KOVOHUTĚ Příbram

CODE OF CONDUCT
FOR BUSINESS PARTNERS OF THE COMPANY KOVOHUTĚ PŘÍBRAM NÁSTUPNICKÁ A.S.

Our company, Kovohutě Příbram nástupnická, a.s., provides services of ecological recycling of waste containing lead, tin, precious metals and waste from electrical and electronic equipment by processing them into metals or marketable products. It aims to contribute to positive development, improvement of the environment and quality of life, to permanently increase the level of satisfaction of the needs of customers, employees and the growth of the standard of living of people, to apply the principles of Corporate Social Responsibility (CSR), which includes social, environmental and economic principles under the motto “Responsibility to people and the environment pays off”.

It is aware of its position in society and the trust placed in it by its customers, employees and business partners. Following the UN Global Compact and the Ten Fundamental Principles, we have developed our own internal rules for supplier behaviour.

Our company’s Code of Conduct for Business Partners sets out basic requirements regarding respect for human rights, compliance with laws and regulations, social and working conditions, environmental protection and sustainability, anti-corruption and conflict metals. We expect our business partners (in the case of suppliers, this requirement also applies to their subcontractors) to ensure compliance with this Code of Conduct. The Code of Conduct is designed to set out the standards and principles that our business partners must adhere to in their operations. This Code is intended to ensure that business relationships are conducted in a spirit of honesty, integrity and mutual respect.

1. Compliance with laws and regulations

Business partners must comply with all applicable laws, regulations and standards of the countries in which they operate. This includes, in particular, laws relating to labour law, occupational health and safety, non-discrimination, environmental protection, competition and free trade.

At the same time, business partners must respect internationally recognised human rights, regardless of the country in which they operate. Where domestic law would conflict with international human rights standards, trading partners must actively seek to comply with these standards to the maximum extent possible.

2. Working conditions

Business partners are obliged to ensure a safe and healthy working environment, respect freedom of association and recognise the right to collective bargaining. To this end, they are obliged to comply with the following principles:

2.1. Occupational health and safety:

- Business partners must provide safe working conditions and conduct regular safety training

2.2. Non-discrimination:

- Business partners must not discriminate against employees on the basis of race, colour, sex, religion, political opinion, national origin, age, sexual orientation, or any other protected status or union/other organization membership.

2.3. Prohibition of child labour:

- Business partners must not use child labour and must comply with the minimum age of employees set by law or applicable international treaties.

2.4. Prohibition of forced laboure

- Business partners shall not suppress the rights of workers to freely form and join groups to promote and defend their professional interests.

2.5. Freedom of association

- Business partners must not suppress the rights of workers to freely form and join groups to promote and defend their professional interests.

3. Ethical business practices

Business partners must adhere to the highest standards of ethical conduct and follow these principles:

3.1. Honesty and integrity

- Business partners must act with honesty and integrity in all business relationships and abide by their contracts.

3.2. Conflict of interest

- Business partners must avoid situations that could lead to a conflict of interest.

3.3. Protection of confidential information

- Business partners must protect confidential information and not misuse it for personal or third-party benefit.

3.4. Corruption and bribery

- Business Partners must not offer, accept or broker bribes or otherwise facilitate corruption.

4. Environmental protection and sustainability

Business partners must seek to minimise the negative impact of their activities on the environment by:

4.1. Observing the precautionary principle

- Business partners must regularly identify and evaluate the potential negative environmental impacts of their activities and, based on these findings, implement preventive measures to eliminate or at least minimise the extent of these negative impacts.

4.2. Comply with environmental regulations

- Business partners must comply with all applicable environmental laws and regulations.

4.3. Resource efficiency

- Business partners must strive to use resources efficiently and reduce waste and emissions.

4.4. Promote sustainable practices and best available technologies

- Business partners should implement and promote sustainable and environmentally sound practices and best available technologies (BAT).

