expenditures rose from 1.1% to 3.3%, highlighting growing investment in sustainable operational processes.

**Capital Expenditures (Capex):** Capital investments in sustainable activities decreased from €30.2 million in 2023 to €9.2 million in 2024. However, the share of aligned Capex in total investments increased from 22.9% to 58.7%, demonstrating a strong reorientation of investment toward taxonomy-aligned projects.

Table 17: Comparison of Key Performance Indicators (KPIs) According to the EU Taxonomy, 2023–2024

Key Indicator	2023.	2024.
Revenue from taxonomy-aligned activities (mil €)	21,7	60,1
Share of revenue from taxonomy-aligned activities (%)	8,1	18,7
Operating expenses (OPEX) from taxonomy-aligned activities (mil €)	2,7	9,3
Share of OPEX from taxonomy-aligned activities (%)	1.1	3.3
Capital expenditures (CAPEX) from taxonomy-aligned activities (mil €)	30,2	9,2
Share of CAPEX from taxonomy-aligned activities (%)	22.9	58.7



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

The 2024 data demonstrate significant progress by Croatian Post in aligning with the EU Taxonomy, particularly through increased revenue and a higher share of operating expenses linked to sustainable activities. At the same time, a decrease in total capital investments was recorded, indicating a strategic shift towards optimizing existing investments rather than initiating new capital-intensive projects.

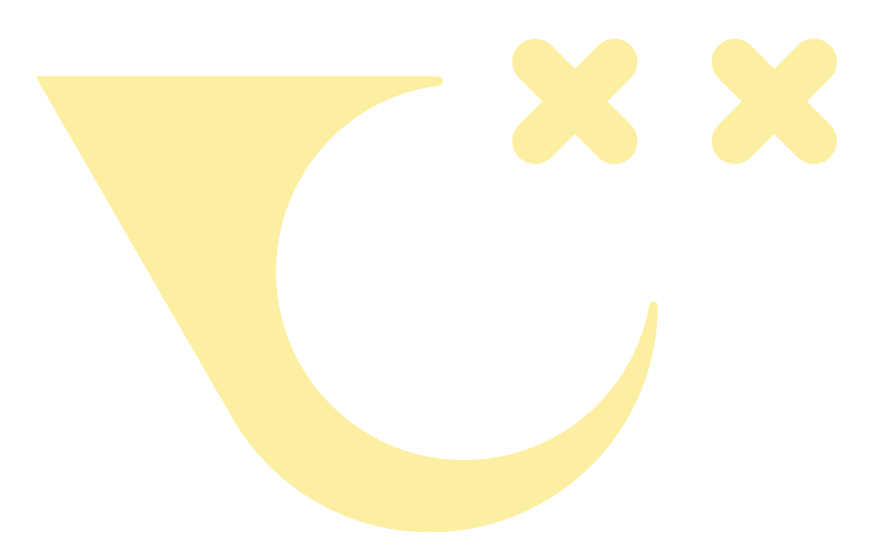
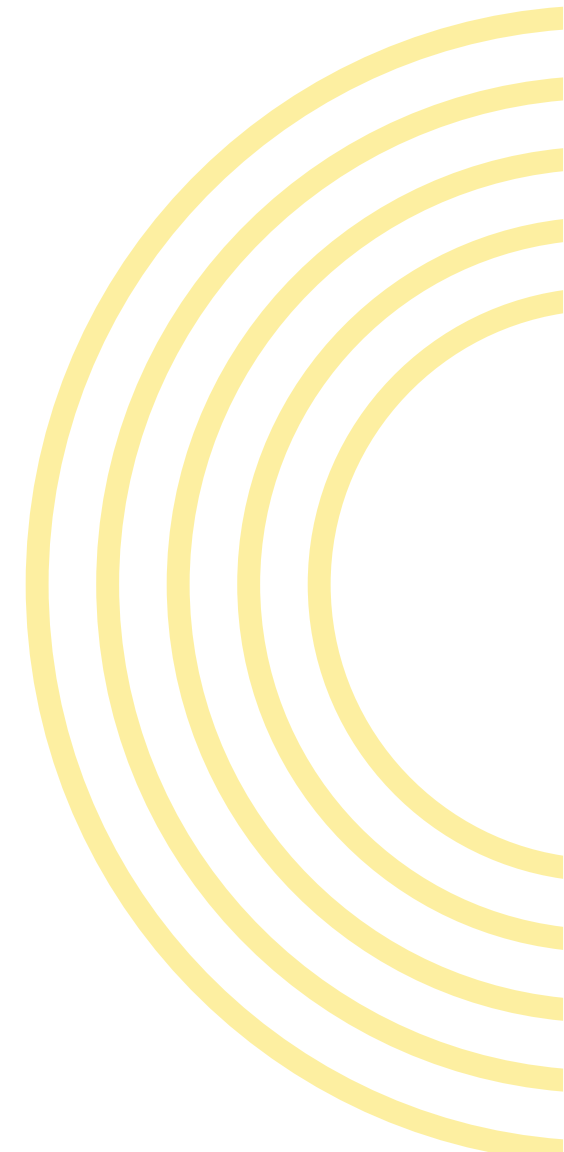
Compared to the industry average, Croatian Post still reports a lower share of taxonomy aligned revenue; however, it has achieved a notable increase in the share of capital expenditures directed toward taxonomy eligible activities. Further expansion of the zero-emission vehicle fleet and the development of sustainable logistics infrastructure have been identified as key prerequisites for improving taxonomy alignment and enhancing the competitiveness of the business model.

Croatian Post's transition plan is grounded in science-based decarbonization targets defined by the Science Based Targets initiative (SBTi) and encompasses a set of strategic activities framed through implementation scenarios and business models. Emphasis is placed on transforming transport operations, especially through fleet electrification and the rollout of charging infrastructure at strategic locations. The introduction of new technologies is complemented by employee training, particularly in eco-driving and the use of electric vehicles.

In the energy segment, short-term measures such as the procurement of green electricity are already being implemented, while a long-term energy self-sufficiency strategy is being developed through on-site renewable energy generation. Simultaneously, investments in energy efficiency continue, exemplified by the LED lighting modernization of over 500 post offices.

This integrated approach establishes a solid foundation for Croatian Post's systematic alignment with EU Taxonomy criteria, ensuring measurable progress towards climate resilience, low-carbon operations, and resource-efficient business practices.

A detailed overview of the planned activities is available in the chapter Transition Plan.



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

# Climate Change Risk and Vulnerability Assessment

The Climate Risk and Vulnerability Assessment (CRVA) was carried out in 2024 for the first time, in accordance with the EU Taxonomy and the European Union's recommendations for evaluating physical climate risks. The analysis included an assessment of the company's economic activities, their exposure and sensitivity to climate change, and the identification of necessary adaptation measures.

This approach is used to assess the impact of climate change on business processes, infrastructure, and the organization's operational capacity, and to define adaptation and risk mitigation actions.

To ensure the accuracy of the assessment, the following national and international sources were used:

- CORDEX Europe and CMIP6 climate models to evaluate projections of climate change,
- IPCC RCP scenarios (RCP2.6, RCP4.5, RCP6.0, and RCP8.5) for forecasting long-term climate trends,
- The Croatian Climate Portal for the analysis of current climate risks and ten-year development plans.

System elements were categorized based on their expected life span (less than or more than 10 years), allowing for a more in-depth analysis of future climate threats and the formulation of appropriate adaptation measures.

## Methodology

Following the identification of Croatian Post's taxonomy-aligned economic activities, a Climate risk and vulnerability assessment was conducted to determine the level of risk associated with each taxonomy activity.

The following key taxonomy activities of Croatian Post were assessed:

- 6.4. Operation of personal mobility devices, bicycle logistics,
- 6.5. Transport by motorcycles, passenger cars, and light commercial vehicles,
- 6.6. Freight transport services by road,
- 6.15. Infrastructure enabling low-carbon and public road transport.



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

EU Taxonomy Statement

- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

To identify the drivers of climate-related risks in Croatian Post's operations, system elements—key components enabling the execution of each economic activity—were first defined. These include buildings, workers, warehouses, vehicles, energy and water supply, delivery routes, and other functional business units.

A binary approach was used to conduct the initial level of analysis:

- Each system element was assigned a value of 0 (if no conceivable climate risk was identified), or 1 (if a potential climate-related risk was identified).

After identifying the at-risk elements, a second level of analysis was conducted to quantify the overall climate risk, defined as an uncertain event caused by current or future climate changes, with potentially negative effects on operations or geographic areas.

