



# A SUPPLIER CODE OF CONDUCT

## PURPOSE AND AUTHORITY

The company recognizes the Ten Principles of the UN Global Compact. It actively supports these basic principles in the field of human rights, labor standards, environment and of anti-corruption proceedings by applying the relevant strict ethical standards in the performance of business activities and ethical business standards.

It is important that the Company's suppliers also comply with human rights and labor standards conditions and environmental aspects.

The Company's suppliers must ensure that they apply strict ethical and moral business standards, as well as complying with legal regulations (compliance). These principles play a leading role in of the relationship between ZSE Group companies and their suppliers and are included in this Supplier code of conduct.

## THE PRINCIPALS OF THE SUPPLIER CODE OF CONDUCT

The Company's suppliers (including their corporate bodies, employees, representatives, subcontractors and sales partners) must comply with all applicable domestic and international legal provisions and avoid any action that could cause the Company to violate legal regulations and will be subject to sanctions for their violation. In addition, in accordance with the Global UN Compact, suppliers are expected to adhere to the following standards:

- **Social standards** – respect for human rights and the creation of suitable working conditions for employees and the company
- **Environmental standards** – minimization of environmental impacts
- **Corporate management standards** – application of strict ethical and moral business practices and compliance

Company is willing to work with its suppliers to ensure that they will comply with the standards listed.

The Company reserves the right to monitor compliance with the Supplier Code of Conduct by requiring supplier declarations, third party declarations, including certifications, and the right to conduct an on-site audit to ensure that the Supplier Code of Conduct is being followed.

## SOCIAL STANDARDS

- **Respecting human rights**

The Company's suppliers must comply with and support the UN Universal Declaration of Human Rights and ensure that they are not complicit in the abuse of human rights. Rules that provide greater protection to employees should apply wherever legal regulations apply.

- **Safety and protection of health at work**

In accordance with legal regulations, the Company's Suppliers must provide safety and health protection of their employees at work. Danger, health risks and any issues which employees shall face must be properly assessed and security measures must be taken. In addition, they must continuously provide their employees with training in the field of safety and health protection at work.

- **Prohibition of child, forced, illegal or compulsory labor**

In accordance with the conventions of the International Labor Organization, the Company's Suppliers may not tolerate child, forced, illegal or any other form of compulsory labor.

- **Prohibition of discrimination or harassment**

The Company's suppliers must treat all of their employees with respect and dignity. No employee shall be harassed in any way or for any reason or abused physically, mentally, sexually or verbally.

The prohibition of discrimination in the workplace also applies to the recruitment of employees, their remuneration, career advancement or termination of employment.

- **Transparency of working hours and remuneration**

The working time of the Company's Suppliers must comply with the provisions of applicable national legal regulations. Their employees must receive an employment contract in which working hours and remuneration will be clearly stated. Each reward is paid on time and in accordance with the current regulations and national legislation. Local standards must meet the basic needs and ensure certain disposable income.

- **Freedom of association and the right to collective bargaining**

The Company's suppliers must respect their employees' freedom of association and the right to bargaining, as stated in applicable legislation and ILO conventions.

- **Respecting local communities and indigenous people**

The Company's suppliers have an obligation to minimize any negative physical, social and environmental impacts and risks to local communities and indigenous people. They recognize the special circumstances of indigenous people and must understand the concerns and expectations of the communities in which they work and they live.

- **The mechanism for submitting an initiative**

We recommend that the Company's suppliers provide a mechanism for submitting an initiative by employees, which will allow to anonymously report any concerns or possible violations of these standards, ensuring the protection of the whistleblower's identity and the impossibility of retaliatory measures. Where this is not possible, we expect our suppliers to listen openly to concerns raised, act accordingly and protect the whistleblower.

In addition, the Company's Suppliers will inform and support their employees to report cases of anti-social activity and problems with implementation of this Supplier Code of Conduct, albeit anonymously to the Company's email address: protispolocenska.cinnost@bk.sk

The supplier code of conduct is an integral part of all contracts concluded between companies of the ZSE group and their suppliers, as well as their subcontractors. If the supplier does not comply with any part of the Supplier Code of Conduct, they are expected to take immediate corrective measures. The company reserves the right to terminate the contract with the supplier who is unable to demonstrate compliance with the Supplier Code of Conduct.

## ENVIRONMENTAL STANDARDS

- **Environmental protection**

We expect the Company's Suppliers to develop and implement a specific environmental policy and that they will conduct their business in accordance with all applicable legal regulations in the field of environmental protection.

- **Handling of dangerous substances**

When handling substances (materials, preparations and products) that are classified as dangerous for the environment, our suppliers must ensure that such substances are procured, labelled, they are being handled correctly, transported, stored, recycled and disposed of safely.

- **Minimizing the use of resources, waste and emissions**

The Company's suppliers must constantly strive to use resources judiciously and responsibly, and to incorporate this approach into their supply chain and their business operations and management. All sources of waste as well as emissions to air, water and soil must be minimized, characterized and monitored.

## CORPORATE MANAGEMENT STANDARDS

- **Compliance with economic competition protection and commitment to free competition**

The Company's suppliers must comply with all applicable national and international legal regulations for the protection of economic competition. We expect them to commit to free competition, transparent market and action against unfair, non-transparent and restrictive competition. To ensure this, it is necessary to take appropriate preventive measures.

- **Anti-corruption measures**

The Company's suppliers must act against corruption and bribery, which includes all necessary and appropriate measures to prevent the occurrence of corruption and bribery within their operational framework activities as well as within their respective supply chain. The Company's suppliers should ensure that their personal relationships do not interfere with their business activities.

- **Compliance with trading and capital market legislation**

The Company's suppliers must comply with national and international sanctions, embargoes and other restrictions in the field of international trade established in legal regulations, as well as in force regulations in the field of energy trading. The Company's suppliers must comply with all applicable national and international regulations governing the capital markets.

- **Legalization of income from criminal activity**

The Company's suppliers must refrain from any activity leading to the legalization of proceeds of crime activities. They must also ensure all of the above within their supply chain.

- **Protection of personal data**

The Company's suppliers must ensure that personal data is handled with appropriate care and in accordance with legislation.

- **Conflicts of interest**

The Company's suppliers must ensure - without being asked - that no conflict of interest will arise between them and the companies of the ZSE group, and if such conflict occurs, it shall immediately be eliminated and notified to the Company.

## RELATED DOCUMENTATION

### Externally

- International Charter of Human Rights
- Declaration of the International Labor Organization on basic principles and rights at work
- UN Guiding Principles on Business and Human Rights
- Act on Modern Slavery from 2015
- Aspects of forced labor in Slovakia, Ministry of the Interior of the Slovak Republic, 2012

### Internally

- Register of legal and other regulations D-01-05
- Safety manual IS I-01
- OSH IS BOZP-01 rules
- PP - Q – 21 – Internal system for reporting anti-social activity
- A program of specific activities aimed at combating the legalization of income from criminal activity and financing terrorism
- Code of Ethics IS BOZP-04