



REGULATION ON THE PROCEDURE OF INTERNAL REPORTING OF IRREGULARITIES (WHISTLEBLOWING) AND APPOINTMENT OF A CONFIDENTIAL PERSON

Odobrio

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1. DEFINITION OF SCOPE AND RESPONSIBILITIES

OBJECTIVE The objective of the regulation is to define the procedure for internal reporting of irregularities according to the provisions of the Act on the Protection of Persons Reporting Irregularities (Official Gazette 46/2022)

KEY WORDS: reporting irregularities, confidential person

SCOPE

DATE OF EFFECT: 23 June 2022

This document applies to all relevant employees in the STSI d.o.o.

ACCESS RESTRICTIONS

NOT RESTRICTED

Annulments

Identifier	Title (Type of Regulation)	Version	Date of effect
CONF- PERSON_STSI	REGULATION ON THE PROCEDURE OF INTERNAL REPORTING OF IRREGULARITIES (WHISTLEBLOWING) AND APPOINTMENT OF A CONFIDENTIAL PERSON	01	1 January 2020

2. RELATED INTERNAL OR EXTERNAL REGULATIONS

The following regulations are related to or have a direct impact on this regulation:

Identifier and title	Description of relationship
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Regulation on the Procedure of Internal Reporting of Irregularities (Whistleblowing) and Appointment of a Confidential Person

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Act on the Protection of Persons Reporting Irregularities (OG 46/2022)

This Act regulates the reporting of irregularities (whistleblowing), the procedure of reporting irregularities, rights of persons in the reporting procedure, obligations of public authorities, legal and natural persons in connection with the reporting of irregularities, as well as other issues important for reporting irregularities and whistleblower protection.

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Regulation on the Procedure of Internal Reporting of Irregularities (Whistleblowing) and
Appointment of a Confidential Person
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Pursuant to Article 21 of the Act on the Protection of Persons Reporting Irregularities (OG 46/2022), the employer STSI-INTEGRIRANI TEHNIČKI SERVISI d.o.o., Zagreb, Lovinčićeva 4, PIN: 99172175603 hereby adopts the following

**REGULATION ON THE INTERNAL
REPORTING OF IRREGULARITIES (WHISTLEBLOWING) AND APPOINTMENT OF A
CONFIDENTIAL PERSON**

I. Subject of the Regulation

Article 1

(1) This Regulation stipulates the procedure of internal reporting of irregularities, i.e. reporting irregularities in the company STSI-INTEGRIRANI TEHNIČKI SERVISI d.o.o. (hereinafter: "Employer"), as well as appointment of a confidential person for internal reporting of irregularities (hereinafter: confidential person) in accordance with the provisions of the Act on the Protection of Persons Reporting Irregularities (OG 46/2022) (hereinafter: "Act").

(2) For the purposes of this Regulation, and in accordance with the aforementioned Act, irregularities are actions or omissions that are illegal and refer to the scope and regulations of the European Union specified in Article 4 of the Act, or that are in conflict with the aim or purpose of those regulations, in the following areas:

a) public procurement, financial services, products and markets, prevention of money laundering and terrorist financing, product safety and conformity, traffic safety, environmental protection, radiation protection and nuclear safety, food and feed safety, animal health and welfare, public health, consumer protection, protection of privacy and personal data, and security of network and information systems,

b) those which affect the financial interests of the European Union as specified in Article 325 of the Treaty on the Functioning of the European Union and those additionally established in the relevant measures of the European Union,

c) those relating to the internal market, as stated in Article 26 paragraph 2 of the Treaty on the Functioning of the European Union, including violations of the European Union rules on competition and state aid, as well as violations related to the internal market in relation to actions which violate the rules on corporate income tax or arrangements the purpose of which is to achieve a tax advantage that is contrary to the aim or purpose of the applicable legislation on corporate income tax,



d) those which refer to other provisions of national law if the public interest is endangered by such a violation.

