



## ***Code of Conduct of the KORADO Group***

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# INTRODUCTION

It is essential for the KORADO Group and its employees to observe the law, act in accordance with moral and honest principles and always take responsibility for their behaviour.

The Code of Conduct is a guideline for moral and ethical compliance. It is a "tool" for proper behaviour in relation to both the external environment (company, customer, supplier, competitors, etc.) and towards the internal environment (employees and vice versa). The Code of Conduct defines the behaviour of employees as representatives of the Company; it defines responsibilities towards shareholders, customers, suppliers, interest groups, government and state organisations and society as a whole, as well as behaviour towards employees and vice versa. It determines the ethics of all employees and for third parties, it sets the standards that can be expected from the KORADO Group.

The Code of Conduct does not contain the answer to everything and does not address every ethical issue that may arise in reality and therefore if an employee is unsure of the consequences of their behaviour, they should seek advice from, for example, their supervisor or the Company's Ethics & Compliance Committee (ECC).

## 1.1. Validity of the Code of Conduct

The Code of Conduct is one of the basic documents of the KORADO Group and represents its voluntary commitment to comply with established rules. It is binding for all its employees.

Every employee, as well as every individual acting on behalf of the Company or the KORADO Group, has been familiarised with this Code of Conduct through the relevant head (VZ), before commencing representation of KORADO. All employees must act and behave in accordance with the Code of Conduct and all applicable laws, rules and principles. Should the Code of Ethics conflict with the applicable legislation of a country, the applicable legislation must be observed.

## 1.2. Acting in Accordance with Moral and Honest Principles

### 1.2.1. The Employee

Every employee shall behave and act in accordance with the Code of Conduct and with the right to deter, at any time and in any place, even the appearance of impropriety.

If anyone is in doubt about their conduct, it is a good idea to ask the following questions:

- Is it legal?
- Is it in line with the Code of Conduct?
- Is it ethical?
- Will this behaviour lead to a positive evaluation of me or of the company?
- Would I want to read about it in the newspaper?

If the answer to any of the questions is no, the employee should avoid such behaviour.

### 1.2.2. Management

A manager should always respond appropriately to questions or to increased concern about behaviour as it relates to the Code of Conduct from subordinates.

They should also uphold and adhere to the Code of Conduct and:

- Ensure that all subordinates understand their obligations under the Code of Conduct and Company Policies;
- Discuss and reinforce awareness of and adherence to the Ethics Policy and Code of Conduct;
- Create an environment free from fear of potential retaliation;
- Never encourage or induce subordinates to achieve business and work results in violation of ethics, the Code of Conduct and the law;
- Avoid violating either the Code of Conduct or the law through their actions.

## 1.3. Increased Awareness and Highlighting an Issue

It is everyone's responsibility to uphold the ethical standards of the KORADO Group. Any violation or indication that actions contrary to the Code of Conduct may be occurring should lead to increased attention and caution on everyone's

part and attention should be drawn to this fact. Only by doing so can the Company respond in a timely manner and take action against such conduct, ideally before it violates the law or threatens the Company's health, safety or reputation.

There are several ways to raise concerns about problematic behaviour or actions. Members of Senior Company Management (SCM) or the ECC can be contacted on this matter.

### 1.3.1. Trust, Reliability and Confidentiality

If someone decides to report a potential problem, they can remain anonymous. If they choose not to report anonymously, the company will use all available means to conceal their identity. This is why it must also be taken into account that it may not be possible, for example, to provide information on the outcome of an investigation.

### 1.3.2. Investigation and Confidentiality

The Company takes all reports of possible misconduct seriously and will conduct a discreet investigation to determine whether a violation of the Code of Conduct has occurred and will take corrective action as appropriate. Anyone questioned in connection with the conduct of an investigation should cooperate fully and answer honestly and truthfully the questions asked.

