



# Code of Conduct of the ZSE Group

## Foreword

The ZSE Group adopts the updated version of the Code of Conduct. It sets out the principles of the responsible business to which the ZSE Group is committed. At the same time, it is a binding guideline on the conduct of each of us - employees, contractors and all who cooperate with the ZSE Group. Please, let us remember that its effectiveness can be ensured only by its full compliance.

To be a part of the ZSE Group means, inter alia, to apply the principles and conduct set out in the Code of Conduct on a daily basis. It is an essential requirement for responsible growth of our Group which can become an example of ethical business on an international level. Everyone of us can contribute to it by thorough application of defined principles and dissemination of culture among the colleagues in line with the Conduct.



Markus Kaune  
Chairman of the Board of Directors

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# 1. Introduction

The ZSE Group starts implementing the Compliance Programme, i.e. a tool of processes focused on compliance with laws and ethical behavior of employees of the ZSE Group in all areas of business life.

The basic document of the Compliance Programme is this updated Code of Conduct, representing a binding guideline of conduct for each of us – employees, contractors and all who cooperate with us.

As a next step, we would like to ensure that the principles of the Code of Conduct are respected through the implementation of preventive control mechanisms in individual processes of our Group.

The principles and provisions of this Code of Conduct apply to the members of the Board of Directors, members of the Supervisory Board and other bodies of the Group, and managers, employees and colleagues cooperating with the Group through contract relationships of various types, including temporary and/or occasional contracts. Companies of the ZSE Group require that all contractors, business partners and other persons that establish any form of cooperation in our Group follow general principles of this Code.

Employees are obliged to act in good faith so that they meet obligations they accepted by signing their contract employment and respect provisions of the Code of Conduct. They are obliged to immediately inform, through appropriate information channels, any violation of the rules of conduct laid down by this Code of Conduct and/or other internal rules of the Group.

Employees are obliged to confirm by their signature that they were informed of the content of the Code of Conduct, they understand it, will respect it and act in line with it. This Code of Conduct applies to all companies of the ZSE Group. If national laws of the Slovak Republic are stricter than principles set out in this Conduct, they shall prevail.





## 2. Human resources, occupational health and safety, and environment

### 2.1 Human rights

We are committed to respecting freedom and equality of people regardless of their race, colour, sex, language, religion, political or other opinion, nationality, social, marital or other status. We demonstrate our commitment by supporting the Universal Declaration of Human Rights of the United Nations and European Convention on Human Rights.

Diversity is a key to our business activities and corporate culture. We expect that our colleagues will always respect dignity, privacy and personal rights of every single individual. We do not tolerate any form of discrimination, harassment or outrageous remarks.

Every employee is obliged to create atmosphere of mutual respect, decency, trust and solidarity. We, in the ZSE Group, do not tolerate any expressions of physical, mental or sexual harassment. Conduct or verbal expressions which could negatively affect the feelings of an individual are prohibited in all their forms.

## 2.2 Occupational Health and Safety

Occupational health and safety is a priority for the ZSE Group. The Group commits to respecting occupational health and safety rules, developing awareness on possible risks and supporting responsibility of our employees and contractors in order to build safe work conditions. In addition, the Group undertakes preventive activities to ensure safety and health of its employees, and interests of other stakeholders which take part in our activities.

We carry out our business activity safely, building on the responsible preparation of every activity, systematic prevention and implementation of necessary measures and sanctions in order to respect safe work rules.

These principles are applied inside the Group, but also in cooperation with the stakeholders which take part in our activities. The ZSE Group raises awareness among all employees in these areas through various types of OHS trainings.

Individual OHS principles and procedures are defined in the ZSE Group regulations and policies and have been produced in line with the Slovak applicable laws and other regulations. Every employee shall be obliged to respect these regulations so that they take personal responsibility for their own safety and safety of their colleagues. Where dangerous or health-damaging working conditions are identified, the employee shall be obliged to immediately report them to their relevant superior so that possible risks can be quickly and efficiently prevented and eliminated and damage is limited.

In order to control risks to health and safety and create a safe environment for employees and contractors, we have introduced the OCCUPATIONAL HEALTH and SAFETY MANAGEMENT SYSTEM according to the OHSAS 18001 standard.