II. Appointment of a confidential person and their deputy

Article 2

(1) A confidential person is a natural person employed with the Employer or a third natural person appointed by the Employer for the purpose of receiving reports of irregularities, communicating with the whistleblower and conducting the protection procedure in connection with reporting the irregularity.

(2) At the proposal of the Works Council operating with the Employer, the Employer shall appoint a confidential person for reporting irregularities and their deputy.

(3) Exceptionally, the Employer will appoint a confidential person and their deputy without the proposal from the Works Council if no such proposal has been made.

(4) The confidential person and the confidential person's deputy are appointed for an indefinite term.

(5) Prior to appointing the confidential person and their deputy, the Employer shall ask for their written consent regarding the appointment.

(6) The decision on the appointment of the confidential person and their deputy is published on the Employer's intranet site, as well as the Employer's bulletin board and the Employer's website.

(7) The confidential person and their deputy shall perform their duties lawfully and conscientiously and shall not abuse their powers to the detriment of the whistleblower.

(8) All rights, powers and obligations of a confidential person shall apply to the deputy in an adequate manner.

(9) The deputy of the confidential person acts:

a) when the term of office of the confidential person is terminated for any of the reasons referred to in Article 3 of the Regulation, until the appointment of a new confidential person, unless the circumstances indicate that it is necessary to appoint a third person to temporarily perform the duties of the confidential person



- b) in the absence of the confidential person; or
- c) when the confidential person specifically authorizes them in writing therefor.

III. Termination of the term of office of the confidential person and the confidential person's deputy

Article 3

(1) The term of office of the confidential person or the confidential person's deputy is terminated in the following cases:

- cessation of employment with the Employer
- if the confidential person becomes the legal representative of the Employer
- by extending their resignation from the position of the confidential person.

(2) The appointed confidential person and their deputy shall be revoked by the Employer without delay at the proposal of the Works Council.

(2) In the cases referred to in paragraphs 1 and 2 of this Article, the Employer shall revoke the confidential person and/or their deputy and inform the workers thereof, as well as initiate the procedure referred to in Article 2 of the Regulation no later than within 30 days of the revocation of the confidential person and their deputy.

IV. Ensuring unhindered work

Article 4

(1) The employer shall enable the confidential person and their deputy to perform the duties of the confidential person unhindered and shall not assign them to a place of work, shift or the like that would make their work impossible or significantly difficult.

(2) It is prohibited to influence or attempt to influence the work of the confidential person and their deputy when taking actions within their jurisdiction necessary for the protection of whistleblowers.

(3) Any action against the confidential person or their deputy with the aim of preventing and hindering them from acting, as well as failure to act upon a justified report by the confidential person, i.e. avoidance of action, cover-up, destruction of evidence, etc., constitutes a serious breach of duty.



V. Reporting irregularities

Article 5

(1) In terms of this Regulation, the Whistleblower is a natural person who reports irregularities that they have learned about in their work environment with the Employer in the manner provided for in this Regulation.

(2) The work environment includes professional activities within which, regardless of the nature of these activities, persons acquire information about irregularities with the Employer and within which these persons could experience retaliation if they report such irregularities, including the situation when the activity has ceased in the meantime or is about to or should have started.

(2) The activities referred to in the previous paragraph of this Article, in the framework of which irregularities may be exposed, include in particular as follows:

- a) persons employed with the Employer,
- b) persons who have the status of self-employed persons,
- c) holders of stocks and business shares, as well as persons who are members of an administrative, management or supervisory body of the Employer, including non-executive members, and volunteers and paid or unpaid interns,
- d) persons who work under the supervision and in accordance with the instructions of contractors, subcontractors and suppliers of the Employer,
- e) persons who participate in any manner in the activities of the Employer.

(3) The Whistleblower is obliged to conscientiously and honestly report irregularities of which they have knowledge and which they consider to be true at the time of reporting the irregularity.