### 1.3.3. Impunity for Informers

The Company values the assistance of employees who identify any situations that the Company should address. Any retaliatory or retributive actions taken against an employee who honestly raises a potential issue is a violation of the Code of Conduct. Raising a concern or participating in an investigation shall not be grounds for hostile behaviour towards an employee, in particular, demotion, loss of benefits, threats, harassment, bullying or discrimination. If anyone believes that they are the victim of any of this type of hostile behaviour, they should report it to their supervisor or the Human Resources and Payroll Manager (HRPM).

### 1.3.4. False Allegations and Accusations

The Company will protect any employee who honestly raises a concern. Intentionally making false or dishonest reports or lying during an investigation, as well as interfering or refusing to cooperate with an investigation, are also considered violations of the Code of Conduct. An honest report does not necessarily mean that the investigation will confirm it in whole or in part, but any report must be consistent with the belief that the information provided is accurate and truthful.

## 1.4. Acting in Accordance with Moral and Honest Principles within the Company

### 1.4.1. Business and Financial Accounting

All Company business and financial records must be accurate and complete, represent fairly all transactions, and be made in a timely manner and in accordance with applicable accounting rules and regulations. This applies not only to accounting but to all reporting.

Ensuring accurate and timely complete business and financial information is the responsibility of every employee of the Company, not only the Finance and Controlling personnel. Accurate accounting and reporting contributes significantly to the Company's reputation and credibility, while meeting legal and regulatory obligations.

### 1.4.2. Protecting Company Assets

The Company's assets must be protected and used only for their purpose and for the benefit of the Company.

Examples of company assets:

- Money;
- Materials, goods and products;
- Employee working time;
- Computer systems and software;
- Telephones;
- Wireless communication equipment;
- Photocopiers;
- Company vehicles;
- Proprietary information;
- Trademarks.

Company assets should only be used for the benefit of the Company and in accordance with internal company regulations (such as the Company's Working Rules, 07-02 TOP Use of Company IT, etc.), but common sense should be used in this case. For example, an occasional personal phone call or personal email is acceptable during working hours. Company assets should be used in accordance with OPR-10-01 Company Policy.

Asset protection means, but is not limited to:

- Not to engage in personal activities during working hours, especially not those that interfere with the performance of work duties;
- Use Company computers and Company equipment for Company business only, while it is prohibited to use any Company assets for illegal or unethical activities, such as gambling, pornography or other indecent activities;
- Not to take advantage of financial benefits obtained by virtue of the position held in the Company.

### 1.4.3. Personal Appearance

The appearance of a Company employees helps to create the reputation and prestige of the Company as a whole. Dress, neatness and elegance contribute to the way clients and business partners, as well as colleagues in the workplace, perceive an employee and the Company as a whole.

The image and appearance of a Company employee is expected to be appropriate in terms of quality of dress, style, personal hygiene and adequate cleanliness to inspire credibility. All of this adds up to a refined and professional demeanour.

### 1.4.4. Use and Confidentiality of Information

Illegal use of the Company's confidential and strategic information by an employee is considered a serious breach of duty and may result in termination of employment.

Employees are required to protect private Company information, even outside the workplace and working hours, and even after termination of employment. Private Company information is defined as any information that is not part of the Annual Report or business and technical documentation that is presented through communication channels such as catalogues, websites, social media accounts, newsletters and other channels for communication with customers and business partners. The provision of other non-public information to third parties (other than the above, which is for marketing purposes) is only possible with the consent of the CEO.

Private Company information should not be disclosed outside the Company, even to family and friends. All confidential information must be handled in accordance with OPR-10-01 Company Policy and related Company policies (such as 09-13 TOP Company File Service, Company Working Rules).

### 1.4.5. Rules for the Use of Inside Information in Business Relations

Employees are prohibited from trading in shares, including financial instruments whose price depends directly or indirectly on those shares, or in the shares of any company in the KORADO Group on the stock exchange or over-the-counter markets on the basis of private/internal Company information. It is also prohibited to provide such information to other persons who could use it for this purpose. Moreover, such conduct is illegal and could lead to criminal prosecution, including personal liability for damages.

For this purpose, private/internal Company information means any information that a reasonable investor would consider relevant to their investment decision and that would be likely to affect the share price. Such information may relate not only to companies within the KORADO Group, but also to other companies (issuers) which the employee becomes aware of by virtue of their position within the Company.

