

EPH GROUP POLICY

Policy on Reporting of Serious Concerns

1. DEFINITIONS

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

Business Partner	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;
Compliance Department	means a department or an individual (Compliance Officer) of EPH Group Company that ensures that EPH Group Company adheres to relevant laws and regulations and has in place internal procedures and controls to identify and manage regulatory risk; in case the EPH Group Company does not have a Compliance Department or Officer, the compliance function pertains to its statutory body;
Designated Person	means an Employee designated by the EPH Group Company as a point of contact to raise any serious concerns and also to lead the investigation on the reported concern, such as the head of Human Resources or Compliance Department, or the relevant Director/Head of the business area to which the concern relates or another senior manager; this responsibility might be also shared according to the areas to which the concern relates;
Employee(s)	means all employees, directors and officers of EPH Group and all persons working on a contract basis, whether on a temporary or a permanent basis, part-time or full-time;
EPH	means Energetický a průmyslový holding, a.s. and all companies that are directly or indirectly controlled by it;
EPH Group Company	means any company which forms part of EPH;
EPH Group Policies	means all EPH Group Policies, such as Tax Governance Policy, Anti-corruption and Anti-bribery Policy, Anti-money Laundering Policy, Environmental Policy, KYC Directive, Asset Integrity Policy, Bio-diversity Policy, Equality, Diversity and Inclusion Policy, etc.;
Good Faith	means that the individual reasonably believes or perceives the information reported to be true at the time of reporting;

Human Resources Department	means a department of EPH Group Company that performs human resource management, overseeing various aspects of employment, such as compliance with labor law and employment standards, administration of Employee benefits, organizing of Employees files with the required documents for future reference, and some aspects of recruitment and Employee offboarding;
Policy	means this Policy on Reporting of Serious Concerns;
Reporting Person	means one of the Employees, who has reported a serious concern according to the Policy;
Victimisation	means that continued employment and opportunities for future promotion or training is prejudiced because the Reporting Person has raised a legitimate concern.

2. PURPOSE OF THE POLICY

The Policy's purpose is to provide Employees the means of reporting compliance concerns and compliance violations without fear of retaliation or retribution, and to set out the way in which any serious concerns that they have may be raised and how these concerns are dealt with.

3. SCOPE

The Policy applies to all Employees in all countries and territories that EPH Group operates in and relates to reporting in Good Faith of a serious concern about any suspected, actual or potential violation of law, regulations or EPH Group Policies.

4. BASIC PRINCIPLES

EPH believes that speaking out and reporting serious concerns is essential for safety, legal and financial compliance and ultimately a successful business.

In accordance with EPH's commitment to promoting and encouraging a culture of openness, integrity and accountability, EPH expects and encourages Employees who have a serious concern about any aspect of the business to come forward and voice those concerns, without fear of any personal repercussions.

If an Employee believes there is a serious concern that needs to be raised, he or she considers the appropriateness and feasibility of attempted informal resolution by discussion in the first instance with the line manager or another colleague in a relevant position of seniority. In the alternative the matter could be raised through the procedure according to this Policy.

Reported concerns shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

5. COMMITMENTS AND PROCESS

5.1. Commitments

EPH and EPH Group Companies take all allegations of malpractice seriously and do not tolerate any Victimisation of Employees who raise genuine concerns and report issues in the public interest. EPH Employees should be watchful for illegal activities and unethical conduct or anything that might prejudice safety and report anything of that nature they become aware of.

5.2. Responsibilities

Division of powers and responsibilities according to the Policy among EPH Group Company's departments and bodies is set in its internal processes and rules of operations in line with the four eyes principle.

In the absence of such division of powers and responsibilities, the Human Resources Department of EPH Group Company is accountable for receiving, initiating and investigating all reported concerns in accordance with the Policy procedure. The EPH Group Company Compliance Department is consulted on legal issues. Other departments or bodies of EPH Group Company might be included in the investigation process based on the relevance and the EPH Group Company's internal processes and rules of operations. The results of the investigation together with possible recommendation on further steps are submitted to the EPH Group Company Board.

5.3. Ban on Victimisation

The Reporting Person shall not be Victimised for raising a matter under this procedure. Victimisation of any Reporting Person raising a qualified disclosure is a disciplinary offence. If a Reporting Person believes to have suffered any such Victimisation, he or she should inform a Designated Person immediately. If misconduct is discovered as a result of an investigation under this procedure, the EPH Group Company's disciplinary procedure is used, in addition to any appropriate external measures. An instruction to cover up any wrongdoing is itself a disciplinary offence. If told not to raise or pursue any concern, even by a person in authority such as a manager, an Employee should not agree to remain silent, and should report the matter directly to the Designated Person.