## 2.3 Environment

Environment is a primary value to the protection of which the ZSE Group has committed. Therefore, the ZSE Group plans its activities hand in hand with the effort to reach balance between the economic activity and relevant environmental interests, respecting rights of the current and future generations. the ZSE Group adopts preventive measures to reduce risks to which population and environment is exposed, and, at the same time, seeks to mitigate effects of its activities on the environment and landscape. In doing so, it respects applicable laws and applies them through internal managing documents, and reflects results of scientific research and professional techniques into its business line. Also, it raises environmental awareness among its employees through various environmental activities.

The ZSE Group has decided to introduce and certify the Environmental Management System based on the requirements of the international standard ISO 14001, with respect to the Slovak environmental applicable laws and other requirements which we, as the Group, have committed to.

The Group publishes information on the environmental policy implementation and consistency of the results achieved from the perspective of the targets in its Annual Report and on the intranet.

## 3. Building sustainable relationships

Criminal liability is one of the greatest risks we, as the ZSE Group, can face. Criminal liability applies not only to the ZSE Group but also to its employees. It is our aim and effort to jointly prevent criminal liability risks efficiently and on time.

Every manager of the ZSE Group shall be obliged to assess the risks related to the activities and/or procedures they are responsible for, propose measures which help reduce risks in the area of criminal liability prevention of the ZSE Group, thoroughly implement adopted measures, duly monitor actions of persons they are responsible for, evaluate and propose possible improvements.

The employees of the ZSE Group shall be obliged to report any possible violation or alleged violation of the rules which could lead to criminal liability of the ZSE Group or any persons (natural person or legal entity) whose activity is connected with (either directly or indirectly) the activity of the ZSE Group.

### 3.1 Competition and tax liabilities

The ZSE Group is governed without any reservations by the Rules on Competition and by no means tolerates prohibited agreements restricting competition (cartel agreements). All employees of the ZSE Group are under an obligation to act in compliance with the Competition Protection Rules. Special attention must be given to the compliance with the principles of competition protection in contact with competitors.

In contact with competitors, employees must ensure that they would not receive or provide any information which would lead to the conclusions on the current or future behavior of the ZSE Group or its competitors on the market.

We, in the ZSE Group, are convinced that we can win and maintain customers and build stable relationships with the stakeholders only if we act responsibly and fairly. It is important to us to comply with the rules of national and international law. We require such compliance from our business partners and other market participants too.

We expect that our employees and our business partners meet their tax liabilities. We do not tolerate conscious support of tax minimization.





### 3.2 Conflict of interests

Conflict of interests is a situation in which there is a risk of conflict of personal interests between an employee or a third party and interests of the ZSE Group and/or its customers.

It is very important that there are no situations in which persons involved in operations get into the conflict of interests or their conduct cause justified concern that they are in conflict of interests.

We count that our employees take decisions only based on objective criteria and are not affected by any personal interests and relationships.

We expect that our employees would report occurrence and or suspected occurrence of conflict of interests themselves. In relation to such report, employees shall be obliged to provide information on their outside-employment activities, interests or relationships if they cause (or appear that they could cause) a situation perceived as conflict of interests.

All employees shall be obliged to report any conflict of interests (even potential) immediately it occurs (even in case of justified concern whether it is a conflict of interests or not):

- to their direct superior or an employee of Human Resources that would forward information to the Compliance Manager of the ZSE Group, or
- directly to the Compliance Manager of the ZSE Group.

### **3.3 Fight against corruption**

The ZSE Group prohibits any form of corruption, especially in the form of offering, asking, promising, receiving or providing unlawful payments in monetary or any other form with the aim of obtaining benefits or advantages in relation to persons who are in any relation to the ZSE Group. Corruption leads to unlawful decisions, prevents progress and innovation, distorts competitive environment and damages organizations.

The ZSE Group is committed to engaging in fight against corruption in line with the principles of the Global Compact initiative . We therefore support both national and international anti-corruption efforts and refuse corruption practice.

It relates mainly to the provision of rewards and advantages (in any form even by intentional or negligent conduct or refraining from acting) with the aim of influencing or accelerating the procedure undertaken by an official and/or any employee of the Group relating to their job performance or within the discharge of their office. They are considered unlawful and punishable and may lead to various fines including criminal liability of the Group and persons involved in the corruption.

In case of a promise, offer or asking of any benefits or any other form of advantages out of standard processes, or request for provision of information which could lead to a benefit or advantage, employees of the ZSE Group or other persons who might influence decision-making on behalf of the ZSE Group shall inform the Compliance Manager of the ZSE Group without delay via communication channels designed for these types of reports.