Private/internal information may be obtained by an employee either by virtue of his/her position/function and related competence or by chance.

This includes private/internal information regarding:

- financial results;
- financial plans or budgets;
- changes in dividends;
- significant mergers or acquisitions;
- divestments of assets;
- particularly significant contracts or strategic plans;
- significant developments in litigation;
- technical or product developments;
- significant changes in management, joint ventures and significant business agreements;
- business relationships.

If employees have such information available, they must refrain from trading in the shares to which the information relates until the day after the date on which the information is made public. If there is any doubt as to whether the purchase or sale of shares may be in violation of the internal insider trading policy, it is advisable to consult with the employee's supervisor and/or the Ethics & Compliance Committee.

As a precautionary measure against possible violations of the rules relating to the use of internal information in the Company's business dealings by members of the Company's Senior Management, its officers must not carry out any transactions in shares of companies in the KORADO Group during the two weeks prior to the end of the quarter or business year. This prohibition applies until two days after the publication of the quarterly or business year-end results. This rule also applies to all employees of the KORADO Group whose activity or position gives them access to financial results or other material information that has not yet been made public.

### **It is Forbidden to Disclose any Private Information.**

Disclosure of internal Company information/private information without proper authorisation occurs whenever such information is disclosed outside the normal scope of an employee's employment or professional duties or in the performance of other duties for the benefit of the issuer. This applies both to information disclosed within the KORADO Group and to information disclosed outside the Company, including to journalists, financial analysts, customers, consultants, family members or friends. Employees must always ensure that internal information is kept secure or locked away so that unauthorised persons cannot gain access to it.

Persons with knowledge of inside information must not make any recommendation to any third Party to buy or sell shares to which the information relates or otherwise encourage a third Party to do so.

## **1.5. Conflict of Interest**

A conflict of interest arises when personal interests and relationships conflict or could conflict with the ability to act in the best interests of the Company or the KORADO Group. If a potential conflict of interest is suspected, the following questions must be asked:

- Could my personal interests conflict with those of the Company?
- Could it look like a conflict of interest, either externally or within the Company?

If uncertain, advice or assistance should be sought. If there is uncertainty about how to proceed, it is a good idea to consult with your supervisor and/or the Ethics & Compliance Committee.

This section of the Code of Conduct contains rules regarding some common conflicts of interest. However, it cannot capture all potential situations. You must therefore rely on practical experience and use your judgement in evaluating situations as they arise. If there is uncertainty about how to proceed, advice should be sought.

Particular care must be taken when selecting a supplier or when dealing with suppliers and customers on behalf of the KORADO Group. It is also always necessary to follow the relevant internal rules and regulations.

### **1.5.1. External Investments**

It is essential to avoid making any investments that could influence decisions made on behalf of the Company (such as equity holdings or share ownership in customers, suppliers or competitors).

### **1.5.2. Ancillary Work Activities, Speeches, Presentations**

It is also possible to be employed outside the KORADO Group, provided, however, that such employment does not in any way hinder the performance of the duties of the job. Any other work activity must also be in accordance with OPR-10-01 Company Policy and internal regulations and rules and certainly must not conflict with the competition clause set out in the management agreement.

Employment or the provision of services for remuneration to customers, suppliers or competitors is not permitted.

Speeches or presentations on behalf of the KORADO Group for remuneration or compensation for related costs may only be made with the prior written approval of a supervisor.

In general, a person may only hold a directorship or be a member of the board of directors of another company with the written consent of the Chief Executive Officer. This consent must be updated annually. This consent may not be required if any of the above positions would be held by virtue of a requirement of the KORADO Group. Such consent is also not required if it were a charitable or non-profit organisation or a family business, provided that it is not a customer, supplier or competitor.