5.4. Procedure

Any matter raised under this procedure is investigated thoroughly, promptly and confidentially, and the outcome of the investigation is reported back to the Reporting Person.

EPH Group Company adopts a detailed procedure on investigation of concerns raised according to this Policy, respecting the following principles:

- i. the point of contact to raise any serious concerns to is determined;
- ii. undertakings in respect of the confidentiality and protection of the source of the concern are included;
- iii. the investigation is carried out as quickly as possible, without affecting the quality of the investigation;
- iv. a written report when the investigation is complete is provided to the Reporting Person, informing of the findings of the investigation and any action that is proposed;
- v. possible corrective actions are considered;
- vi. a report to the Company board of serious concerns reported is drafted on a regular basis.

5.5. Confidentiality and Anonymity

EPH Group Company establishes internal or external channels for receiving concerns raised according to this Policy which are designed, set up and operated in a manner that ensures the confidentiality (to the extent possible) of the identity of the Reporting Person and prevents access to non-authorised Employees. At least one of the established channels shall also enable anonymous submission of concerns, such as a hotline.

6. APPLICATION OF THE POLICY TO BUSINESS PARTNERS

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.

All Business Partners are encouraged to raise concerns about any issue relating to EPH or suspicion of violation of the EPH Group Policies at the earliest possible stage. In that case the principles and process according to the Policy shall apply mutatis mutandis for dealing with such concerns.

7. IMPLEMENTATION

The Policy is implemented by all EPH Group Companies into their internal processes and rules of operations. Such implementation also includes adoption of a detailed procedure for investigating of concerns. For this purpose, a Model Procedure attached hereto as Annex 1 may be appropriately adapted to reflect the EPH Group Company structure.

Annexes:

Annex 1: Model Procedure for Investigating of Concerns

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

Annex 1 – Model Procedure

A Designated Person is the point of contact to raise any serious concerns.

Some concerns may be resolved by agreed action without the need for formal investigation. Any urgent action necessary shall be taken before any investigation is conducted. If it is deemed that an investigation is not warranted, then the Employee will be advised of this.

If the Designated Person, in conjunction with the relevant Director/Head of the business area, to which the concern relates, feels that an investigation is necessary they will appoint a person who will arrange for the matter to be progressed. The person identified as leading the investigation should first obtain full details and clarification of the concern ensuring that they have fully understood what the concern is.

They should then:

- i. consider the involvement of external bodies, e.g. the police (a discussion over this decision will be held with the Head of Human Resources who may include other relevant Directors);
- ii. fully investigate the concern with assistance as appropriate;
- iii. submit a detailed written report containing the findings of the investigation and any proposed actions to the EPH Group Company Board.

The person identified as leading the investigation will ensure that the investigation is carried out as quickly as possible, without affecting the quality of the investigation. Where possible, they will also provide the Reporting Person with the following:

- i. written acknowledgement that an investigation is being conducted;
- ii. if the investigation is prolonged - written updates as the investigation progresses;
- iii. a written report when the investigation is complete, informing of the findings of the investigation and any action that is proposed. There may be some confidential or sensitive information that may not be given.

In some cases, it may be necessary for the Reporting Person having raised the concern, to attend meetings to allow information to be clarified. A fellow Employee or Trade Union representative can accompany the Reporting Person at these meetings. The chosen representative must not have any conflict of interest in relation to the concern that has been raised.

Due to the unknown nature of any potential concerns raised, it is not possible to say how long an investigation should take. If the concern is of a criminal or illegal nature the EPH Group Company may notify the Police or other external regulatory agencies and will co-operate fully in any resultant investigation.

On receipt of the investigation report the EPH Group Company Board will consider and decide, with advice from the Designated Person, what corrective actions are necessary. The EPH Group Company Board will then in conjunction with the relevant subsidiary Board (if appropriate) allocate responsibility for close out of the actions agreed to an appropriate senior manager.

If the Reporting Person is still not satisfied with the findings or proposed corrective actions following the investigation, he or she should advise the Designated Person about his or her dissatisfaction.

The EPH Group Company's undertakings in respect of the confidentiality and protection of the source of the concern from victimisation will continue to apply during any review process.

On completion of any investigation, all records of the concern raised and all documentation gathered during the investigation, together with a copy of the final report, will be sent to the Designated Person.

These records will be kept for a period of 5 years for audit purposes and will then be destroyed in a confidential manner. No records will be held in personal files unless allegations are shown to be founded or unless malicious intent has been proved.

The Designated Person prepares a report on a quarterly basis of any concerns reported, giving the details, reports made, corrective action planned, and corrective action completed. This report is made to the EPH Group Company Board. If no concerns are raised, no report is submitted.

If, following investigation, the EPH Group Company concludes that a Reporting person has made false allegations maliciously or with a view to personal gain, the Reporting person may be subject to disciplinary action.