(4) It is prohibited to prevent or attempt to prevent the reporting of irregularities, as well as the initiation of malicious actions against the whistleblower, related persons, confidential persons and their deputies.

VI. Prohibition of retaliation

Article 6



Regulation on the Procedure of Internal Reporting of Irregularities (Whistleblowing) and
Appointment of a Confidential Person

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(1) It is prohibited to retaliate, attempt to retaliate or threaten to retaliate against the whistleblower, related persons, confidential person and their deputy due to reporting irregularities or public disclosure thereof.

(2) Related persons, within the meaning of the previous paragraph of this Article, are the following:

a) helpers of the whistleblower

b) relatives, colleagues and all other persons related to the whistleblower who could suffer retaliation in the work environment

c) legal entities owned by the whistleblower, with which the whistleblowers are employed or with which the whistleblowers are otherwise associated in the work environment

(3) Retaliation is particularly considered to include the following actions:

a) temporary removal, dismissal, revocation or equivalent measures

b) degrading or denying opportunities for advancement

c) transfer of duties, change of place of work, reduction of salary, change of working hours

d) denying opportunities for training

e) negative performance reviews or employment recommendations

f) imposing or determining a disciplinary measure, reprimand or other sanction, including a fine

g) coercion, intimidation, harassment or isolation

h) discrimination, putting at a disadvantage or unfair treatment

i) denial of offer to conclude an indefinite-term employment contract, with the legal requirements therefor having been met, and the worker had a justified expectation that it would be offered to them

j) failure to conclude a consecutive definite-term employment contract in accordance with the provisions of national law in the field of labor relations, or its early termination

k) causing damage, including damage to a person's reputation, especially on social media, or causing a financial loss, including loss of business and loss of income

l) negative designation based on informal or formal sectoral agreement or an agreement that applies to the entire industry, which may mean that the person will not be able to find employment in that sector or industry in the future



- m) early termination of the contract for the procurement of goods or services, or its cancellation
- n) revoking a license or a permit
- o) referral to psychiatric or medical assessments.

(4) Reporting of information about irregularities is not considered a violation of any restriction regarding disclosure of information, and they are not in any manner liable for submitting such a report, provided that the whistleblower had a justified reason to believe that the report was necessary for the purpose of exposing the irregularities pursuant to the Act.

(5) If the whistleblower submits a report on irregularities that are covered with the scope of the Act, and such information includes trade secrets, and if the whistleblower meets the requirements for protection pursuant to the Act and this Regulation, such a report is considered legal to the extent that such acquisition, use or disclosure is required or permitted by European Union or national law.

VII. Prohibition of abuse of reporting irregularities and conditions for the protection of whistleblowers

Article 7

(1) Whistleblowers have the right to protection provided for by the Act and this Regulation if they had a justifiable reason to believe that the reported information about irregularities was true at the time of the report, that this information was covered by the scope of the Act and Regulation, and if they submitted the report in accordance with the provisions of this Regulation.

(2) Persons who anonymously reported information about irregularities, who meet the conditions referred to in paragraph 1 of this Article and whose identity was subsequently disclosed, which is why they suffer retaliation, have the right to protection regardless of the fact that they submitted the report anonymously.

(3) Abuse of reporting irregularities is prohibited.

(4) Abuse of reporting irregularities is performed by a person who:

- submits information that they knew was not true
- seeks illegal benefits along with the request for action in connection with reporting of irregularities,
- undertakes other actions the purpose of which is solely to incur damage to the employer.

(5) In the aforementioned cases, the Employer has the right to initiate appropriate procedures against such a whistleblower, as well as the right to seek compensation for the damage incurred.