### 1.5.3. Relatives, Friends and Acquaintances

If an employee of the KORADO Group has close relatives, friends or acquaintances who are employed by an entity which the KORADO Group works with, this does not constitute a conflict of interest in terms of the Code of Conduct, provided that:

- the employee has no authority to deal with these companies on behalf of the KORADO Group and/or
- the employee's relative, friend, or acquaintance does not deal with the KORADO Group on behalf of the company where they are employed.

If the close person is employed by a competitor, this must be reported to the direct supervisor; the information must be recorded in the employee's personnel file and updated annually.

The conduct and actions of an employee must always be in the best interests of the Company, even when the employee's relatives, friends or acquaintances work for customers or suppliers. Also, personal, friendship or family relationships in the workplace must not interfere with an employee's ability to act and perform in the best interests of the Company. Any employment decisions must always be made on the basis of informed and professional judgement and should not be influenced by other reasons or causes.

### 1.5.4. Gifts and Treats

It is not permitted to accept gifts, invitations to meals or entertainment from customers and suppliers if this would influence the decision or outcome of business transactions or the performance of work duties.

Any acceptance of the above that is beyond the following restrictions must be approved in advance in writing by the immediate supervisor.

#### Gifts

- It is not permitted to accept gifts in return for anything promised to a customer or supplier.
- It is not permitted to solicit gifts from a customer or supplier.
- It is not permitted to accept financial gifts in any form.
- It is not permitted to accept gifts of value. An example of a gift that may be accepted is a pen with a logo or a small gift basket; i.e. gifts that have only a nominal or symbolic value.
- Gifts or discounts for a large group of employees may be accepted if they are part of a contract between the Company and the supplier or customer and only in accordance with the customer's or supplier's intention.

#### Invitations to Meals or Refreshments and Entertainment

- It is not permitted to accept invitations for meals, refreshments or entertainment in return for anything promised to a customer or supplier.
- It is not permitted to solicit invitations to meals, treats or entertainment from a customer or supplier.
- An occasional invitation for a meal, refreshments or entertainment may be accepted if the supplier or customer is also attending the event and the costs involved are in accordance with local customs regarding refreshments and entertainment in the context of a business meeting. For example, a casual business dinner or participation in a local sporting event is generally acceptable.

#### Travel and "Premium" Events

If an employee is invited by a customer or supplier to attend an event and it also involves out-of-town travel or accommodation, or a so-called "premium" event such as the Olympics, World Cup, Cup Championships or Academic Awards, this should always be discussed with the employee's superior who will assess whether the employee's attendance is logically justified. If so, the Company should pay the associated costs (travel, accommodation).

#### Declining Gifts, Invitations to Meals or Treats

If something is offered that goes beyond the above examples that can be accepted, it should be politely declined, citing the Code of Conduct and internal company rules and regulations. If it is clear that returning or not accepting such an offer would be perceived as gross indecency, the gift may be accepted with the understanding that the gift should be given to the Company, which will then arrange for this benefit to be passed on to a charity or distributed to a larger number of employees.

**However, under no circumstances can a share in any company be donated or accepted.**

## 1.6. Acting in Accordance with Moral and Honest Principles in External Relations

A company's external relations are essential to its success. Within the external environment, it is essential to treat everyone with integrity and in accordance with the law.

### 1.6.1. Government Organisations

The global nature of business also means dealing with representatives of various governmental organisations on a global scale. Government transactions are generally subject to specific rules that differ from trading and dealing with private entities. It is always important to know whether these rules are being followed in negotiations and to seek advice or assistance when in doubt.

**It is generally forbidden to offer anything to a public official in return for any advantage.**

Public officials are:

- Government employees or employees of a company that is controlled by a government, anywhere in the world;
- Political parties and representatives of those parties;
- Candidates for political office;
- Employees of public international organisations such as the United Nations.

It is everyone's responsibility to know whether or not they are dealing with a public official and if there is any doubt, advice should be sought from a supervisor or the Ethics & Compliance Committee.

#### 1.6.1.1. Corruption, Bribery

Corruption is defined as giving or offering anything of value or worth in order to influence someone's actions or decisions. Corruption and bribery are strictly prohibited and violation of the law will lead to criminal prosecution.