The main indicator for climate risk was the vulnerability level of each system element, quantified as the product of:

- Exposure – the likelihood that a system element will be affected by a climate event
- Sensitivity – the magnitude of the consequences or potential adverse effects of that event on the system

The formula applied: **Climate Risk = Vulnerability Level = Exposure Risk × Sensitivity Level**

Prior to exposure analysis, system elements were categorized by expected lifespan:

- Elements with a lifespan less than 10 years were assessed using historical data from CORDEX Europe and CMIP6 models.
- Most elements fell into the longer lifespan category (10+ years), and were evaluated using two climate projection models:
  - Optimistic projection: CORDEX Europe Near Term (2021–2040), RCP2.6
  - Pessimistic projection: CORDEX Europe Medium Term (2041–2060), RCP8.5

Sensitivity levels were defined by Croatian Post's internal expert teams, based on operational knowledge and professional judgement.



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

Exposure risk and sensitivity were each rated from 0 to 4, and their product defined the overall climate risk and vulnerability level as follows (to be detailed in the next part, e.g., risk scale or thresholds).

4	High Risk: Comprehensive analysis of climate conditions and forecasts required. Development and implementation of an adaptation plan is necessary.
2	Medium Risk: Case-by-case decision needed to determine whether adaptation measures are necessary.
1	Low Risk: No action required. Risk is considered minor.
0	No Risk: No action required. No identifiable climate-related risk exists.

### Climate Risk Assessment Results

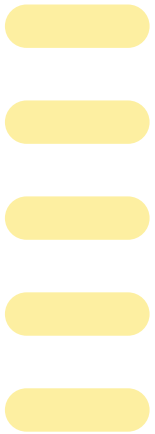
Based on the assessment of potential climate change impacts on its operations, Croatian Post has identified key climate risks that may affect operational stability and system resilience.

According to the climate risk and vulnerability matrix, most business elements are currently not under high climate pressure. However, one risk has been classified as high and requires the development and implementation of adaptation measures:

- High-risk scenario: Climate risk – Heatwaves / Heat stress
- Affected system element: Employees

This outcome highlights the increased vulnerability and exposure of workers, especially those performing outdoor tasks such as delivery and logistics personnel. Rising temperatures and the increasing frequency of extreme heat events can directly impact the health, safety, and work efficiency of employees, making it essential to plan adaptation measures.

Next steps include defining priority actions for protecting the workforce, which involve optimizing work schedules, providing protective equipment, offering training, and improving working conditions during extreme weather events.



## Sustainability Report

Foreword by Ivan Čulo (CEO)  
Introduction  
Structure

### General Information (ESRS 2)

Basis of Preparation  
Governance Model  
Management Strategy  
Policies  
Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy  
Impacts, Risks, and Opportunities  
Policies, Actions, Targets and Metrics  
Transition Plan  
EU Taxonomy Statement  
● Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy  
Impacts, Risks, and Opportunities  
Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection  
Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

Table 18: Climate Risk and Vulnerability Matrix

	Expected lifespan > or < 10 years	Climate-related hazards							
		Heat wave/ heat stress	Storms, blizzards, dust and sandstorms	Drought, water stress	Heavy precipitation (rain, hall, snow, ice)	Earthquakes	Wildfire	Sea-level rise	Flood
Buildings	> 10	0	0	0	0	2	2	0	1
Indoor Warehouses	> 10	0	0	0	0	2	2	1	1
Outdoor Warehouses	> 10	0	0	0	2	2	2	1	1
Stores	> 10	0	0	0	0	2	2	1	1
Indoor operating facilities	> 10	0	0	0	0	0	0	0	0
Outdoor operating facilities	> 10	1	1	0	1	0	2	1	0
Delivery vehicles (cars, trucks, bikes)	> 10	0	1	0	0	0	0	0	0
Access to sites, side traffic (car, truck, train, ship)	> 10	1	1	0	0	1	0	0	1
Regional accessibility (car, truck, train, ship)	> 10	0	0	0	0	0	0	0	0
Delivery routes	> 10	1	0	0	0	1	1	1	1
Water supply	> 10	1	0	0	0	0	0	0	0
Power supply	> 10	0	0	0	0	1	0	0	0
Other piped supply	> 10	0	0	0	0	1	0	0	0
Production process	> 10	0	0	0	0	0	4	0	0
Employees	> 10	4	0	0	1	2	1	0	1

General system elements



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

## Adaptation Measures

Based on the conducted analysis and identified climate risks, key adaptation priorities have been defined to support Croatian Post's resilience to climate change—placing specific emphasis on heatwaves, recognized as a high-priority risk.

**General Risk:** Heatwaves pose a direct threat to the health and work efficiency of employees, particularly those performing outdoor tasks. Extreme temperatures can worsen working conditions, increase the risk of exhaustion, reduce productivity, and lead to more sick leave due to health concerns.

**Specific Risk:** As part of the risk assessment, an analysis was conducted on the number of days with extreme heat (above 35°C) in the most exposed geographic regions. Using two climate scenarios (optimistic and pessimistic) and comparing them to historical data, the following projections were made:

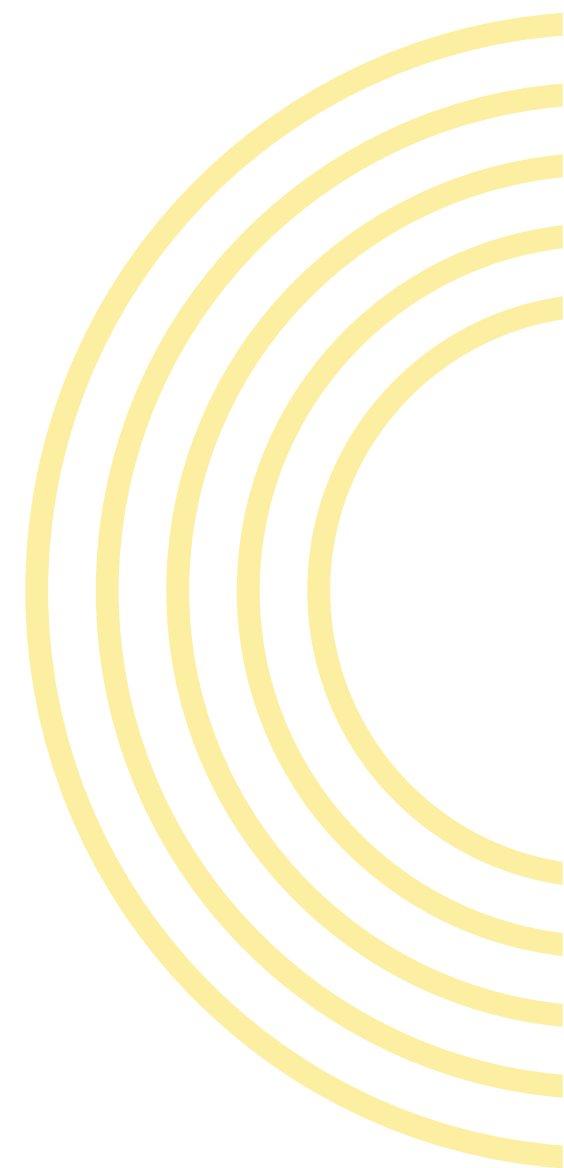
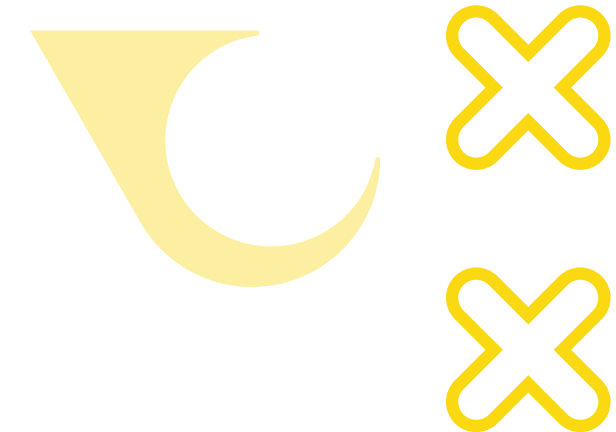
- Increase in days above 35 °C by a factor of 1.3 in the optimistic scenario
- Increase by a factor of 2 in the pessimistic scenario

### Proposed Adaptation Measures:

Based on the above findings, the following concrete measures have been proposed to reduce vulnerability and strengthen employee resilience:

- Employee education and awareness on heat-related risks and protective measures.
- Priority implementation of passive protection measures in buildings (e.g., shading, ventilation) to reduce dependency on air conditioning.
- Procurement of weather-adapted work gear, including the integration of technical specifications into public procurement policies.
- Monitoring effectiveness indicators – introduction of KPIs for heat-related absenteeism to enable continuous monitoring and timely intervention.

These actions aim to reduce vulnerability, protect employee well-being, and sustain operational resilience during extreme weather events.



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### • Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

# Social Factors (ESRS S)

## Own Workforce (ESRS S1)

Croatian Post, as one of the largest employers in the Republic of Croatia, systematically manages workforce-related matters in accordance with sustainability requirements and the legislative framework. Human resource management is crucial for business resilience and the achievement of strategic objectives.