Anti-corruption guidance for employees must be respected when giving and accepting gifts in contact with business partners, representatives of state authorities and mandates' holders.

### **3.4 Contributions to political parties, charity and sponsorship gifts**

Our programmes for gifts and sponsorship are transparent. As a sponsor, the ZSE Group supports specific projects and initiatives in the areas such as education, environment protection, innovation and community development, provided that they meet the following criteria:

- objectives are linked to the objectives and mission of the ZSE Group,
- the funds have clearly defined purposes, and their use is properly and transparently documented and verifiable anytime.

The ZSE Group does not finance political parties, their candidates or representatives, either in Slovakia or abroad, nor does sponsor meetings or assemblies whose the only or main purpose is political promotion.

The ZSE Group refrain from any form of pressure, either direct or indirect, on political bodies with the aim of promoting its business interests, nor does them promote through membership of its employees in the political parties.

### **3.5 Money laundering and restrictions on trade**

Money laundering is a process in which money derived from criminal activity is legalized. It is a conversion of incomes derived from criminal activity to legal property which give impression that have been obtained lawfully.

The ZSE Group seeks to establish business relationships with customers, consultants and business partners who have good reputation and carry out lawful activities and whose incomes are derived from lawful sources. All employees must observe relevant laws concerning fight against money laundering and procedures of the ZSE Group, designed for detecting suspected payments or customers or other operations whose essence could be money laundering, and prevent them. to avoid such issues, employees are required to pay attention to and report suspected behavior

of customers, consultants and business partners. In addition, the employees must meet all requirements concerning the accounting, keeping the records and financial reports which are connected to the payments in relations to other operations and contracts.

We fight against all forms of money laundering, we prevent participation in relating activities and we respect national and international sanctions, embargoes and other restrictions on international trade. the same applies to our business partners who act on our behalf.

In many countries, participation of agents, representatives and consultants is an important and necessary means to achieve success on the market. On the other hand, participation of third parties can be used as a means to disguise unlawful payments and avoid ban of corruption.

Any person that acts in any way and in any extent on behalf of the ZSE Group is required to sign a binding declaration on the compliance with principles of the Code of Conduct and relating internal rules.

Contracts must be in writing, must contain detailed list of services to be provided and remuneration for cooperation must be set reasonably in line with law and business practices.

In choosing agents, special attention is given to moral and criminal integrity of persons entering into a contractual relationship with the ZSE Group. All documents must be archived in order to ensure maximum accuracy and transparency, and follow conditions of the cooperation with such persons.

If these persons show expressions of conduct which contradicts ethical principles of the ZSE Group, the Group shall adopt reasonable measures within the law, which might lead to the end of business, labor or other relationship.





### **3.6 Relationships with suppliers of goods and services**

We maintain good business relationships with suppliers, thanks to which we are able to provide our goods and services under competitive conditions. Our economic success depends, inter alia, on thorough selection of strong and reliable business partners. We carefully select contractors and providers of services in line with our internal specifications, thanks to which we prevent improper preferences.

All employees who take part in the selection of contractors, providers of services and other business partners with personal relationship and possible influence on the selection process are obliged to inform their superiors due to the potential conflict of interests.

### **3.7 Behavior to customers**

We offer wide range of products and services related to electricity and gas supply and electricity distribution.

Contracts with customers must be:

- drawn up in line with the applicable laws of the Slovak Republic and internal rules of the ZSE Group in a way that they avoid misleading and unreasonable practices,
- complete so that no issues important for decisions of the customer are omitted.

Fair behavior towards customers is important to us. We seek to offer appropriate and efficient solutions.

## **4. Protection of information and corporate assets**

### **4.1 Corporate assets**

Assets of the ZSE Group serve for meeting the business targets. We must protect our property and assets. Assets can be of financial, physical or intangible nature. Corporate assets can be used only for appropriate and approved purposes. Inappropriate and unauthorized use of assets is prohibited.

### **4.2 Personal data and privacy protection**

Privacy of the ZSE Group's employees is protected by European Union law, applicable laws of the Slovak Republic and internal rules which define which information and personal data can be required from the employees. There are procedures which define processing and protection of this information and personal data.

“Personal data” means any information relating to an identified or identifiable natural person; an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

Data about religion and health condition are sensitive data subject to special protection.

