

Passerinvest

Passerinvest Group Supplier Code of Conduct



Passerinvest group (the “PST”) and its suppliers take decisions on a daily basis that impact PST’s ability to deliver quality products to its clients. The suppliers of PST (the “suppliers”) are integral to PST’s overall success.

PST has set high standards in order to conduct business ethically, in sustainable manners and in compliance with all generally applicable legal regulations, and with PST’s internal policies. PST expects its suppliers to show the same commitment. This Supplier Code of Conduct describes the principles and expectations when establishing and maintaining business relationships between PST and its suppliers.

The PST is mindful of the cultural differences and challenges involved in interpreting and practising these principles on a global scale. While PST believes that these principles are universal, it acknowledges that the approaches to meeting such expectations may vary in order to comply with laws, values, and cultural mores in different countries around the world.

We expect all PST suppliers to understand and comply with this Supplier Code of Conduct and to require the same from their own suppliers. PST takes this Supplier Code of Conduct into account when selecting suppliers and reserves the right to monitor a supplier’s ongoing observance of these principles. PST suppliers must also apply the same or substantially similar principles with respect to third parties with whom they cooperate in the provision of goods and services to PST. If PST learns that any activities or conditions are not being observed in accordance with this Supplier Code of Conduct, PST reserves the right to demand corrective action and/or to terminate the business relationship with a supplier failing to comply with this Supplier Code of Conduct.

In addition to the standard economic and technical indicators, PST will monitor the following parameters at its suppliers when contracts are awarded and implemented:

- **Environment**

Assessment of a supplier’s efforts to reduce greenhouse gas emissions in its operations and a supply chain, particularly in terms of carbon dioxide emissions (decarbonisation). Aspects will include the minimisation of reliance on natural resources (including water and energy), the use of environmentally friendly materials and technologies, and the incorporation of recycled materials. PST will track the need to avoid soil, water and air pollution, the protection of biodiversity, and the use of ecosystem services. The circularity and sorting of waste on site, along with the transfer of waste for reuse, will be an important waste management factor.

- **Social affairs**

Employee health and safety, safety risk awareness, compliance with employment rights and ethical standards, including the prevention of discrimination and bullying, and the provision of equal access to opportunities.

- **Governance**

Project transparency and management, including compliance with legal regulations, ethical standards, the provision of sound financial and accounting management, risk management, data protection, and proper project governance and accountability.

- **Innovation**

The use of technologies and innovations that can mitigate the environmental impact and improve project efficiency, automation and the use of artificial intelligence.

PST strongly encourages suppliers to contact a PST representative with any questions they may have, including enquiries about whether a particular activity is appropriate.

ETHICS

Suppliers must conduct their business ethically and with integrity.



1. Fair trading and fair competition

Corruption, extortion and embezzlement are prohibited. Suppliers must not offer or accept bribes or participate in any other unlawful inducement in business or administrative matters. Suppliers conduct their business with respect for fair and spirited competition and in compliance with all applicable anti-trust laws. Suppliers shall use fair business practices, including accurate and truthful advertising.

- **Avoidance of conflicts of interest**

A conflict of interest arises when a supplier prioritises their personal, social, financial or political interests over the interests of PST. Suppliers are required to avoid situations that present – or appear to present – a conflict between their interests and those of PST.

Suppliers must acknowledge that PST’s employees and/or other associates may accept gifts, hospitality or entertainment from suppliers in the normal course of business only to the extent permitted by law, and only where these are of marginal value and do not influence or appear to be influencing PST’s business decisions. PST’s employees or other associates cannot accept cash gifts or cash equivalent gifts from suppliers.

Suppliers must notify PST immediately of any potential or actual conflict of interest.

- **Prohibition of insider trading and use of non-public information**

In the course of their business relationship with PST, suppliers may come into contact with material non-public information about PST and its clients or partners.

The purchase and/or sale of securities issued by PST that draws on knowledge of such material non-public information is deemed to be “insider trading” and it shall be governed (inter alia) by an internal policy Trading of Insiders and of Other Selected Groups (the „Policy“) issued by PST. Suppliers (including their employees and/or other associates) may and/or sell PST securities only in accordance with the Policy, which they are required to become acquainted with. Furthermore, suppliers (including their employees and/or other associates) must not disclose such material non-public information (engage in “tipping”) to anyone else for achievement of personal gain nor for any other purposes. This prohibition applies globally, irrespective of the place of business or registered office of the supplier or the place of business or registered office of the recipients of the material non-public information. This provision shall also apply mutatis mutandis to the purchase and/or sale of securities issued by customers or partners of PST.