This chapter includes the strategy, impacts, risks, policies, objectives, and metrics related to the own workforce. The reporting is partially aligned with the ESRS S1 standard, with further improvements in data quality and granularity planned for future reporting cycles.

Key components of the report:

1. Strategy - Focused on retaining quality employees, increasing productivity, and ensuring competitive working conditions.
2. Impacts, Risks and Opportunities - Positive and negative impacts on the workforce have been identified. Key risks include employee turnover, workplace injuries, and challenges in attracting talent. Opportunities lie in investing in employee development, digitalising processes, and introducing additional benefits.
3. Policies and Initiatives - Measures include increasing salaries and material rights, development and education programmes, flexible forms of work, and initiatives promoting health and employee well-being.
4. Objectives and Metrics - Lower turnover, increased salaries, fewer workplace injuries, employee skill development, and stronger social dialogue.



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

# Human Resources Management Strategy

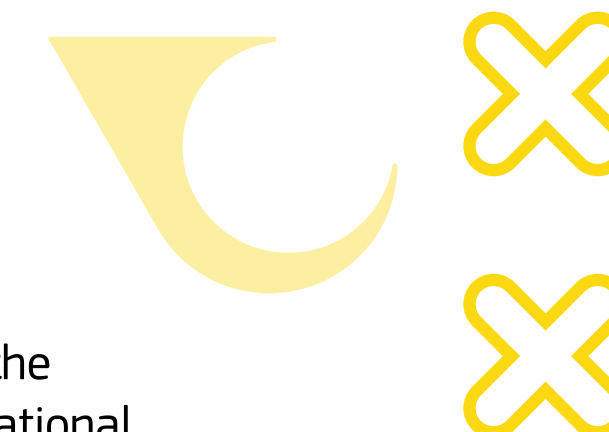
As of the end of 2024, Croatian Post employs a total of 8,811 people. Competent and motivated employees are the foundation of operational efficiency and the competitiveness of the business model. The human resource management strategy focuses on retaining qualified and experienced workers, especially in operational positions critical to service delivery. Priorities include ensuring competitive salaries, improving working conditions, and fostering corporate culture to improve employee satisfaction, reduce turnover, and ensure long-term workforce stability.

Increasing productivity, reducing employee turnover, and growing employee income are the key goals of the company's long-term strategy.

The Human Resources Management Office is responsible for implementing this strategy and aligning its activities with corporate development priorities. In 2024, the reorganisation of operational business was completed, while administrative restructuring is ongoing. The new project aims to redefine the administrative organisational structure and optimise internal processes.

Based on the double materiality assessment, six key topics with strong social impact and relevance for Croatian Post employees were identified:

1. **Secure employment** - Employment stability and competitive salaries are key to employee satisfaction and loyalty, especially in operational roles.
2. **Employee consultation and information (social dialogue)** - Trade unions, as fundamental workers' associations, guarantee the right to freedom of association, collective bargaining, and industrial action. The strategic role of trade unions and the need for social dialogue and collective bargaining give rise to the Collective Agreement, which ensures numerous material rights for workers. In line with legislation, all decisions affecting employees are subject to consultation with the Works Council.
3. **Work-life balance** - Flexible work and working hours affect the balance between work and private life. Maintaining this balance improves satisfaction and reduces stress.
4. **Health and safety** - Ensuring a safe and healthy working environment is a priority, especially for field and logistics workers. Systematic risk management helps reduce injuries and preserve work capacity.
5. **Gender equality and equal pay** - Promoting gender equality and ensuring equal pay for equal work supports inclusion, a positive working environment, and greater employee productivity.
6. **Training and skills development** - Investment in training and employee competence development is essential for operational excellence and adaptation to technological and organisational changes.



## Sustainability Report

Foreword by Ivan Čulo (CEO)  
Introduction  
Structure

### General Information (ESRS 2)

Basis of Preparation  
Governance Model  
Management Strategy  
Policies  
Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy  
Impacts, Risks, and Opportunities  
Policies, Actions, Targets and Metrics  
Transition Plan  
EU Taxonomy Statement  
Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

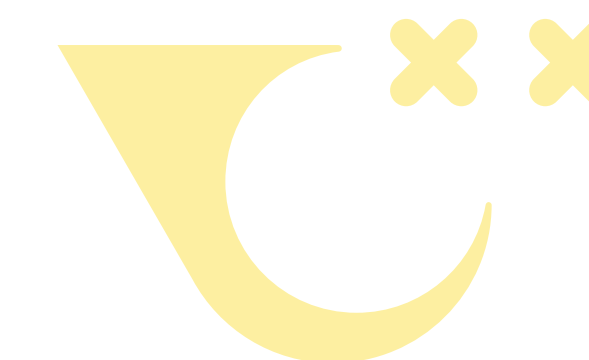
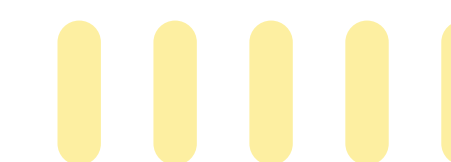
Material Subtopic: Personal Data Protection  
Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

Croatian Post primarily employs staff on permanent contracts, while fixed term and part-time employment are used based on operational needs. Part of the workforce is also engaged through temporary employment agencies and seasonal work. All these forms of employment are included in the company's materiality assessment under ESRS S1.

Table 19: Material Topic Overview – ESRS S1: Own Workforce

MATERIAL TOPIC	ESRS S1 – OWN WORKFORCE
<b>SUBTOPICS</b>	Secure employment Employee consultation and information (social dialogue) Work-life balance Health and safety Gender equality and equal pay Training and skills development
<b>KEY POLICIES AND GUIDELINES</b>	Collective Agreement Work Regulations Code of Ethics Diversity Policy
<b>TARGETS</b>	Reduce turnover Increase income Reduce workplace injuries Increase participation in training programmes
<b>KEY ACTIVITIES</b>	Improving working conditions and pay Strengthening social dialogue with trade unions Introducing flexible working hours (where possible) and additional benefits Implementing health and well-being programmes Training for managers and employees
<b>METRICS</b>	Turnover rate (%) Salary increase (%) Number of workplace injuries Number of employees in training Employee satisfaction survey results



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

## Impacts, Risks and Opportunities

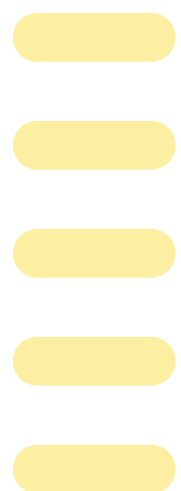
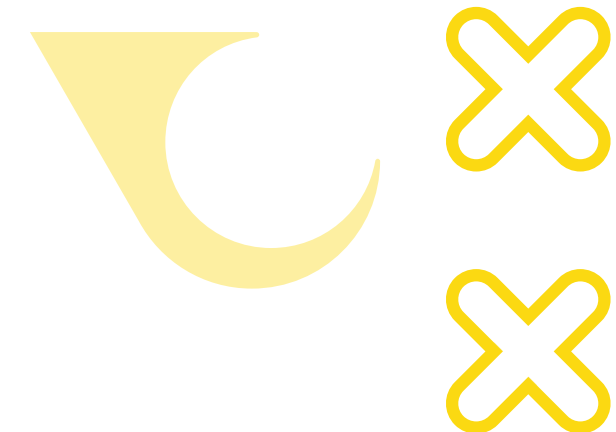
**Objective of the assessment:** To identify key risks, impacts, and opportunities that shape the relationship with the company’s own workforce and define measures that support the creation of a work environment based on cooperation, responsibility and trust.

Croatian Post has a significant social and economic impact on the business ecosystem. As a large employer, it affects both workers and the labour market, positively and negatively. Managing risks such as turnover, safety, and working conditions is essential to business stability. At the same time, there are opportunities for improvement through investment in people, digitalisation, and employee well-being initiatives, contributing to long-term competitiveness, increased productivity, and sustainable operations.

**Impacts:** The own workforce is a key resource. Providing stable employment for more than 8,800 workers significantly impacts organisational efficiency and employee satisfaction. Higher salaries support talent attraction and retention. Employee participation in decision-making through social dialogue enhances engagement and communication. Work-life balance enabled by flexible working hours increases productivity and loyalty. Care for health and safety reduces injury risks and improves satisfaction. Gender equality and equal pay initiatives create a more inclusive and motivating environment. Training and development improve competitiveness and leadership capacity. A strong corporate culture enhances employee loyalty and service quality.