4.5. Carbon footprint

- Business partners must monitor and minimise their carbon footprint through measures to reduce greenhouse gas emissions and the use of renewable energy sources. Upon request, suppliers must submit information on compliance with carbon footprint minimisation.

4.6. Emissions

- Business partners must monitor, manage and minimise emissions of harmful substances to air, land and water.

4.7. Waste

- Business partners must seek to minimise waste production through effective management of material flows, recycling and reuse of materials.

4.8. Water

- Business partners must effectively manage water consumption, minimise pollution of water resources and ensure sustainable management of water resources.

5. Protection of trade secrets, know-how and other confidential information

Business partners must ensure that the confidential information and trade secrets of Kovohutě Příbram nástupnická, a.s., or of other collaborating entities, obtained within the framework of business cooperation are securely protected and not used or disclosed to third parties without the prior written consent of the relevant person at Kovohutě Příbram nástupnická, a.s. In the event of any doubt as to whether this is confidential information, the relevant employee of the business partner is obliged to ask the relevant person of Kovohutě Příbram nástupnická, a.s. for a written consent prior to any disclosure.

Among the confidential information and trade secrets of the company Kovohutě Příbram nástupnická, a.s. includes, among others, the list of the company‘s business partners, contractual terms, technological procedures and know-how, innovation procedures, composition of individual alloys, information about products and materials, etc.

Business partners are obliged for the entire period of validity of the business relationship and even after its termination to maintain confidentiality about all facts related to or related to the given business relationship or the interests of the company Kovohutě Příbram nástupnická, a.s., which they learn or obtain in the course of negotiations or during cooperation.

Business partners are obliged at the same time to ensure that these facts are not misused or made available or disclosed to third parties without a legal or contractual reason or the written consent of the company, nor are they used for their own benefit or for the benefit of third parties.

This does not affect the business partner‘s right to communicate these facts to their lawyers, tax advisors, auditors or other persons bound by special legal regulations to confidentiality obligations, or to public authorities that have the right to communicate these facts based on the law - but only to the extent and manner established by relevant legal regulations or a final decision.

6. Ecosystems

Business partners must take care to protect and promote biodiversity and ecosystem health. This includes:

6.1. Protecting natural ecosystems

- Business partners must prevent damage to natural ecosystems and minimise their impact on biodiversity.

6.2. Renewable resources

- Business partners should use renewable sources of raw materials and energy whenever possible.

6.3. Reclamation and restoration

- Business partners should implement practices to reclaim and restore disturbed ecosystems to minimize the long-term impact of their activities.

7. Conflict Minerals according to Regulation EU 2017/821

Business partners must ensure that minerals and metals (tin, tantalum, tungsten, gold, or their ores) contained in their products or commodities do not come from conflict areas (conflict-affected areas and high-risk areas on the CAHRA list), and that the following principles are adhered to when supplying them:

7.1. Supply chain transparency:

- Business partners must implement a due diligence system in accordance with EU Regulation 2017/821 and OECD guidelines to ensure supply chain transparency and reduce the risk of using "Conflict Minerals".

7.2. Traceability

- Business partners must ensure traceability of the origin of minerals and metals, including tin, tantalum, tungsten and gold, and ensure that they do not come from conflict areas where their extraction supports armed conflict or human rights abuses. In the case of supplies of goods containing tin, tantalum, tungsten, gold (or their ores), suppliers are required to sign a declaration of origin for these goods.

7.3. Working with responsible smelters and refiners

- Business partners should work with smelters and refiners who are certified to responsible standards to ensure the responsible and ethical sourcing of these raw materials.

7.4. Reporting and auditing:

- Business partners must regularly report on their due diligence practices and results, including providing documentation and cooperating with audits conducted by our representatives or independent auditors.