Information is regarded as material non-public information if there is a significant likelihood that a reasonable investor would consider it relevant when deciding whether to buy and/or sell a security.

- **Anti-trust laws, unfair competition, and business intelligence**

Anti-trust and any other generally binding legal regulations relating to the competition address ways to ensure that undertakings compete solely on the basis of quality, price and service. This is an area of law that varies from one country to another (and in some countries from state to state).

These legal regulations are referred to as anti-trust, restrictive, unfair-trade, competition, price-discrimination or cartel laws. In general, they seek to promote fair competition among competitors and occasionally to protect smaller competitors. They prohibit, among other things, agreements on price fixing, market division or customer allocation, involvement in group boycotts, and efforts to obtain or maintain a monopoly by means other than merit-based competition. Suppliers are obliged to comply with such regulations.

- **Fair play**

Suppliers must not attempt to procure information about competitors by illegal or dishonest means. It is therefore prohibited to steal proprietary information, to possess information on trade secrets obtained without the owner's consent, or to solicit the disclosure of such information from former or current employees.

- **Anti-corruption measures**

Suppliers are required to prohibit and prevent bribery and corruption. The Supplier, its employee or other associate shall not offer, provide, require or pay a bribe in any form whatsoever, an illegal or otherwise immoral commission or other improper advantage. Furthermore, suppliers must not provide anyone acting on behalf of PST with anything of value with the intent of winning business, improperly influencing decision-making, or gaining an unfair business advantage – or even appear to do so.

In view of the fact that PST is subject to various anti-corruption generally binding legal regulations and directives, it requires its suppliers to comply with the provisions and spirit of such generally binding legal regulations and global or local directives.

- **Trade controls**

Suppliers are required to comply with all the generally binding legal regulations relating to the import, export, re-export and diversion of products, goods, services and technical data, including import and customs regulations, export controls, economic sanctions, lists of sanctioned individuals, anti-boycott laws, and product diversion.

- **Protection of PST and third parties' confidential information**

Just as suppliers value and protect their confidential information and trade secrets, PST expects its suppliers to respect the intellectual property rights and business secret of PST and others. In the course of any business relationship between PST and suppliers, suppliers may receive from PST or other parties sensitive or proprietary information from third parties that is confidential. Suppliers must respect and maintain the confidentiality of such information and implement measures to ensure such maintenance of confidentiality.

- **Proposal of and compliance with effective business controls; accurate reporting**

Suppliers undertake to provide accurate, complete, honest, timely and reliable information to governmental authorities, shareholders, clients, media representatives, financial analysts, brokers and the general public. Suppliers' internal information systems must be designed to provide reasonable assurance that suppliers' financial reports are compiled in accordance with the generally binding legal regulations and generally accepted accounting principles and present the suppliers' financial position fairly. Suppliers will provide PST with full and accurate information on their activities and financial position including disclosure of such information in accordance with the generally binding legal regulations.

2. Identification of concerns

Suppliers and service providers must encourage their employees and/or other associates to raise concerns or call attention to illegal activity in the workplace without fear of reprisals, intimidation or bullying. Suppliers who believe that a PST employee or other person or entity acting on behalf of PST has engaged in unlawful or other improper conduct must immediately report the matter to PST, in preference to the Integrity officer.

Integrity officer

PST's integrity officer is responsible for assessing and investigating reports of misconduct. Reports can be made confidentially and without fear of reprisal to the integrity officer directly via email: integrita@passerinvest.cz. At the same time, the Integrity Officer at the PST performs the function of a competent person under the generally binding legal regulations on whistleblower protection (whistleblowing). In cases more generally relating to corporate social responsibility or environmental protection, it is also possible to email the ESG Committee at esg@passerinvest.cz.

3. Counterfeiting

As part of ongoing efforts to work together in securing the supply chain from the dangers of counterfeiting, illegal diversion of trade and theft of PST products, suppliers must immediately notify PST if they are offered the opportunity to purchase counterfeit, illegally diverted or stolen products or if they become aware of such products.

WORKFORCE

Suppliers are required to observe ethical working practices and procedures worldwide. In this regard, suppliers are responsible for raising awareness and understanding of human rights and compliance with the generally binding legal regulations regarding employment. By incorporating these principles into strategies, policies and procedures and by embodying these principles, suppliers will meet their basic obligations to their employees and others.