**Risks:** Challenges such as job insecurity, high workload, or layoffs can destabilise the workforce. Poor communication and inadequate social dialogue can lead to regulatory issues. Lack of work-life balance increases stress, reduces motivation, and drives turnover, weakening operational stability. Delivery and warehouse roles carry higher risks of injury, leading to dissatisfaction and legal liabilities. Unfair pay or gender inequality may reduce morale and cause regulatory challenges. Insufficient investment in training may weaken management capacity. Violations of ethical norms or transparency may damage the company’s reputation and reduce employee trust.

**Opportunities:** There is great potential for improving working conditions, increasing pay, and introducing performance-based reward programmes. Flexible work models and remote work options improve work-life balance. Digitalisation and automation reduce operational pressure and improve efficiency. Gender equality and fair pay policies enhance employer reputation. Investments in education and e-learning boost skills and adaptability. Strengthening ethical business culture and transparent management builds long-term trust and sustainable development.



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

## Policies, Actions, Targets and Metrics

Investments in human capital, digitalisation, and the adaptation of business models are key steps towards a sustainable workforce future. Croatian Post systematically implements measures to safeguard the health and safety of its employees, promote quality leadership, build an equal and inclusive work environment, and develop the professional competencies and skills of its workforce. Occupational health and safety management systems are in place, enabling timely prevention and support for workers. Special emphasis is placed on leadership training, with mandatory programmes on leadership and team management for all managers.

### Policies and Actions

Human resource management at Croatian Post is grounded in principles of responsibility, cooperation, and trust, supported by clearly defined policies and procedures governing labour relations, workplace safety, reward systems, and employee participation in decision-making.

Key actions aimed at improving the quality of the working environment include:

- **Improved working conditions:** Systematic risk assessments and health and safety measures are implemented to reduce exposure to injury and maintain work ability.
- **Competitive remuneration and benefits:** Fair and competitive pay, including performance-based rewards for operational roles.
- **Skills development and lifelong learning:** Investments in training and education increase employee competitiveness and foster personal and professional growth.
- **Flexible work arrangements:** Where feasible, flexible models such as flextime and remote work are implemented to support work-life balance.
- **Strengthened protection of workers' rights:** Active collaboration with the Works Council and trade unions ensures workers' rights and promotes their role in decision-making.
- **Compliance with legal and ethical standards:** Adherence to legal frameworks and ethical standards ensures responsible business conduct and trust between employees and management.

Croatian Post's approach to human resource management is rooted in national labour legislation and complemented by internal documents such as the Collective Agreement, Work Regulations, Code of Ethics, and various internal policies and decisions ensuring respect for employee rights and equal opportunities. The Croatian Post Code of Ethics applies to all employees.



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

International labour standards are respected, including those set by the International Labour Organization (ILO), the European Convention on Human Rights, and the EU Charter of Fundamental Rights, in accordance with Croatian law. Human resource policies, procedures and templates are accessible via the company intranet, ensuring transparency and accessibility for all employees.

A zero-tolerance policy for discrimination is stipulated in the Work Rules and reinforced through the Diversity Policy, which defines measures to ensure equal treatment regardless of origin, gender, age, nationality, religion or political beliefs, sexual orientation, marital status, or disability. Guidelines for addressing inappropriate behaviour and harassment support the creation of a safe, fair, and inclusive work environment.

Croatian Post continuously promotes diversity, equity, and inclusion in the workplace. Code of Ethics training is mandatory for all employees, and in early 2024 an online training programme on diversity and inclusive work environments was launched via the internal e-Learning platform.

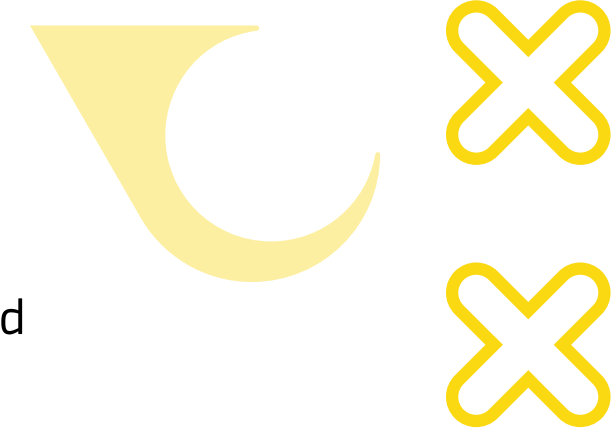
Non-discrimination and diversity principles are integrated into core documents: the Collective Agreement, Work Regulations, Code of Ethics, and Diversity Policy. These define employee rights and obligations and commit the company to ensuring a safe and equitable working environment.

A Dignity at Work Commissioner has been appointed, along with a confidential whistleblower contact, and an Ethics Committee has been established. More details on grievance mechanisms and whistleblower protections are provided in the Governance section (ESRS G1).

The freedom of association is fully respected, including the right to join or not join trade unions and professional associations, and to engage in collective bargaining with the employer. Ongoing social dialogue is maintained between management and worker representatives, including unions and the Works Council, ensuring regular communication and collaboration on decisions affecting working conditions and employee rights.

Croatian Post fully adheres to the Labour Act, relevant bylaws, and Collective Agreements, especially during organisational changes. Employee consultation is ensured via democratically elected Works Council representatives.

Trade unions are recognised as key worker associations, with the right to organise, collectively bargain and undertake collective action. Croatian Post supports their strategic role and the importance of social dialogue, which underpins the Collective Agreement that guarantees numerous employee benefits.



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

A culture of cooperation and trust is cultivated, with employees actively participating in the improvement of business processes. “Your Opinion Matters” workshops have enabled direct input into improving working conditions, and the internal social network Jenz has enhanced communication and information exchange.

Employee satisfaction and engagement are measured through regular internal surveys, which gather real-time feedback on employee experiences and opinions. Results are used to improve business processes and working conditions and to define targeted actions for improving corporate culture, communication, and HR management.

The continuous development of employee competencies is supported by an e-learning system, accessible to all staff. Mandatory courses include data protection, trade secret protection, and cybersecurity. Special leadership development programmes include workshops and mentoring to strengthen management and communication skills.

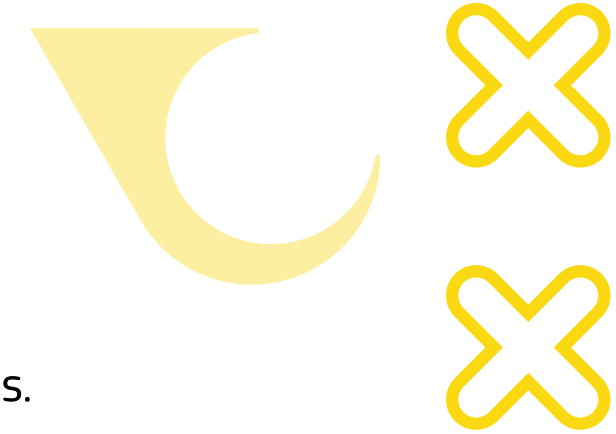
Health, safety, and employee wellbeing are central to HR management. Compliance with occupational health and safety regulations, employee training, and legal alignment help minimise risks and improve conditions. Mental and physical wellbeing are promoted through supplementary health insurance, medical check-ups, and initiatives encouraging healthy lifestyles. Safety protocols address field work risks.

To boost employee satisfaction and loyalty, Croatian Post invests in health and wellbeing. Additional health insurance includes medical screenings and specialist services. The MultiSport and PassSport programmes offer discounted access to sports and recreational facilities across Croatia.

Flexible work models, such as flextime for administrative staff, enhance work–life balance.

In 2023 and 2024, major organisational changes aimed at operational efficiency included transitioning from a divisional to a regional management structure. This reform enabled improvements in HR management, the introduction of a variable reward system, salary increases for all employees, and an extraordinary bonus outside the Collective Agreement framework.

A new organisational structure and the role of site manager(s) were introduced to strengthen collaboration and teamwork, thereby improving service quality and customer satisfaction, in line with Croatian Post’s core values of Responsibility, Cooperation, and Trust, and its mission to serve citizens.



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

## Targets and Metrics

Croatian Post’s human resource management focuses on increasing productivity, improving working conditions, and supporting employees’ continuous professional development. A KPI monitoring system is in place to assess the impact of HR measures and guide decision-making. Employee engagement index, accident frequency, and absenteeism due to illness are monitored to ensure ongoing improvement of working conditions and employee wellbeing.

Additional workforce-related indicators include employee turnover rate, sickness-related absenteeism, workplace injuries, road accidents, training hours, and more.

As of 31 December 2024, Croatian Post employed 8.811 people: 3.853 women and 4.958 men. The average number of employees during the reporting period was 8.785. Most employees work full-time (8.772), while 39 employees work part-time (18 women and 21 men).