It is in our interest to protect personal and confidential data against misuse, alteration, dissemination and deletion. Our employees are obliged to protect data provided to the ZSE Group against unauthorized processing and abuse.

### **4.3 Confidential information and trade secret**

The ZSE Group have precious knowledge and extensive trade secret. It is our responsibility to ensure confidentiality, availability and integrity of such information in electronic and paper form.

Unauthorized revelation of trade secret, its unlawful modification, disposal and disclosure might have significant negative effect on the ZSE Group. It can result in labor, civil and penal consequences for the relevant employees and the ZSE Group, which is the reason why we must take appropriate measures preventing from misuse of trade secret. the ZSE Group adopts specific rules and guidelines for handling confidential information and its processing, including procedure for circulation of documents and/or any information (including electronic) relating to the ZSE Group with specific regard to confidential information.

We respect intellectual property of our competitors and business partners, and therefore all our employees are obliged to keep confidentiality of trade secret of the third parties and use such data only following the agreement with the relevant party and in the defined extent, with respect to the purpose for which they keep such information or documents.



#### **4.4 Insider trading**

In carrying out their activities, employees may learn important information about activities, results or decisions of the ZSE Group or other companies before such information becomes public.

Internal corporate information is specific information about the ZSE Group or other company (customer/contractor/business partner) which is not publicly known and whose disclosure could significantly affect the price of the stock or its business. Persons that have access to internal corporate information of the ZSE Group or other company (customer/contractor/partner) whose securities are traded on the stock exchange are not allowed to trade in securities of such companies, or financial instruments whose prices directly or indirectly depends on securities of such companies.

Internal corporate information is not allowed to be provided or disclosed to third parties without the previous consent and out of the standard performance of their duties.

Persons that have access to internal corporate information are not allowed to provide or mediate advisory services in the area of purchase or sale of securities.



## 5. Complaints Mechanism

Compliance with applicable laws is a central principle of ethical business. the ZSE Group therefore always complies with legal restrictions and requirements even in case when it would cause short-term business disadvantages and complications for the ZSE Group or individuals. This Code of Conduct helps understand culture and methods of operation. However, employees can face many comprehensive situations in which this document need not provide sufficient information for unanimous conclusion. In such case we expect that employees would discuss the given situation with their superior or Compliance Manager of the ZSE Group. Employees, members of the statutory bodies of the Group and business partners, external advisors or any other third parties shall be obliged to immediately inform (even anonymously) the ZSE Group Compliance Manager, who is responsible for preliminary analysis of the complaint and all necessary measures, of any violation or alleged violation of the Code of Conduct. the complaint below must be made immediately even when an employee learns about the fact that there could be a criminal act or other antisocial activity.

Complaints are to be sent:

- By email to the address: [whistleblowing@zse.sk](mailto:whistleblowing@zse.sk)
- By mail to the address: Západoslovenská energetika  
Compliance manager  
Čulenova 6  
816 47 Bratislava 1

In any case, the ZSE Group ensures confidentiality of the complainant except for cases defined by the applicable laws of the Slovak Republic.

The compliant must contain specific facts based on which the complainant came to the conclusion that it is violation of this Code of Conduct, criminal act or other antisocial activity. If there is some relevant evidence, the complaint must contain this evidence or copies of such evidence. the complaint must be signed and the complainant does not need to prove their identity.

The Compliance Manager is obliged to accept and review every complaint within 90 days of the date of receipt; this period may be extended for another 30 days. In reviewing the complaint the Compliance Manager is obliged to require maximum cooperation from all the involved persons and access to electronic or other form of documentation and information which serve for the resolving of the complaint. In order to review the complaint, the Compliance Manager is allowed to enter all premises and all employees are obliged to enable such entry. Refusal of the cooperation or hampering the review of the complaint by the Compliance Manager is regarded as a serious breach of work discipline.

If the complaint is not anonymous, the complainant shall be informed of such prolongation. the complainant (if not anonymous) shall be informed in writing of the result of the investigation of the complaint within 10 days of the end of the complaint's review.

In the most serious cases of violation of the Code of Conduct, the Compliance Manager of the ZSE Group shall immediately inform the Board of Directors, along with measures which have been adopted by the relevant units.

The Compliance Manager of the ZSE Group keeps records of complaints and results of investigations in line with the applicable laws. However, the Compliance Manager is not allowed to make the complainant's identity available except for cases defined by the applicable laws.