In relation to corruption, further information can also be obtained from Transparency International's website under their legal advice section.

### 1.6.2. Owners, Investors, Shareholders

Financial resources are essential for achieving the Company's goals and also for its sustainable development. The financial results achieved can stimulate investor interest or do the opposite. It is therefore in all of our interests to deliver honest, accurate and timely information about the Company's performance to our shareholders and investors. This also applies to public information provided through public communications.

The Company is responsible to its shareholders for taking decisions and actions that are in its best interests.

### 1.6.3. Competitors

It is necessary to be particularly cautious when dealing with competitors and also when gathering information regarding competitors. Relations with competitors are viewed as particularly sensitive and are protected by various laws with this in mind.

#### 1.6.3.1. Competition Protection Act

The Company competes honestly and fairly and in compliance with all applicable laws. These laws are often very comprehensive and complex and can vary from country to country, both in what they contain and where they apply. Conduct permitted in one country may be illegal in another and the penalties for violating such laws can be very severe. Employees should always understand and appreciate the specific laws and measures that apply to them. To this end, they may consult with their supervisor and/or the Ethics & Compliance Committee.

#### 1.6.3.2. Informational Activities

Company employees are encouraged to gather, share and make use of information about the Company's competitors. However, this must be done in accordance with the law and ethical standards. The Company values and protects its private information and respects and observes this in its dealings with other companies.



### **1.6.3.3. Acceptable Forms of Acquiring Information**

All publicly available sources as well as ethical means of research are considered acceptable forms of obtaining information. Information may be obtained for example from the following sources:

- Publicly available registers and similar records;
- Public speeches by company executives;
- Annual reports;
- Reports and articles provided by public communication media such as newspapers, magazines and other publications.

### **1.6.3.4. Prohibited Activities**

The following methods of obtaining information are prohibited:

- It is not permitted to engage in any illegal or illicit solicitation of information about competitors. This includes such things as theft, trespassing, eavesdropping, hacking, invasion of privacy, bribery, misrepresentation of information or facts;
- The receipt, disclosure and use of competitor information that may be deemed to violate a confidentiality agreement between a third Party and a competitor.

## **1.6.4. Customers, Suppliers and Consumers**

The Company values its partnerships with customers and suppliers and treats them in a manner that the Company itself would welcome. The achievement of the Company's objectives depends on its ability to listen to and respect the needs of its customers in every business activity.

It treats everyone fairly, honestly and with respect:

- It is not permitted to engage in unfair, misleading or deceptive practices;
- Company products must be presented honestly and openly;
- It is not permitted to offer, promise or broker anything to a customer or supplier in return for an improper benefit to the Company.

### **1.6.4.1. Customers**

The Company treats its customers fairly and in accordance with moral and honest principles.

The Company is committed to meeting or exceeding customer expectations and complying with regulatory measures in the areas of research, development, manufacturing, packaging, testing, supply and marketing of the Company's products.

#### Product and Service Quality

The Company views quality as consistently meeting customer requirements and expectations by delivering the highest quality products and services at the right time.

#### Honest Communication

In relations with the customer, the Company is not only concerned with the quality of products and services provided, but also with the quality and credibility of the information provided, whether to customers or to the general public. The information provided on products and services, including their availability, must be useful and accurate. Information must also be presented in a fair and honest manner and by the appropriate communication channels.

### **1.6.4.2. Suppliers**

The Company treats its suppliers and subcontractors with integrity and in accordance with moral and honest principles. It also respects the terms and conditions of its contracts with its suppliers and subcontractors and values its business relationships with them. It always strives to pay its obligations on time and carefully protects the confidential and corporate information of its suppliers.

#### Selecting Suppliers

When selecting suppliers, personal interests and relationships must not influence the decision to select a supplier, but this must always be guided by the best interests of the Company. Supplier selection must be carried out in accordance with the related internal company regulations and rules (04-01 TOP Supplier Selection).

## 1.6.5. Civil Society

### 1.6.5.1. Human Rights

The Company respects the dignity and human rights of every individual. It is the duty of the Company to respect human rights in accordance with the Charter of Human Rights and Freedoms, not only in the workplace but also within the Company's sphere of influence.