7.5. Supply chain traceability system

- As part of the trade, business partners must be able to provide at least the following information in relation to the goods supplied: a description of the metal, including its trade name and type, the names and addresses of suppliers in the supply chain, the names and addresses of smelters and refiners, records of third-party audit reports of smelters and refiners, or evidence of compliance with the Due Diligence System.

8. International sanctions

Business partners must ensure that the goods they import are not subject to restrictive measures (international sanctions) adopted by the European Union against Russia and Belarus in connection with Russian aggression on the territory of Ukraine, namely:

8.1.

- Restrictive measures provided for in Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's activities destabilising the situation in Ukraine, as amended by its implementing and amending Regulations;
- Restrictive measures set out in Council Regulation (EU) No 2022/263 of 23 February 2022 concerning restrictive measures in response to the unlawful recognition by the Russian Federation of the independence, occupation or annexation of certain territories of Ukraine not under the control of the Government, as amended by the implementing and amending Regulations;
- Restrictive measures provided for in Council Regulation (EC) No 765/2006 of 18 May 2006 concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine, as amended by its implementing and amending Regulations.

Business partners are obliged to comply with the following obligations:

8.2.

- Not to trade in or offer for sale any goods (either directly or through your supply chain) subject to the restrictions of the above Regulations that are located in or originate from Russia or Belarus;
- Not to export goods subject to restrictions under the above Regulations to Russia, Belarus or to areas of Ukraine not under the control of the Ukrainian government (Crimea, Sevastopol, Donetsk, Luhansk, Zaporozhe and Kherson regions);
- Not to import into the EU territory goods subject to restrictions under the above Regulations originating in the Crimea, Sevastopol, Donetsk, Luhansk, Zaporozhe and Kherson regions of Ukraine which are not under the control of the Ukrainian government.

Furthermore, business partners are required to screen their trading partners as part of their business activities, in particular (but not exclusively) in relation to items on The Common High Priority List (the "**CHPL**") issued by the European Commission[1]. When selling or supplying these or similar items, a thorough screening of trading partners should take place due to Russia's efforts to circumvent existing sanctions imposed on Russia as a result of the aggression in Ukraine.

As part of the enhanced scrutiny, business partners are required to monitor and assess risks that may indicate circumvention of the international sanctions imposed:

8.3. Sudden changes in business activities after 24 February 2022 or after subsequent changes in export controls or the imposition of sanctions – for example:

- new manufacturers and importers of items listed in the CHPL with a registered office or place of business at the same address as the sanctioned entities
- a significant (leap) increase in the volume or value of imported items on the CHPL
- the entity supplied goods exclusively to Russia before 24 February 2022 and started exporting goods to 3rd countries after that period;

8.4. False, erroneous, inaccurate or missing documentatione

- The export authorisation or permit is false or erroneous;
- Misclassification of goods under non-sanctioned customs codes/ not on the CHPL list
- Unreasonably low price of goods
- Change of customs code after export of goods to a 3rd country
- Listing the type of goods as for civilian use when they are goods commonly used for military purposes;

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[1] Available (online) at: https://finance.ec.europa.eu/publications/list-common-high-priority-items_en

8.5. Hiding the end customer

- Sending goods through the so-called shell companies (companies without significant assets or business operations), brokers or freight forwarders;
- Listing freight forwarding companies or e.g., charter operators as end customers
- Failure to state the exact route of transport of goods
- Sending goods to third countries via the territory of Russia
- Setting up lengthy or complicated transport methods or financial transactions
- Changing transport instructions after the goods have been handed over to the freight forwarding company

8.6. Discrepancies or doubts in transactions

- The product delivery route is not common for the type of goods or destination
- The volume or value of the goods does not match the amount of the payment transaction
- The transaction involves a very large quantity of goods (compared to normal transactions for the type of goods)
- The total value of the transaction is split into smaller parts below the export control limita
- Goods are delivered in small but frequent shipments to a single destination
- Inconsistent information in trade documents