Suppliers must support and respect the protection of internationally recognised human rights and ensure that they are not involved in their abuses. Suppliers also respect freedom of association and effectively recognise the right to collective bargaining, the elimination of all forms of forced and compulsory labour and the abolition of child labour. The PST expects suppliers to provide equal opportunities to their employees and other co-workers and to ensure that everyone can reach their full potential. PST further expects suppliers to view the diversity of their workforce as a positive value making efforts to create a safe and inclusive work environment.



1. Freedom of choice of employment

Suppliers must not make use of involuntary or forced labour, involuntary prison labour, or human trafficking.

2. Child and underage labour

The employment of workers under the age of 18 is possible only for non-hazardous work and only if such young workers have reached the statutory lower age limit for work in the place of work under the generally binding legal regulations, or the age limit for the completion of compulsory education whichever limit is higher. Accurate and complete employee files must be maintained, including confirmation of date of birth.

3. Workplace harassment, discrimination

Suppliers must provide a work environment that is free of harassment, discrimination, punitive and/or inhumane treatment.

Harassment is any physical or verbal act that creates a discomfortable offensive, hostile or intimidating work environment. Discrimination is any workplace activity such as recruitment, dismissal, demotion or promotion on the basis of any prejudice that results in unfair treatment of employees. Harassment or discrimination on grounds such as race, colour, age, gender, sexual orientation, nationality, ethnicity, disability, religion, political affiliation, trade-union membership or marital status must not be tolerated by the suppliers.

Repressive and/or inhumane treatment includes, but is not limited to, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, verbal abuse, name-calling, humiliation, or the threat of any such acts. Violence of any kind at the workplace, including acts or threats of violence against another person, intentional damage to a person's property, or behaviour that makes others feel unsafe, are prohibited and must not be tolerated by the suppliers.

4. Wages, benefits and working hours

Suppliers must pay employees wages in accordance with the generally binding legal regulations applicable in the place of employment, including reflection of minimum wages, overtime remuneration and benefits.

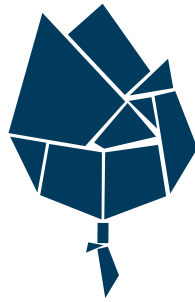
Suppliers always disclose to employees and other co-workers in a timely and clear manner the basis on which they are compensated whereby they shall not discriminate against employees or other co-workers on the basis of race, colour, age, sex, sexual orientation, nationality, ethnicity, disability, religion, political affiliation, trade union membership or marital status in determining wages or other remuneration. Suppliers are also expected to inform workers if overtime work is required and the wage to be paid for such overtime hours.

5. Privacy and personal data protection

Suppliers may, in the normal course of business, collect personal data relating to various individuals, including employees and other associates, customers, clients and other persons or entities with whom they do business. Suppliers shall only collect and retain personal data in relation to which this is permitted by the generally binding legal regulations and which is reasonably necessary for the performance of their business and/or the contract between PST and the Suppliers. Suppliers must take measures designed to protect such information.

PROTECTION OF HEALTH AND SAFETY

Suppliers engage in their activities with due regard for the safety and health of their employees and the general public. Suppliers shall continuously work to provide safe working conditions and establish a strong safety culture in all locations where they operate. Suppliers aim must be to prevent workplace accidents through strict adherence to applicable safety standards. All suppliers are responsible for creating a safe and healthy work environment.



1. Protection of employees

Suppliers must protect their employees and other co-workers from exposure to chemical, biological, and physical hazards and physically unreasonably demanding tasks in the place of work.

Suppliers must ensure that any employee or other co-worker who comes into contact with hazardous substances wears proper personal protective equipment and performs the task in compliance with in accordance with the generally binding legal regulations and any safety guidelines and/or instructions of the supplier.

2. Process safety

Where necessary, suppliers must have programmes in place to prevent and respond to incidents and/or chemical or biological leaks. Programmes must be proportionate to the risks involved and, at the very least, comply with the generally binding legal regulations.

3. Emergency preparedness and response

Suppliers must identify and assess emergency situations affecting the work environment in the place of work and minimise potential adverse consequences by establishing and maintaining effective emergency response plans and procedures.

A supplier's management is responsible, for example, for providing relevant safety trainings, safety drills, and other types of safety training required by the generally binding legal regulations, safety rules and/or supplier's instructions.

4. Information on risks

Suppliers are required to make available safety information relating to hazardous materials in the workplace in order to educate, train and protect their employees and other co-workers, and others persons from hazards, including information provided by the Occupational Safety and Health Coordinator appointed by PST.