- The Company condemns the use of forced labour and exploitation of children (child labour) and expects suppliers and customers to comply with this principle.
- The company respects its employees' statutory freedom of association.
- Employees are remunerated in a manner commensurate with their performance and are given the opportunity to improve their skills and qualifications.
- Discrimination in any working position in the Company's employment is prohibited on the basis of race, sex, age, religion or any characteristic protected by law.
- The Company provides a safe and healthy work environment.

### 1.6.5.2. Communication with the Public

Any communication through the media is potentially important and has a significant impact on how the Company and its business activities are perceived by the public. It is therefore essential that all channels of communication are trustworthy, and it is also essential that the channels of communication used comply with any conditions set out by law or regulatory principles. All communication channels must provide accurate information.

### 1.6.5.3. Environment

Care for the environment is one of the KORADO Group's top priorities. The KORADO Group's production and business activities always and everywhere respect and comply with laws and regulatory measures for environmental protection. The basic principle applied throughout the KORADO Group is to respect and care for the physical and mental health of all people and to protect the environment in all activities and operations carried out by the KORADO Group. Every employee of the Company has a vital role to play in achieving these commitments in relation to the environment, health and safety.

### 1.6.5.4. Compliance with Laws, Rules and Regulations

Being a good employee means complying with all applicable laws, rules and regulations that define the complex business activities of research, development, manufacturing, marketing, sales and distribution. The Company cooperates with all legal authorities and conducts its operations in compliance with all regulatory measures. It is always prepared to accept changes in the law and standards related to its business activities.

### 1.6.5.5. Boycotts, Economic Sanctions and Other Export/Import Regulations

The Group's parent company is based in the Czech Republic, which is a member of the European Union. All of the KORADO Group's activities, including those of its foreign subsidiaries, must comply with applicable laws that generally prohibit the refusal to trade with other countries, companies or persons.

The Company may not export or import from embargoed countries, including those embargoed by the European Union. This prohibition also applies to countries, organisations or individuals against whom a ban on contact has been declared by any Czech government agency or the European Union.

### 1.6.5.6. Political Activities

Personal political activities in accordance with all laws and KORADO Group guidelines are accepted.

Individual political activities:

- The Group will not reimburse an employee for expenses related to personal political activities;
- Performance of work for the Company must not be influenced by one's own political views or political affiliation;
- Use of the Company's reputation or assets, including working time, for personal political activities and interests is prohibited;
- If an employee plans to accept a public position, they must inform their supervisor.

## **1.7. Acting in Accordance with Moral and Honest Principles in Human Resources Management**

### **1.7.1. Work Environment**

#### **1.7.1.1. Employee Privacy**

The Company respects the privacy of its employees. It handles their personal information responsibly and in accordance with the law. This applies not only to the duration of employment but also to the period after its termination and includes personal information relating to former employees.

The privacy of employee communications, including email and intranet/Internet, is governed not only by local legislation but also by the relevant business and operational needs of the Company. In particular, it is the Company's responsibility to monitor the use of communications technologies owned by the Company. The Company is obliged to investigate any misuse of such technologies, especially if it would be in violation of local legislation.

#### **1.7.1.2. Fair Treatment**

This section of the Code of Conduct addresses in particular the issue of fair treatment of employees by the Company and:

- Prohibits favouritism in hiring, evaluation, compensation, training, promotion, etc., based on personal relationships and other criteria unrelated to an individual's performance or abilities;
- Penalises failure to respect confidentiality of information;
- Prohibits sexual harassment and discrimination in pay and promotion.

The Company:

- Avoids differences in compliance requirements for employees based on their job title;
- Undertakes to provide full information when recruiting new employees, etc.

Treating employees fairly also means that the Company respects the right of each person to express constructive dissent or dissenting opinions. The Company thus creates space for each employee to express their own opinion freely without risk of intimidation or sanctions. Open communication, including a willingness to accept both agreeing and disagreeing views, is essential both for a positive working environment and for achieving maximum success in all Company activities.