8.7. Providing insufficient or incomplete information

- The business partner supplies incomplete information regarding the end user of the goods
- The business partner refuses to provide additional information, including information on the end use

8.8. Discrepancies in business partner information

- Contact addresses do not match the company's registered office, the company is a residence (family house)
- The goods ordered do not correspond to the normal business of the business partner
- Business partner's website does not work, provides incomplete information, business partner is not traceable on the internet
- IP address does not match the location of the business partner (e.g., a company from a 3rd country may host an address from Russia)
- Business partner's website has undergone a significant change after 24.02.2022 to eliminate the link to Russia, and the business partner has not declared the termination of all business cooperation with Russia
- Contact details (addresses, telephone numbers, staff details) are the same as or suspiciously similar to those on the sanctions lists

8.9. Doubtful or worrying contacts

- The business partner has direct links to Russia or sanctioned entities
- The business partner has the same registered office as the sanctioned company
- The business partner has the same owners as the sanctioned entity
- The business partner has had or continues to have contacts with sanctioned entities in the past

8.10. Doubtful or worrying business practices

- The business partner trades in goods listed in the CHPL
- The business partner ceases to operate on the market after one transaction
- The business partner refuses to issue a confirmation that it will not sell the supplied goods to Russia or to sanctioned entities in third countries.

If a business partner identifies any of the above problematic aspects of a business transaction, it should proceed to a more detailed review of its business partner, in particular through the following steps:

8.11. Comparison of the entities involved in the transaction with the information on the sanctions lists

- separately search for both business names and company registered office

8.12. Thoroughly check the business partner

- Determination of the end user, the end use of the goods, the final destination
- Determination of information concerning the history of the business partner, its business practices
- Finding publicly available information about the business partner
- Requesting confirmation that the business partner will not deliver goods to Russia, Belarus or sanctioned entities established in 3rd countries

8.13. Analysis of the risks associated with the possible circumvention of sanctions

8.14. If doubts persist, terminate the business relationship with the entity.

9. Control and compliance with the Code

Business partners must:

9.1. Be transparent:

· Provide the necessary information and documentation to demonstrate compliance with this Code.

9.2. Collaborate

· Cooperate with audits and inspections conducted by our representatives to verify compliance with the Code.

9.3. Report violations:

· Promptly notify Kovohutě via data mail or email info@kovopb.cz of any violation of this Code or other ethical standards. All notifications are strictly confidential. Kovohutě declares that it will not take any retaliatory action against a person who has made a report in good faith. All allegations will be thoroughly and independently investigated.

Conclusion:

Business partners are key partners in our pursuit of a sustainable and ethical business process. Adherence to this Code of Conduct is essential to maintaining trust and long-term cooperation. Thank you for your support and commitment to ethical and responsible business practices.

The requirements outlined in the Kovohutě Code of Conduct for Business Partners are included in contracts and purchase orders with an issue date of 1. 1. 2025. Compliance with these requirements affects the evaluation and approval of Business Partners.

Kovohutě reserves the right to amend this Code of Conduct; the current version of the Code of Conduct is available on the website at:

https://www.kovopb.cz/en/about-company/code-of-conduct/

Annex. 1 – Exemple of declaration concerning conflict minerals

Annex. 2 – Corporate Social Responsibility and Sustainability Questionnaire 2024

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Ing. Jan Moudrý

Vice-chairman of the Board of the company
Kovohutě Příbram nástupnická, a.s.

The requirements set out in the Code of Conduct for Kovohutě Business Partners form part of agreements and orders. The evaluation of business partners is influenced by compliance with them.

Kovohutě expects you to report any violation of the Code of Conduct for Business Partners to Kovohutě Příbram nástupnická, a.s. at: **https://www.kovopb.cz/en/contacts/**

All such reports will be strictly confidential. Kovohutě declares it will not take any retaliatory action against any person who initiated such report in good faith. All reports will be thoroughly and independently investigated.

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