There were 1.288 departures (371 women, 917 men), representing a turnover rate of 14.7% (4.2% for women, 10.4% for men). This marks a decrease from 16.7% in 2023, attributable to strategic measures such as salary increases, improved working conditions, and enhanced benefit programmes. Nevertheless, turnover remains higher than the 2023 industry average of 12.9%.

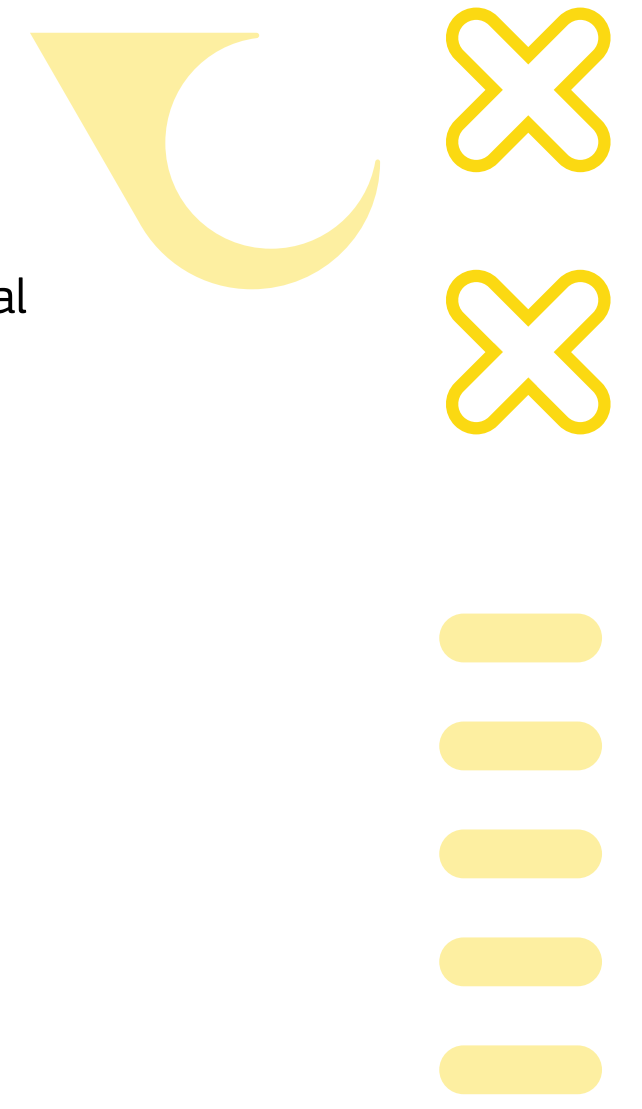
In 2024, 259 employees were registered as persons with disabilities.

62 employees (4.1%) took maternity or parental leave.

Almost 90% of employees participated in additional training. The e-learning system currently offers 57 active courses, including mandatory training on personal data protection, trade secrets, and cybersecurity.

As part of a new training cycle, "Leadership" and "Communication Skills" training was delivered to 89% of site managers and shift supervisors. For 44% of participants, this was their first leadership training.

Average training hours per employee increased from 6.2 in 2023 to 6.74 in 2024 (+7%), with total training hours rising from 55.451 to 59.397.



**Sustainability Report**

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

**General Information (ESRS 2)**

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

**Climate Change (ESRS E1)**

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

**Own Workforce (ESRS S1)**

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

**Consumers and End Users (ESRS S4)**

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

**Corporate Culture (ESRS G1)**



Employees and their families are supported in their education, including discounted tuition through cooperation with Effectus University of Applied Sciences.

All employees are entitled to social protection in cases of unemployment, illness, childbirth, or retirement. These rights are enshrined in the social and health insurance systems and Collective Agreements.

Supplementary health insurance covers preventive care and specialist services. 3.549 employees used medical check-ups, totalling 3.636 health-related services.

99.3% of employees are covered by Collective Agreements. Those not formally covered still benefit from equivalent standards through comparable agreements.

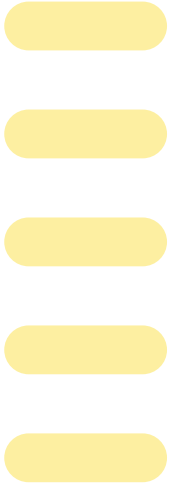
The reward system includes salary increases, one-time bonuses, and other benefits. Between 2023 and 2024, salaries increased by a total of 25%. In 2024, a €1.200 bonus was paid to employees in shortage occupations, and the Christmas bonus was raised to €500. Island work allowances and incentives for post office staff were also increased. Around 64% of employees received the shortage occupation bonus.

Annual financial aid is provided for education of children of single parents.

Flextime was introduced for administrative employees across Croatia.

In 2024, measures were taken to strengthen business integrity, ensure fair working conditions, and prevent discrimination and misconduct. The Code of Business Ethics was updated, and internal controls were enhanced through regular audits and risk assessments. The Ethics Committee received two complaints in 2024.

A zero-tolerance policy on discrimination has been implemented, with clear employee information and reporting channels. The Human Resources Office received six dignity-at-work complaints in 2024.



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

Gender equality data is tracked to increase the representation of women. Women make up 43.8% of staff and 25% of the management board.

There were 218 workplace injuries in 2024 (115 during operations, 42 in traffic, 27 commuting, 15 dog bites, 19 resulting from robbery). Compared to 2023, this is a reduction of 47 total injuries, including 29 fewer during work processes. However, robbery-related injuries increased by 9.

Employee satisfaction is assessed periodically. In 2024, a survey was conducted using the Luppa platform. General satisfaction averaged 2.68, above the logistics and warehousing sector average. Key improvement areas identified were leadership, task organisation, collaboration, communication, and working conditions.

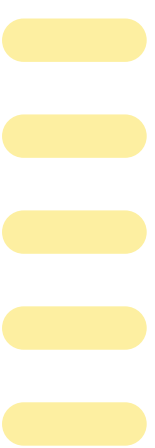
The internal digital platform Jenz improved internal communication and access to information. In 2024, there were 1,057 peer recognitions and 186 anonymous messages, indicating strong employee engagement. Post reach averaged 40%, with top posts exceeding 80%.

Employees traditionally participate in the B2Run race in Zagreb. Croatian Post organised a Health Day in collaboration with BenefitSystems and MultiSport to promote healthy lifestyles. The Ministry of Tourism and Sport recognised Croatian Post during the 2024 #BeCroactive awards for promoting physical activity at work.

Croatian Post was named “Most Attractive Employer 2024” in the Transport and Storage sector by Alma Career, based on feedback from over 34,000 survey respondents.

Croatian Post holds the “Employer Partner Certificate” for excellence in human resource management, awarded by SELECTIO.

Inspirational employee video stories are regularly shared through internal and external channels. A documentary about Croatian Post mail carriers, broadcast on national TV, achieved notable success and was selected for the Your Way International Film Festival 2025 in Malta.



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### ● Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

# Consumers and End Users (ESRS S4)

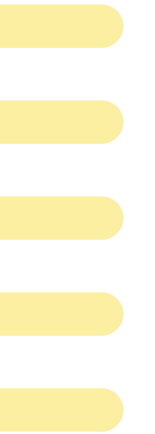
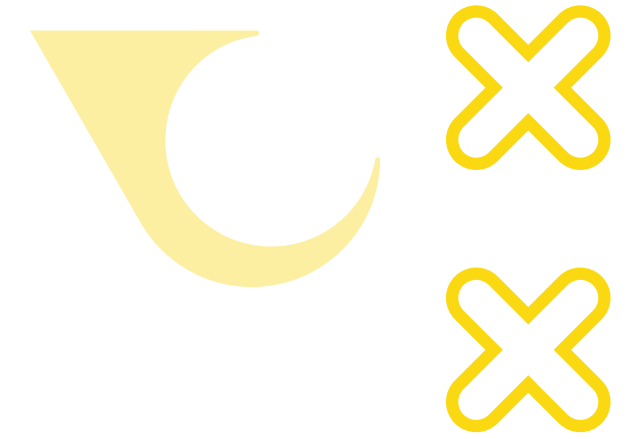
As a key provider of postal and logistics services in Croatia, Croatian Post bears a significant responsibility to its customers. Customer interaction is facilitated through various channels, including delivery operations, retail outlets, parcel lockers, financial services, and digital platforms such as ePost and Žuti klik. This broad accessibility enables Croatian Post to deliver reliable and accessible services to approximately 1.5 million households and 300,000 businesses across the country.

In line with the vision “Croatian Post – at the service of citizens,” the aim is to further enhance accessibility and create added value through the development of innovative business models and solutions.

