

## EPH GROUP POLICY

### Anti-Corruption and Anti-Bribery Policy

#### 1. DEFINITIONS

For the purposes of this Policy the below mentioned terms are defined as follows:

<b>Bribery</b>	means offering, promising, giving, accepting, or soliciting of an advantage (such as such as money, gifts, loans, fees, hospitality, meals, entertainment, travel, lodging, employment or internships, services, or discounts) as an inducement for action which is illegal or constitutes a breach of trust; this includes kickbacks, i.e. payments made in return for a business favor or an advantage;
<b>Business Partner</b>	means any individual or organization an Employee encounters during the course of his or her work for EPH, which includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties;
<b>Conflict of Interest</b>	means any situation when an Employee's ability to protect the interests of EPH Group, or perform his or her duties, is compromised by a personal, financial, or business interest.
<b>Corruption</b>	means the abuse of entrusted power or position for private gain and includes any form of Bribery;
<b>Employee(s)</b>	means all employees, directors and officers of EPH Group and all persons working on a contract basis, whether on a temporary or permanent basis, part-time or full-time (such as consultants, contractors, trainees, seconded staff, home workers, casual workers and agency staff, volunteers, interns, agents, sponsors etc.);
<b>EPH or "we" or "our"</b>	means Energetický průmyslový holding, a.s., and all companies that are directly or indirectly controlled by EPH;
<b>EPH Group Company</b>	means any company which forms part of EPH;
<b>Facilitation Payments</b>	means the payment of money or granting of other advantage to a Government Official for the purpose of expediting or facilitating the performance of a Government Official for a routine governmental action (facilitation payments tend to be demanded by low-level officials to obtain a level of service, which one would normally be entitled to); a payment for the performance of an official obligation that is explicitly permitted or even required by laws and regulations of the country in which the payment is made is not a Facilitation Payment;

**Government Official**

means any individual who is

- (1) official or employee of any government, or any agency, ministry or department of a government (at any level),
- (2) any person acting in an official capacity for a government regardless of rank or position,
- (3) official or employee of a company wholly or partially controlled by a Government, excluding Employees seconded to such companies,
- (4) a political party or any official of a political party,
- (5) candidate for political office,
- (6) officer or employee of a public international organization, such as the United Nations or the World Bank,
- (7) immediate family member (meaning a spouse, dependent child, parent or household member) of any of the above;

**Policy**

means this Anti-Corruption and Anti-Bribery Policy.

**2. PURPOSE OF THE POLICY**

The purpose of this Policy is to ensure compliance with all applicable Anti-Corruption and Anti-Bribery laws and regulations of all the countries in which we do or intend to do business, and to ensure our business is conducted in a socially responsible manner.

**3. SCOPE OF THE POLICY**

This Policy applies to all Employees in all the countries and territories that EPH Group operates in.

EPH also requires its Business Partners to abide by these high standards when engaged in business with EPH. EPH does not have business relationships with Business Partners who are known to be in violation of the principles underlying the Policy.

**4. EPH's COMMITMENT**

EPH is committed to conduct all of its business activities in an honest and ethical manner and expects the same of its Employees and Business Partners. EPH and its shareholders do not tolerate any form of corruption, neither active nor passive, direct or indirect, and work against Corruption in all its forms.

**5. GOLDEN RULE**

EPH would rather lose a particular business opportunity than engage in illegal or unethical conduct.

**6. RISK ASSESSMENT AND MITIGATING MEASURES**

In order to address the risk of Corruption and Bribery, the EPH Group Company ensures that it understands the nature and extent of its exposure to Corruption and Bribery by performing a regular

risk assessment, and that it adopts adequate mitigating measures which are subject to regular reviews and are continuously refined and improved.

As one of the risk mitigating measures, EPH strictly follows the “four-eyes” principle, meaning that every legally binding document as well as any money transfer is signed and approved by at least two EPH representatives.

## **7. BASIC PRINCIPLES**

EPH Group Company ensures that the following principles are embedded within its business to achieve zero tolerance against Bribery and Corruption.

### **7.1. Bribery and Corruption**

EPH strictly prohibits its Employees from engaging in any form of Bribery and Corruption, either directly or through any third party (such as an agent or distributor).

### **7.2. Facilitation Payments**

EPH and its Employees neither make nor offer nor participate in making any Facilitation Payments in any country irrespective of the amount or frequency of such payments, irrespective of whether such payments are culturally acceptable, customary or commonly made in a particular country.

### **7.3. Gifts and Hospitality**

Employees of EPH are prohibited from offering to Business Partners gifts, hospitality or other advantages made with the intention of influencing the Business Partner to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favors or advantages.

Employees of EPH are prohibited from accepting from Business Partners gifts, hospitality or other advantages made with the intention of influencing the Employees to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favors or benefits.

Gifts, hospitality and other advantages may only be offered to and accepted from Business Partners within the bounds of customary business practices, and only if they cannot be considered as an attempt to gain any inappropriate influence. In determining what is customary, Employees are expected to exercise good judgment in each case, taking into account all pertinent circumstances of the respective gift, hospitality or advantage, such as value, character, and purpose of the respective gift, hospitality or advantage, positions of the persons providing and receiving, business context, reciprocity, and applicable laws and regulations and social norms.