VIII. Report of irregularity and records of reports

Article 8

(1) The report of irregularity may be submitted solely to a confidential person, that is, to their deputy if they are substituting them:

- directly in writing,
- by mail to the address: STSI-INTEGRIRANI TEHNIČKI SERVISI d.o.o.
Lovinčićeva 4
10 000 Zagreb
Attn. confidential person
- in electronic form to the e-mail address: povjerljivaosoba@stsi.hr
- declared verbally for the record in the case of a physical meeting with the confidential person, or
- by phone to the number of the Confidential Person or the confidential person's deputy published on the Employer's website, Employer's bulletin board or the Employer's intranet: STSI- Intranet

(2) The report of irregularity contains data about the whistleblower, the name of the Employer, information about the person and/or persons to whom the report refers, date of the report and information about the reported irregularity.

(3) The reported person within the meaning of this Regulation is a natural or legal person who is indicated in the report of irregularity as being responsible for committing the irregularity or a person related to them.

(4) The confidential person will act only on reports that have the prescribed content.

(5) If a phone device on which it is possible to make an audio recording or another voice message system on which it is possible to make an audio recording is used to submit the report, the confidential person has the right to record the verbal report, with the consent of the whistleblower, in one of the following manners:

- a) by recording the audio of the conversation in a permanent and accessible form or
- b) through a complete and accurate transcript of the conversation made by the employees who are responsible for handling the report.



(6) If a phone device on which it is not possible to make an audio recording or another voice message system on which it is not possible to make an audio recording is used to submit the report, the confidential person has the right to record the verbal report through an accurate transcript of the conversation made by an employee who is responsible for handling the report.

(7) If the whistleblower requests a meeting with the confidential person for the purpose of submitting the report, the meeting is held within a reasonable period, and the confidential person ensures, with the consent of the whistleblower, that complete and accurate records of the meeting are kept in a permanent and accessible form.

(8) The confidential person has the right to record the meeting in one of the following manners:

- (a) by recording the audio of the conversation in a permanent and accessible form or
- (b) through accurate minutes of the meeting drawn up by employees responsible for handling the report.

(9) The confidential person will offer the whistleblower the possibility of checking and correcting the transcript of the phone call, the record of the conversation referred to in paragraph 6 of this Article and the minutes of the meeting referred to in paragraph 7 of this Article, as well as the possibility of confirming the accuracy thereof with their signature.

(10) Records of received reports are kept in accordance with data confidentiality and protection requirements, and are kept in a permanent form pursuant to the Act.

IX. Identity protection

Article 9

(1) The identity of the whistleblower, i.e. the data on the basis of which their identity can be revealed and other data specified in the report of irregularity are available solely to the persons in charge of receiving such reports and their further processing, and as such they must remain protected, unless the whistleblower consents to disclosure of such data.

(2) As an exception to paragraph 1 of this Article, the identity of the whistleblower and all other information from paragraph 1 of this Article may be disclosed only if this is a necessary and proportionate obligation imposed by the European Union law or national law within the framework of investigations initiated by national authorities or within the framework of court proceedings initiated, inter alia, to protect the right to defense of the reported person.



(3) Disclosures made on the basis of the exception provided for in paragraph 2 of this Article are subject to appropriate protective measures based on the applicable rules of the European Union and national legislation. The authority that discloses the identity of the whistleblower informs them before revealing their identity, unless such information would jeopardize the related investigations or court proceedings. When notifying them thereof, the competent authorities send the whistleblowers a written notification stating the reasons for the disclosure of confidential information.

(4) The provisions of paragraph 1 of this Article, which relate to the protection of the identity of the whistleblower, also apply to the protection of the identity of the reported persons.