Through the Double materiality assessment, two subtopics were identified as material:

1. **Personal Data Protection and Information Security** - This topic includes how the company collects, processes, and stores personal data of consumers and end users, safeguards it from unauthorised access, loss or misuse, and ensures compliance with legal frameworks such as the General Data Protection Regulation (GDPR). The materiality of this topic stems from the importance of customer trust - data breaches can significantly damage the company’s reputation and entail regulatory consequences. For postal and logistics operators who handle sensitive data (e.g., addresses, identities, parcel information), this topic is of heightened importance.
2. **Access to Products and Services** - This topic relates to the availability of products and services to all users, regardless of physical, digital, economic, or geographical barriers, and the provision of inclusive services that consider the needs of elderly individuals, persons with disabilities, rural residents, and the digitally excluded. From a sustainability perspective, ensuring fair and equal access to postal and logistics services supports social inclusion and reduces digital and infrastructure disparities.

These topics are strategic priorities for Croatian Post and will guide the ongoing development of the strategic framework, action plans, and consumer-related risk management.



## Sustainability Report

Foreword by Ivan Čulo (CEO)  
Introduction  
Structure

## General Information (ESRS 2)

Basis of Preparation  
Governance Model  
Management Strategy  
Policies  
Double Materiality Assessment

## Climate Change (ESRS E1)

Strategy  
Impacts, Risks, and Opportunities  
Policies, Actions, Targets and Metrics  
Transition Plan  
EU Taxonomy Statement  
Climate Change Risk and Vulnerability Assessment

## Own Workforce (ESRS S1)

Strategy  
Impacts, Risks, and Opportunities  
Policies, Actions, Targets and Metrics

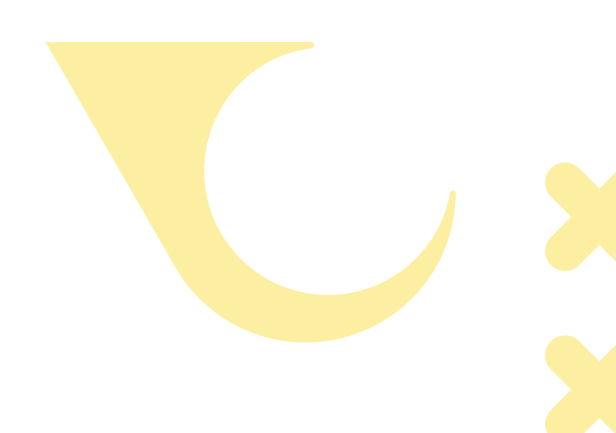
## • Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection  
Material Subtopic: Access to Products and Services

## Corporate Culture (ESRS G1)

Table 20: Material Topic Overview: ESRS S4 – Consumers and End Users

MATERIAL TOPIC	ESRS S4 – CONSUMERS AND END USERS	
SUBTOPICS	Personal Data Protection	Access to Products and Services
<b>KEY POLICIES AND GUIDELINES</b>	Personal Data Protection Policy Code of Business Conduct Data Breach Notification Procedure Data Protection Officer	Postal Services Act and Consumer Protection Act
<b>OBJECTIVES</b>	Maintain user trust through high standards of data protection	Achieving industry standard in complaint handling
<b>KEY ACTIVITIES</b>	Ongoing employee training on data protection and information security Policy updates and improvements	Optimising customer experience through the introduction of chatbots, voicebots, modernisation of communication channels and the development of a customer portal
<b>METRICS</b>	Number of trainings % of employees trained in information security and data protection	Implemented customer experience improvement projects Number of digital service users



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

# Material Subtopic: Personal Data Protection

In the postal and logistics sector, data protection and user privacy represent critical aspects of business operations, particularly in the context of increasingly interconnected systems and data usage. Through responsible management of personal data of employees and customers, Croatian Post directly strengthens stakeholder trust and confidentiality, ensures compliance with applicable regulations, and enhances its corporate reputation.

Comprehensive privacy protection measures have been implemented. Dedicated teams focus on data security and mitigating potential threats.

In response to stringent privacy protection requirements, Croatian Post has adopted high data protection standards in line with the General Data Protection Regulation (GDPR). Continuous employee training, established security protocols, and incident reporting mechanisms are part of the company's systemic approach.

## Impacts, Risks and Opportunities

**Objective of the assessment:** Maintain customer trust and ensure high data protection standards in a digitized business environment.

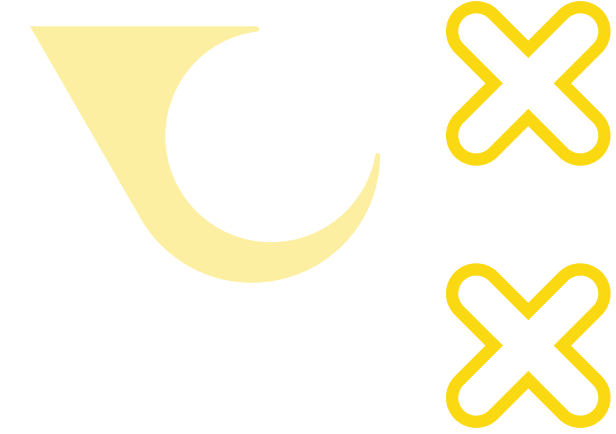
**Impacts:** Managing large volumes of customers' personal data entails significant responsibility. In the context of growing digitalization and interconnected IT systems, security protocols and privacy management have become key elements of sustainable business practices. Every customer interaction—whether through delivery services, digital platforms or contact centers—involves data processing, making data security a strategic priority for the company.

Clear rules and GDPR compliance enable a systematic and transparent approach to personal data protection. Responsible data governance reduces risks and creates opportunities to strengthen customer relationships, increase loyalty, and improve customer experience.

**Risks:** High likelihood of security threats due to increasingly complex digital systems.

Awareness of cyber threats and risks of unauthorized access to personal data is high. The complexity of digital ecosystems increases vulnerability to attacks, while regulatory demands continue to tighten. Any personal data breach may have long-term consequences, including financial penalties and reputational damage, hence proactive risk management is essential to preserve business integrity.

**Opportunities:** Strengthening customer trust and brand protection through reliable personal data governance. To ensure system resilience, Croatian Post continuously invests in enhancing its security infrastructure, developing internal capabilities, and educating employees and users.



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection

Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

## Policies, Targets and Metrics

Croatian Post ensures the effective implementation of risk management processes, practices and measures related to personal data protection across all business units. Personal data processing is conducted in compliance with Regulation (EU) 2016/679 (General Data Protection Regulation – GDPR) and the Croatian Data Protection Implementation Act (Official Gazette No. 42/2018).

By adhering to data protection and information security guidelines and regulations, the company continuously enhances its data protection system, including documentation, employee education and security protocols.

The Code of Business Conduct obliges adherence to internationally recognized human rights, including consumers' right to privacy and data security. All employees undergo GDPR training via the internal eLearning platform, which includes knowledge testing. This reduces privacy-related risks, including potential personal data breaches, through mechanisms such as Data Protection Impact Assessments.

Croatian Post has adopted a Personal Data Protection Policy that defines the core principles of privacy and data security governance, aiming to prevent negative impacts and risks associated with the processing of personal data. These mechanisms contribute to increased consumer trust and ensure regulatory compliance.

Where Croatian Post shares personal data with third parties, including partners and suppliers, it contractually ensures that all GDPR requirements are met, including the implementation of appropriate technical and organizational safeguards. Data Processing Agreements are concluded with processors in line with Article 28 of the GDPR, clearly defining their rights and obligations.

On the Croatian Post website, data subjects have access to clear and transparent information on personal data processing, including detailed explanations of their rights, procedures for exercising them, and the legal basis for processing, in accordance with the GDPR.

Mandatory training on data protection, trade secrets, online fraud and cybersecurity is conducted through the eLearning platform to ensure all staff understand the importance of proper information handling. This strengthens customer trust and protects corporate integrity.

A Data Protection Officer has been appointed to oversee compliance and serve as a contact point for employees, data subjects and the supervisory authority. Access to personal data is strictly limited to authorized personnel and defined by the purpose of processing.

Incident reporting is a critical element of risk management. Croatian Post has implemented a formal Data Breach Incident Reporting Procedure to enable timely and effective response to mitigate causes and consequences of breaches. Croatian Post thereby sets high standards for the protection of personal data of employees, customers and business partners through appropriate technical and organizational measures.

In the reporting period, a number of data access requests were received and several supervisory inspections were conducted. No significant legal or regulatory violations were identified.



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

# Material Subtopic: Access to Products and Services

Croatian Post ensures broad access to services for all citizens under equal conditions, including in rural and remote areas, recognizing their essential contribution to community development. While not all post offices are commercially justified, they are considered vital community hubs that foster social cohesion and provide essential services.

Aligned with strategic guidelines aimed at enhancing customer experience, Croatian Post continues to develop new services, including digital platforms and parcel lockers, to enable faster and more convenient service access. ESG and customer experience (CX) are key elements of Croatian Post's strategic framework.