EPH Group Company defines maximum value limit for giving or receiving of gifts, hospitality and other advantages from and to Business Partners in its internal processes and rules of operations taking into account its profile and character of its activities and business relationships. In the absence of such EPH Group Company definition, the maximum value limit is 10 000 CZK (approx. EUR 400 or its equivalent in the local currency). A value limit may only be exceeded in exceptional cases if it is ensured that this does not create even the mere impression of an inappropriate influence on or from this party and only after prior approval by the responsible member of EPH Group Company's Board of Directors.

In case of uncertainty about whether giving or accepting a particular gift, hospitality or other Advantage is reasonable and justifiable, the responsible member of EPH Group Company's Board of Directors is to be involved beforehand.

#### **7.4. Political Contributions**

EPH does not make donations, whether in cash or in-kind, in support of any political parties or candidates, as this can be perceived as an attempt to gain an improper business advantage.

#### **7.5. Charitable Contributions**

Charitable support and donations are acceptable, whether of in-kind services, knowledge, time, or direct financial contributions. However, Employees must be careful to ensure that charitable contributions are not used as a scheme to conceal Bribery. EPH only makes charitable donations that are legal and ethical under local laws and practices.

#### **7.6. Conflicts of Interests**

The Employees are expected to take appropriate measures to avoid situations that might constitute a Conflict of interest.

In order to prevent and/or resolve the Conflict of Interest the Employees are required to disclose information about a Conflict of interest or the likelihood of its occurrence, as soon as they become aware of it. The resolution of the Conflict of interest depends on the circumstances of each case.

### **8. BUSINESS PARTNER DUE DILIGENCE**

Whilst there is no legal requirement to put in place formal procedures for evidencing the identity of EPH Business Partners, in forming new business relationship or considering undertaking a significant one-off transaction, it is expected and prudent for management of EPH Group Companies to satisfy themselves as to the identity of the parties with whom they are transacting.

Therefore, before entering into a business relationship, EPH Group Company carefully checks its prospective Business Partners in accordance with the EPH Group KYC (Know Your Customer) Directive.

Should the KYC procedure reveal any concerns or irregularities as regards the Business Partner's identity and suitability, EPH Group Company adopts adequate mitigating measures outlined in the EPH Group KYC Directive, including a decision not to enter into the business relationship or undertake the business transaction.

### **9. RECORDS**

All transactions must appear accurately and properly in the books and records of the respective EPH Group Company.

### **10. COMMUNICATIONS AND TRAINING**

EPH Group Company ensures that the Policy is communicated to all Employees. EPH Group Company assesses which Employees are exposed to the issues mentioned above (Article 7) and where appropriate secures that these Employees are regularly trained on subject of this Policy. The frequency and scope of such trainings is to be decided by the EPH Group Company.

EPH expects the same high anti-corruption and anti-bribery standards as set forth in this Policy from all Business Partners acting for, on behalf of, or in conjunction with EPH. EPH communicates these standards to its Business Partners where necessary and appropriate.

## **11. MONITORING AND REVIEW**

EPH Group Company ensures that a regular review of the implementation of this Policy is conducted, considering its suitability, adequacy and effectiveness, and that any identified improvements are made as soon as possible. EPH Group Company ensures that internal control systems and procedures are subject to regular audits to provide assurance that they are effective in countering Bribery and Corruption.

## **12. RESPONSIBILITIES**

The prevention, detection and reporting of Corruption and Bribery and any other violation of this Policy are the responsibility of all EPH Employees. All Employees must ensure that they read, understand and comply with this Policy. Managers, in particular, are called upon to actively promote the implementation of this Policy.

## **13. HOW TO RAISE A CONCERN**

All Employees and Business Partners are encouraged to raise concerns about any issue or suspicion of Bribery or Corruption or other violation of this Policy at the earliest possible stage in accordance with the EPH Group Reporting of Serious Concerns Policy.

Any Employee who has been, or thinks to have been, offered a bribe or asked to offer a bribe, or believes or suspects any Bribery, Corruption or other breach of this Policy has occurred or may occur, must, where relevant, refuse it and report such concerns immediately in accordance with the EPH Group Reporting of Serious Concerns Policy.

EPH aims to encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.

## **14. BREACHES OF THE POLICY**

An Employee who breaches this Policy may face disciplinary actions, which could result in the termination of employment, as well as claims for damages and criminal prosecution. On the other side, no Employee will face disciplinary actions or any other detrimental treatment for refusing to commit Bribery or Corruption or for complying with this Policy, even if it may result in EPH losing business.

EPH may terminate its relationships with other individuals and organizations working on EPH's behalf if they breach this Policy.

## **15. IMPLEMENTATION**

In order to support EPH Group's decision to mitigate against financial, regulatory and reputational risk and ensure regulatory compliance in accordance with the Policy, EPH Group Company is responsible for implementation of measures and processes defined by this Policy that are necessary and appropriate with regard to the respective EPH Group Company's profile and character of its activities and business relationships.

*Document approved by the Board of Directors of Energetický a průmyslový holding, a.s. at its meeting on March 31, 2021.*