X. Actions of the confidential person during the internal reporting of irregularities

Article 10

(1) The confidential person is obliged to:

1. receive the report of irregularity and confirm the receipt of the report within seven days from the date of receipt
2. immediately take actions within their jurisdiction necessary to protect the whistleblower
3. take actions to investigate the irregularity and provide the whistleblower with feedback on the report, generally, within 30 days, but no longer than within 90 days from the date of confirmation of receipt of the report or, if the confirmation was not sent to the whistleblower, after seven days have passed from the date of submission of the report
4. immediately forward the report of irregularity to the authorities with powers to act according to the content of the report (such as the state attorney's office, regulatory authority, customs administration, etc.), if the irregularity has not been resolved with the Employer
5. immediately inform the whistleblower in writing about the outcome of the examination of the report
6. inform the ombudsman in writing about the reports received and the outcome of the procedures related thereto within 30 days from the date of adopting a decision on the report
7. protect the identity of the whistleblower and the data received in the report from unauthorized disclosure or disclosure to other persons, unless this is contrary to a special act
8. provide clear and easily accessible information on the procedures for submitting a report to the ombudsman and, as necessary, to the institutions, authorities, offices or agencies of the European Union responsible for acting in accordance with the content of the report of irregularity.

(2) If a report of irregularity with the Employer was received by a person who is not competent to act on the report of irregularity, they shall immediately forward it without changes to the confidential person, while protecting the identity of the whistleblower as well as the confidentiality of the data from the report.



(3) In order to examine the allegations from the report of irregularity, the confidential person shall submit the report for examination to the INA Group Ethics Council (hereinafter: Investigation Body), which will examine the report with the aim of determining the existence of the irregularity indicated in the report, taking measures to eliminate the identified irregularity and prevent further irregularities.

XI. Actions of the Employer during the internal reporting of irregularities

Article 11

(1) The Investigation Body is obliged to conduct an examination of the report with the aim of verifying the validity of the allegations from the report of irregularity and inform the confidential person about the measures taken, all within 30 (thirty) days from the date of receipt of the report of irregularity by the confidential person.

(2) When examining the report with the aim of verifying the validity of the allegations from the report, the Investigation Body may request an internal investigation that is conducted by the Employer's organizational unit in charge of corporate security affairs.

(3) When verifying the allegations from the report, the Investigation Body has the right to inspect all documents, correspondence, records, notes, video surveillance recordings, business applications and systems of the Employer, conduct interviews with the persons for whom they believe that they can provide useful information, and perform an inspection and recording of the premises where the Employer operates if this is necessary for examining the report of irregularity or proposing measures for their elimination or prevention.

(4) The Investigation Body shall inform the confidential person about the final outcome of the procedure no later than within 15 (fifteen) days from the end of the procedure.

XII. Data confidentiality

Article 12

(1) In their work, the confidential person, the confidential person's deputy and the competent departments of the Employer engaged in a particular case of reporting irregularities shall be bound by permanent confidentiality, i.e. secrecy of data about the identity of the whistleblower, as well as the secrecy of other data related to the report and its attachments.

(2) In their mutual communication, and in order to protect the identity of the whistleblower, all participants are obliged to use appropriate encryption, i.e. to send the report of irregularity with attachments solely protected by a password. The password required in order to view the documents must be sent through a different communication channel than the one used to send the documentation (e.g. the report is sent in one e-mail, and the password in another e-mail without specifying the title, or via SMS message).



(3) Violation of the confidentiality obligation, i.e. data secrecy in the procedure of investigating the report of irregularity in accordance with this Regulation constitutes a serious violation of the work obligations and is a basis for labor-law sanctions and compensation for the damage incurred.

XIII. Miscellaneous

Article 13

(1) Terms not defined in this Regulation are interpreted in accordance with the definitions and provisions of the Act.

(2) Terms used in this Regulation, which have the meaning of gender, shall apply equally to male and female gender.

XIV. Publication and entry into force of the Regulation

Article 14

(1) This Regulation shall be published on the Employer's website, Employer's bulletin board and the management system document database on the Employer's Intranet: STSI-Intranet, and shall enter into force as of 23 June 2022.

(2) With the entry into force of this Regulation, the Regulation on the Procedure of Internal Reporting of Irregularities (Whistleblowing) and Appointment of a Confidential Person, which was published on January 1 2020 under identifier CONF-PERSON_STSI, ceases to be valid.