The company's commitment to timely and reliable service delivery, with a focus on sustainability and digital transformation, reinforces its role as a key provider of essential services nationwide.

## Impacts, Risks and Opportunities

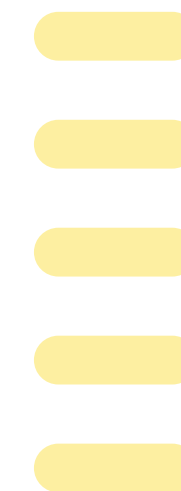
**Objective of the assessment:** Ensure widespread access to services for all citizens while focusing on continuous customer experience improvements through innovative services and process digitalization.

**Impacts:** Croatian Post significantly contributes to access to basic and administrative services, especially in rural areas. Its network of over 1,000 post offices provides vital services even in the most remote parts of the country. This fosters social cohesion and supports local economic development, helping reduce regional disparities.

The network is not maintained solely for profitability, but also reflects a strong commitment to providing universal services, resulting in positive social impacts.

**Risks:** Reduction in physical presence of post offices in rural areas due to operational challenges and declining demand for traditional postal services could reduce service accessibility. This could exacerbate regional disparities and limit access to basic services for vulnerable population groups.

**Opportunities:** A wide physical network and digital service expansion enable improved customer experience through innovative business models and new revenue streams. Collaborating with public institutions and the private sector to provide banking, insurance and other complementary services, Croatian Post can further increase the relevance of its network—particularly in rural areas. Expanding administrative and financial services through post offices also enhances access to public services and contributes to local development and social cohesion.



## Sustainability Report

Foreword by Ivan Čulo (CEO)

Introduction

Structure

### General Information (ESRS 2)

Basis of Preparation

Governance Model

Management Strategy

Policies

Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

Transition Plan

EU Taxonomy Statement

Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy

Impacts, Risks, and Opportunities

Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection

- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

## Policies, Targets and Metrics

Croatian Post operates within a legal framework that includes the Postal Services Act and the Consumer Protection Act, guaranteeing citizens the right to access universal postal services and ensuring service quality, availability and security. In line with EU regulations and best practices, the company aims to create a secure, accessible, and equitable customer experience.

In 2024, Croatian Post provided 255.9 million services, a 5.2% decrease compared to 270 million in 2023. The largest drop was in letter services, declining from 172.5 million to 165.6 million, confirming the continued decline of traditional mail due to digitalization and changing user habits. Conversely, parcel services rose from 15 million to 17.8 million (up 18.3%), driven by the growth of e-commerce and demand for logistics solutions.

In financial services, the number of transactions declined from 31.2 million in 2023 to 27.2 million in 2024, indicating the growing use of digital banking and online payments. At the same time, other services, including unaddressed mail, money orders and additional commercial services, increased from 7 million to 9 million, demonstrating business diversification beyond traditional postal and financial services.

Post offices offer a wide range of services, including parcel dispatch and pickup, health and life insurance subscriptions, credit card applications, digital and telecom services, and bill payments. Banking and financial services are planned for expansion. With the aim of increasing access to public and financial services, Croatian Post is developing a “one-stop-shop” administrative model to provide citizens, particularly in sparsely populated and rural areas, with access to key government and administrative services in a single location.

In the upcoming period, Croatian Post will continue implementing projects and applying best practices to benefit consumers and end-users, including strengthening IT security and cyber resilience and expanding digital services to improve user experience.

Continuous service quality improvement is a key focus, with a goal to reduce the share of ticketed (reclaimed) shipments to below 0.3‰. This will be achieved through systematic root-cause analysis, identifying the most frequent causes of complaints, and implementing corrective measures.



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

### Corporate Culture (ESRS G1)

To ensure high service quality standards, Croatian Post undertakes the following activities:

- Optimization of logistics processes to reduce processing and delivery errors;
- Enhancement of customer support through modernized communication channels and faster response times;
- Employee training to improve handling accuracy and reduce complaints.

Effectiveness of these measures is monitored through complaint data analysis, quality management system reporting, and comparison with industry benchmarks.

### Action Plan

Croatian Post continuously invests in innovation and service modernization with the aim of improving customer satisfaction and operational efficiency. In 2024, several projects were launched that will significantly enhance the customer experience and ensure alignment with industry standards:

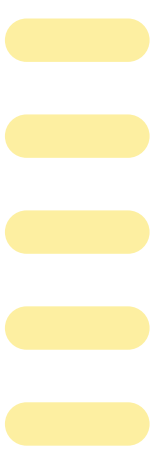
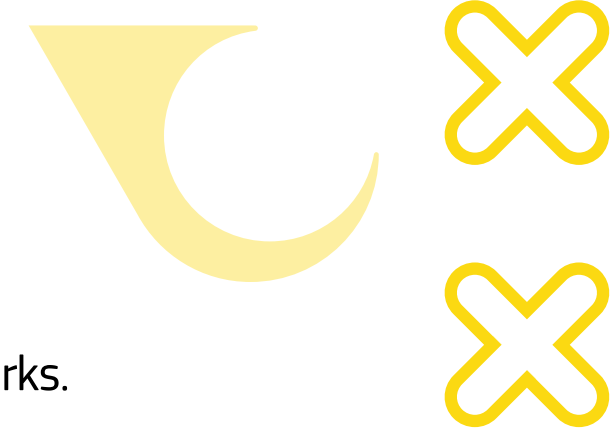
- Online form and new Contact Center system – enabling faster resolution of customer requests and complaints and improving the efficiency of customer support.
- Personalized customer portal – allowing customers to track shipments and engage in two-way communication with customer support.
- New counter application – modernizing the management of postal services and enhancing the in-person customer experience at physical locations.
- Financial module – development of a digital platform for providing payment services in accordance with the regulatory framework.
- AI chatbot and voicebot – enabling automated 24/7 responses to customer queries, increasing service availability and speed.

Further digital transformation of operational processes at Croatian Post will bring significant benefits, including increased productivity and reduced operational costs. Improved digital tools ensure greater reliability and precision in shipment processing, resulting in faster and more accurate acceptance, dispatch, and delivery. These changes will enhance customer satisfaction through more transparent and reliable services.

In 2024, Croatian Post redesigned its websites [posta.hr](http://posta.hr) and [hrvatska.posta.hr](http://hrvatska.posta.hr) to improve intuitiveness, accessibility, and user experience, optimizing content and navigation while enhancing visibility. Continuous efforts are being made to improve service accessibility by optimizing the website for people with visual impairments and dyslexia and improving overall digital accessibility to deliver an inclusive user experience.

Through the Croatian Post Foundation, the company further strengthens its connection with customers by promoting social responsibility and providing financial support to young people without parental care.

In the upcoming reporting period, Croatian Post will continue improving its action plan reporting systems and performance indicators, with a particular focus on transparency, monitoring key initiatives, and evaluating the effectiveness of measures aimed at enhancing customer experience and service quality.



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

- **Corporate Culture (ESRS G1)**

# Governance Factors (ESRS G)

## Corporate Culture (ESRS G1)

Croatian Post is committed to ethical conduct across all areas of its business. Its corporate culture emphasizes ethical behavior, compliance with applicable laws and regulations, and responsible business practices. Accordingly, policies and codes have been developed to ensure that employees and suppliers operate in line with the principles set forth in these documents.

Through the Double materiality assessment, two material subtopics were identified as meeting the significance threshold:

1. **Corporate Culture** - Corporate culture refers to the set of values, norms and behaviors that guide decision-making within an organization. In the context of sustainability, this includes: business ethics, transparent and inclusive communication, promoting accountability at all levels of governance, and fostering diversity, equity, and inclusion (DEI).

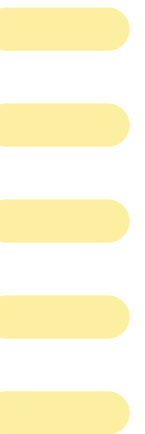
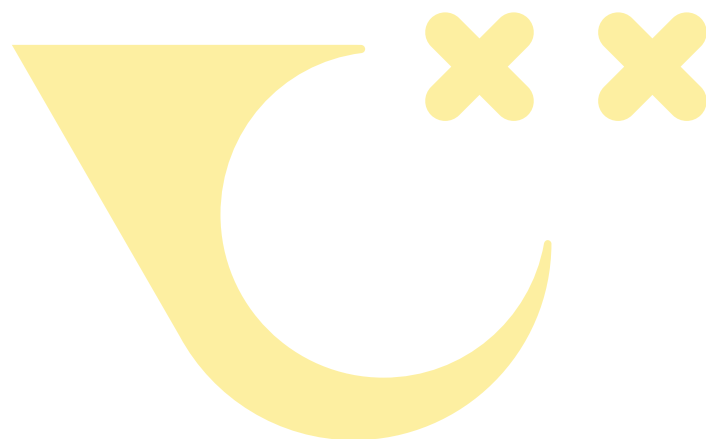
The materiality of this topic is reflected in its influence on stakeholder trust, internal organizational resilience, and the ability to respond to social and environmental challenges in the long term.