ENVIRONMENT

Suppliers shall perform their activities in an environmentally responsible manner and minimise any adverse environmental impacts. The PST requires suppliers to conserve natural resources (including water and energy), to protect the interests of animals, not to use hazardous materials, to manage waste properly where possible and to promote activities geared towards circularity and sustainability, such as reusing and recycling equipment, materials, raw materials, packaging, water and/or other substances to the maximum extent possible. The PST will give preference to suppliers who are committed to the above. In addition, suppliers shall encourage their employees and other collaborators to act responsibly towards the environment and to minimise adverse environmental impacts.



1. Environmental responsibility

Suppliers shall comply with all the generally binding environmental laws and regulations. Suppliers must obtain all required environmental permits, which must remain valid for the duration of the business relationship with PST, and comply consistently with the requirements thereof. Important aspects in the suppliers' approach are to minimise their use of natural resources (including water and energy), to maximise the use of renewable resources, avoid pollution of soil, forests, water and air, to protect biodiversity, to use environmentally friendly materials and technologies, and to use recycled materials. The illegal displacement or removal of land, forests and water in the course of their acquisition, access or other use is prohibited and shall not be tolerated by suppliers, especially where their use provides for a livelihood of one or more persons. Suppliers whose production processes in any way involve the use of animals must create welfare conditions and protect the interests of animals in accordance with generally applicable legislation.

2. Waste and emissions

The PST is mindful of the growing importance of proper waste management as a means of environmental protection, both from the perspective of reducing pollution and in terms of the need for the circular use of waste as a source of materials.

Suppliers must have systems in place to ensure the safe handling, sorting, movement, storage, recycling, reuse and/or management of waste leading to minimisation of air polluting substances and wastewater discharge to the maximum extent permissible. The circularity and sorting of waste, along with the transfer of waste for reuse, is an important aspect of waste management. Any waste, wastewater, or pollutant with the potential to adversely affect human health or the environment must be properly managed, inspected, and treated prior to its discharge. Suppliers shall have systems in place to ensure that any sound pollution is minimised.

3. Leaks of harmful substances

Suppliers must have systems in place to respond quickly to leaks of harmful substances into the environment that are not permitted by the generally binding legal regulations while actively preventing such situations.

4. Prohibited substances

Suppliers shall comply with all the generally binding legal regulations, and PST requests concerning prohibited and/or conflict substances, including the obligation to promptly inform PST of the composition of substances in equipment/materials/raw materials used by the supplier and their potential prohibition or restriction on their use.

5. Conflict minerals

Suppliers ensure that no parts and products supplied to PST contain "conflict minerals" as per the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD, 2013). Suppliers must have systems in place that are designed to meet these objectives.

MANAGEMENT SYSTEMS

Suppliers must have a quality management system in place that facilitates continuous improvement and ensures consistent compliance with all the principles contained in this Supplier Code of Conduct.



1. Commitment and accountability

Suppliers will commit adequate financial, human and technical resources to ensure compliance with this Supplier Code of Conduct by their employees and/or any other associates.

2. Compliance with generally binding legal regulations

Suppliers must identify and comply in a responsible and timely manner with any generally binding legal regulations applicable to the performance of their activities in a responsible and timely manner.

3. Risk management

Suppliers must have in place the mechanisms necessary to identify and manage risks in all areas covered by this Supplier Code of Conduct. Suppliers must have adequate financial resources to ensure business continuity and maintain financial solvency.

4. Documentation

Suppliers must maintain the documentation necessary to demonstrate compliance with the principles contained in this Supplier Code of Conduct and with applicable laws, regulations, rules, ordinances, permits, licences, approvals, orders, standards, and relevant PST requirements.

5. Training and competence

Suppliers must have an effective training programme providing their management, employees and/or any other associates with the appropriate level of knowledge, skills and abilities to perform supplier's activities. Attendance in such educational trainings must be documented properly.

6. Communication

Suppliers maintain open and direct communication with the competent employees and/or any other associates of PST.

7. Data integrity

Suppliers must have a mechanism in place ensuring that all documentation supplied, particularly for materials or services used in primary production activities, is complete, accurate and consistent. This documentation must be in conformity with generally applicable legislation.

8. Use of private or public security forces

Suppliers shall not provide direct or indirect support to public or private security forces that abuse, or act in contravention of, the generally binding legal regulation.

PASSERINVEST GROUP, a.s.

Brumlovka, Filadelfie Building
Želetavská 1525/1, 140 00 Prague 4

Tel.: +420 221 582 111
E-mail: info@passerinvest.cz

www.passerinvest.cz