#### **1.7.1.3. Health and Safety**

The Company acts with regard to the safety and health of the general public and with regard to the environment (in accordance with OĽA 11 Ecology, 12 Occupational Health and Safety and Fire Safety).

The Company is committed to ensuring the safety and health of all employees, not only within its premises but also on business trips.

Employees are required to comply with all safety regulations and take care not to endanger themselves, co-workers, other persons or cause material damage.

Any accidents or work-related injuries must be reported and all possible measures must be taken to prevent the risk of accidents with the aim of continuously improving work performance.

#### **Drugs and Alcohol**

All employees are prohibited from using drugs and alcohol.

The possession, sale or use of illegal drugs on company premises or at company-sponsored events is also prohibited. Any violation of this prohibition must be reported immediately to your supervisor.

#### **1.7.1.4. Workplace Harassment**

The Company strives to maintain a dignified working environment and good interpersonal relations in all workplaces, where all employees are respected without any suggestion of superiority over or harassment of each other. Such harassment in the workplace is a form of discrimination, which is generally defined as verbal or physical conduct towards another person because of certain personal characteristics such as race, gender, age or religious beliefs (faith), as well as interference with the personal sphere of employees by stirring up negative sentiments or disputes in terms of their attitude towards the SARS-CoV-2 vaccination or otherwise. Workplace harassment then means any activity that inappropriately or unreasonably creates an environment of intimidation, hostility or insult (attacks) towards an individual or group of people.

In the Company, no physical, psychological and/or sexual harassment is tolerated. In the Company, any form of abuse, humiliation, harassment or diminution of human dignity or discrimination is not and will not be tolerated.

Each employee is expected to create an atmosphere of mutual respect, trust, loyalty and belonging without which it is impossible to work together and achieve good long-term economic results.

Forbidden:

- **Violence in the workplace.** Any threats, violence, intimidation, malicious behaviour or any manifestation of violence is seen as a gross violation of the Code and will be directly sanctioned if violent behaviour is detected.
- **Sexual harassment.** This means repeated advances of a sexual nature that are not welcomed by the other person. Such behaviour is a serious threat to human dignity and affects both women and men. It includes, but is not limited to, sexual requests in exchange for employment benefits or, conversely, the coercion of sexual affection under threat of various punishments or measures leading to the disadvantage of the person being harassed.

If anyone feels that they are being harassed or discriminated against; for example, in terms of their attitude to SARS-CoV-2 vaccination or anything else, they should tell the “perpetrator” that they are uncomfortable. If, however, someone finds this type of direct response inappropriate or ignores the response, the matter should be taken up with a supervisor and/or members of the Ethics & Compliance Committee (i.e. Head of Management Systems, Head of HR & Payroll, Head of Risk Management, Security Technician, Head of the CEO Secretariat).

## 1.8. Implementing the Code of Conduct

### 1.8.1. Monitoring Compliance with the Code of Conduct

All employees of the Company must be aware that any violation of the ethical standards set out in the Code of Conduct will be considered a breach of duty within the meaning of the Labour Code.

Employees of the Company may report violations of the Code of Conduct to their supervisor or to any member of the Company’s Senior Management, the Supervisory Board or the Board of Directors or to a member of the Ethics & Compliance Committee. Notification may be made orally, in writing, by e-mail or by telephone at any time.

A supervisor, a member of the Company’s Senior Management, Supervisory Board or Board of Directors or a member of the Ethics & Compliance Committee to whom a violation of the Code of Conduct has been reported is obliged to address and resolve it.

The Company declares that no sanctions will be directed against any employee who reports a suspected violation of the Code of Conduct and that they will not be disadvantaged in any way.

The Company recognises the sensitivity of these issues and guarantees the absolute confidentiality of the identity of persons reporting suspected violations of the Code of Conduct.