For an organization like Croatian Post—with a large workforce and daily interaction with citizens—a healthy and responsible corporate culture is the foundation of sustainable business.

2. **Cybersecurity** - Cybersecurity encompasses systems, processes, and practices aimed at protecting digital infrastructure and data from threats such as hacking, unauthorized access, or technical failures.

The materiality of this topic is increasingly evident in digitally oriented operations, especially for providers of logistics and postal services that handle large volumes of sensitive data and rely heavily on digital systems for tracking, delivery, and communication.

**Note:** Although Cybersecurity has been recognized as a material topic, a detailed disclosure is planned for the 2025 report, when additional data and measures from the policy development and implementation phase will become available.



## Sustainability Report

Foreword by Ivan Čulo (CEO)  
Introduction  
Structure

### General Information (ESRS 2)

Basis of Preparation  
Governance Model  
Management Strategy  
Policies  
Double Materiality Assessment

### Climate Change (ESRS E1)

Strategy  
Impacts, Risks, and Opportunities  
Policies, Actions, Targets and Metrics  
Transition Plan  
EU Taxonomy Statement  
Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

Strategy  
Impacts, Risks, and Opportunities  
Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

Material Subtopic: Personal Data Protection  
Material Subtopic: Access to Products and Services

### • Corporate Culture (ESRS G1)

Table 21: Material Topic Disclosure – ESRS G1: Governance

MATERIAL TOPIC	ESRS G1 – GOVERNANCE
<b>SUBTOPICS</b>	<b>Corporate Culture</b>
<b>KEY POLICIES AND GUIDELINES</b>	Corporate Governance Code Code of Business Conduct Code of Ethics Anti-Corruption Policy Sustainability Policy Diversity Policy Environmental Code of Conduct for Business Partners
<b>TARGETS</b>	Increase employee engagement Strengthen communication
<b>KEY ACTIVITIES</b>	Business conduct trainings Sustainability recommendations for business partners

## Impacts, Risks and Opportunities

**Objective of the assessment:** To build trust, improve workplace atmosphere, maintain corporate reputation, and reduce risks through the promotion of ethical business practices, increased employee engagement, and open communication.

**Impacts:** Corporate culture significantly influences employee engagement, productivity, and overall operational performance. A strong corporate culture that promotes ethical values, open dialogue, and teamwork contributes to greater employee satisfaction and loyalty, which in turn has a positive impact on service quality and customer satisfaction.

**Risks:** Breaches of ethical guidelines may damage corporate reputation, while lack of engagement can result in reduced productivity and high employee turnover. Non-compliance with legal and regulatory human rights obligations may lead to severe legal consequences and financial penalties for the company.

**Opportunities:** By implementing ethical practices and ensuring transparency in its operations, Croatian Post can strengthen its reputation as a responsible employer. Fostering an open organizational culture may promote innovation and creativity among employees, which can lead to improved services and solutions. Investment in corporate culture and employee engagement can enhance both satisfaction and productivity.



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

- **Corporate Culture (ESRS G1)**

## Policies, Metrics and Targets

Croatian Post has established policies that promote ethical behavior and procedures for reporting irregularities. The key foundational documents for transparent and responsible business conduct are the Code of Business Conduct, Corporate Governance Code, Code of Ethics (collectively referred to as "Codes"), and the Anti-Corruption Policy ("the Policy"). These Codes and the Policy ensure that Management Board members, Supervisory Board members, employees, and business partners act in accordance with the highest ethical standards, promoting integrity and accountability.

The Codes cover essential topics including legal and regulatory compliance, sound business practices, principles of equality and non-discrimination, avoidance of conflicts of interest, and environmental responsibility.

Croatian Post continuously aligns its internal policies and procedures with applicable regulations, including those adopted to implement OECD guidelines, in accordance with the Government of Croatia's Action Plan for the Implementation of OECD Recommendations on Enhancing Corporate Governance in state-owned enterprises.

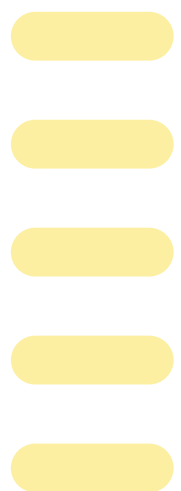
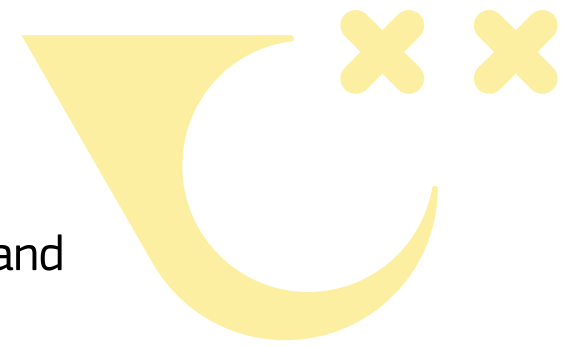
ESG has become an integral part of Croatian Post's corporate strategy. Strategic documents such as the Sustainability Management Strategy, Sustainability Policy, and Diversity Policy guide the company toward responsible, inclusive, and long-term sustainable development.

The Ethics Committee plays a key role in promoting ethical standards and safeguarding employee rights by ensuring that all cases of unethical behavior are properly investigated and addressed. A Confidential Person has been appointed for internal whistleblowing, and a formal Whistleblower Procedure is in place, defining reporting channels and responsibilities. Reports can be submitted in written or oral form, including via email, with special attention given to protecting the rights and privacy of whistleblowers.

All gifts received or given must comply with applicable regulations and the provisions of the Codes and the Policy. A list of sponsorships and donations, including recipients, descriptions, and amounts, is regularly published on the corporate website. Croatian Post does not make direct or indirect donations to political parties.

Risk identification and assessment is a critical component of anti-corruption safeguards. Croatian Post assesses the likelihood and potential impact of corruption-related risks and defines appropriate mitigation measures to detect and prevent such behavior. During the reporting period, no confirmed cases of corruption were recorded.

The Anti-Corruption Policy has been adopted and business partners are expected to adhere to its principles. Anti-corruption training is available to all employees through the eLearning platform. In 2023, 161 employees completed the training, and in 2024, the number increased to 697.



## Sustainability Report

- Foreword by Ivan Čulo (CEO)
- Introduction
- Structure

### General Information (ESRS 2)

- Basis of Preparation
- Governance Model
- Management Strategy
- Policies
- Double Materiality Assessment

### Climate Change (ESRS E1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics
- Transition Plan
- EU Taxonomy Statement
- Climate Change Risk and Vulnerability Assessment

### Own Workforce (ESRS S1)

- Strategy
- Impacts, Risks, and Opportunities
- Policies, Actions, Targets and Metrics

### Consumers and End Users (ESRS S4)

- Material Subtopic: Personal Data Protection
- Material Subtopic: Access to Products and Services

- **Corporate Culture (ESRS G1)**

As a public procurement entity, Croatian Post actively conducts risk assessments in procurement procedures to ensure transparency and accountability. In all procurement activities, the company adheres to the principles of equal treatment and non-discrimination, ensuring compliance with legal frameworks and fair competition.

In terms of integrating sustainability into procurement, Croatian Post applies green public procurement criteria where applicable. The Government Decision on Green Public Procurement (OG 137/2024) entered into force on 1 January 2025, and Croatian Post will apply its provisions for relevant procurement categories. So far, green criteria have been applied in electricity supply procurement and in the procurement of electric vehicles.

Croatian Post takes a responsible approach to its business relationships and is committed to improving the sustainability of its supply chain. A Supplier Code of Conduct is planned, which will include ESG guidelines and recommendations to ensure that all business partners share the same values and standards in sustainable business conduct.

Preventive measures are in place to ensure the company's financial system is not misused for money laundering or terrorism financing. In accordance with relevant legal provisions, Croatian Post has implemented internal rules defining specific procedures and actions to detect and prevent these activities. Croatian Post does not engage in lobbying activities.

The company pays all invoices on time, adhering to agreed payment terms, typically 45 days, with more than 95% of payments made in accordance with standard conditions.

The material topic of cybersecurity will be addressed in future sustainability reports, recognizing its key role in protecting data, business processes, and the company's digital resilience. Risk mitigation measures are based on IT infrastructure modernization, system consolidation, and the implementation of advanced security protocols. These include employee cybersecurity training, cyberattack recovery testing, and proactive threat monitoring to ensure resilience to digital risks. Croatian Post will continue to strengthen its security standards through multi-factor authentication, regular security audits, and ongoing improvements to protective measures, ensuring the reliability and security of digital operations.