#### 1.8.1.1. Responsibility and the Ethics & Compliance Committee

The Company's Ethics & Compliance Committee, with oversight from members of Senior Company Management and Internal Audit, is responsible for compliance with the Code of Conduct. The Ethics & Compliance Committee (ECC) is composed of the Committee Chairperson, the Head of Management Systems, and the Head of Risk Management, Head of Human Resources and Payroll, HSE Technician and one of the members of the Supervisory Board elected by the employees of KORADO, a.s. In addition to the competencies given directly by the Code of Conduct or related documents, the Ethics & Compliance Committee may, at its discretion or at the initiative of SCM or individual members of the Supervisory Board, perform other activities of a similar nature, including a review of risk events or persons.

The Ethics & Compliance Committee meets at least once every six months to evaluate the previous period and, in the absence of external suggestions, to discuss opportunities for improvement. Prior to each meeting, the Head of Internal Audit will always send information on the outcome of the investigative checks to the ECC Chair. The CEO attends the ECC meetings as a representative of SCM. The Chairman of the ECC will inform the members of SCM of the proceedings and the results of the meeting. Written minutes of each VEC meeting are taken and saved at <https://korado.sharepoint.com/sites/VVS/VEC/Forms/AllItems.aspx>. Other documentation or other documents supporting the work of the VEC are also saved in the same place.

#### 1.8.1.2. Investigation of a Potential Breach of the Code of Conduct

The Company takes all reports regarding potential violations of the Code of Conduct seriously and is committed to investigating all allegations in a credible manner and with the highest level of confidentiality. Investigations may be conducted by members of IA and the ECC. Employees concerned in an investigation into a possible breach of the Code of Conduct have the right to be heard before a final decision is made.

#### 1.8.1.3. Decision

The ECC makes decisions on all potential violations of the Code of Conduct and discipline, but may also delegate certain decisions to members of all levels of management. If a violation of the Code of Conduct is proven, the severity of the violation must be determined and disciplinary action taken.

#### **1.8.1.4. Disciplinary Measures/Procedures**

The Company must seek redress according to how and under what circumstances the Code of Conduct was violated. Serious violations of the Code of Conduct may result in a person's removal from their current position, loss or reduction of benefits and bonuses earned, or termination of employment.

If an employee seriously violates the Code of Conduct, information on the corrective action and a written reprimand is inserted into the employee's personnel file and becomes a permanent part of the file.

#### **1.8.1.5. Information on the Investigation of a Violation of the Code and Measures Taken**

The ECC regularly informs Senior Company Management and the Board of Directors in writing regarding pending cases of violations of the Code of Conduct, the decisions made and the measures taken. The ECC also posts "anonymous examples" of violations of the Code of Conduct on the Company's bulletin boards and Intranet as a preventive measure against future violations of the Code of Conduct.

#### **1.8.1.6. Distribution and Familiarisation**

All employees, including the newly hired, will be demonstrably familiar with the Code of Conduct as per 10-07 TOP Records Management and will acknowledge in writing that they have read it and will abide by it. This acknowledgement of the Code of Ethics will be repeated periodically when the Code is updated. Ignorance of the Code does not excuse anyone.

#### **1.8.1.7. Waiver**

The waiver of any part of the Code of Ethics must be authorised by the Company's Board of Directors; however, this does not affect the validity of any laws.

### **1.8.2. Ethics & Compliance Intranet**

The Compliance Program documentation is available on the Intranet in the Controlled Documentation for all employees of the Company or the KORADO Group. If any employees do not have access to the Intranet, their supervisor will provide them with the information. The Code of Conduct and the Anti-Corruption Policy are also available on the Company website.

Compliance Program documentation:  
09-01 TOP Corporate Culture and Ethics  
09-01-01 PI Company Code of Conduct  
09-01-02 PI Anti-Corruption Policy

### **1.8.3 Final Provisions**

Material amendments and additions to this Code of Conduct may be adopted by resolution of the Board of Directors of the Company and must be in writing, otherwise they are not valid. Less substantive additions and updates shall be approved by the members of the Company's Ethics & Compliance Committee, SCM and IA. Approval is done through the Controlled Documentation process.

The Code of Conduct becomes effective on the date of its issuance as per TOP Documentation Management.