

## Principles of ethical behavior at DEZA, a.s. and the AGROFERT Concern

### 1. Basic requirements for ethical behavior, Principles of corporate culture

This code of ethics is valid in its entirety for members of company bodies, all employees of DEZA, a.s. in an employment-legal relationship, agency employees and persons authorized to perform any actions on behalf of commercial companies (hereinafter referred to as “employee”).

One part of the Code of Ethics is the concept of integrity, which is generally understood as a company's level of ethics and trustworthiness. It characterizes the level of the company's relationship with all its business partners, co-workers, shareholders and the public, which further shapes the appearance, actions and behavior of their employees in their daily work.

The Code of Ethics cannot cover all possible situations that may arise, nor the specifics of the application of various laws and regulations. The aim of the document is to define minimum requirements for ethical behavior and principles of corporate culture, which are binding for every employee of DEZA, a.s. and provide basic guidance for decision-making in individual situations.

The Compliance Program relies on management systems, control mechanisms and other internal regulations of companies.

#### 1.1 Conduct in compliance with legal and internal regulations and ethical rules

Compliance with legal regulations is one of the main principles of DEZA, a.s.. All employees are obligated to act in accordance with the law and ensure that it is not violated. Employees comply with:

- Legislation
- Internal regulations of DEZA, a.s. and its subsidiaries, regarding the work duties of employees, fire safety, work safety, handling of chemical substances, prevention of serious accidents, measures in handling computer technology and data, reporting of extraordinary events and other internal regulations,
- Rules of ethical behavior (Code of Ethics) and practice applied at DEZA, a.s. also within the AGROFERT concern.

All employees must not only comply with legal regulations and avoid breaking the law, especially in the area of possible criminal penalties, but must also take into account disciplinary and other consequences that would arise from a breach of duty.

#### 1.2 Responsibility for the public image of DEZA, a.s. and the AGROFERT concern

The company DEZA, a.s. in accordance with the code of ethics, promotes the observance of integrity in the company's actions. The Compliance management team of the AGROFERT concern together with the senior management of DEZA, a.s. actively participates in familiarizing employees with the rules of the Code of Ethics and ensures its application in practice.

- Every employee and other persons working in a legal relationship with the companies of the AGROFERT concern must respect that there are designated persons for crisis communication or statements to the media, or within the framework of social networks - in particular company spokespersons or other authorized employees, or departments of individual companies so that there is no distortion of the information provided and the legitimate interests of the companies are preserved.

- The employee should refrain from all comments (even private ones) damaging the legitimate interest of the company. The employee must be careful when using social networks and means of communication, even in private activities, and prevent the transmission of confidential information, as well as information that could be understood as offensive, damaging, humiliating, or libel against individuals or society. They must also be aware of privacy regulations when posting.
- DEZA, a.s. strives to fulfill ethical, ecological, social and other obligations towards the public, based on the fulfillment of the daily duties of its employees with the aim of preventing inappropriate behavior that could cause DEZA, a.s. or harm the AGROFERT concern as a whole in public, in relation to public institutions and business partners.

### 1.3 Mutual respect, honesty and integrity

Employees of DEZA, a.s. are aware of their duties and responsibilities towards both internal customers and external partners.

The company DEZA, a.s.:

- ensures equal and non-discriminatory conditions for employees regardless of age, race, nationality, religion, gender or disability,
- does not tolerate violence, threats, insults, intimidation, sexual harassment, direct attacks and aggressive behavior, behavior creating a hostile environment or other inappropriate behavior in the workplace,
- respects dignity, privacy and personal rights of each individual,
- in addition to equal treatment and non-discrimination, promotes teamwork with a willingness to share information and knowledge,
- maintaining the same approach to staff employees and employees of employment agencies,
- employees show respect for colleagues and superiors; with their approach they create conditions for mutual cooperation, respect their superiors' decisions and do not take steps that undermine the authority of colleagues or superiors,
- provides reliable information; presenting false or distorted information, information taken out of context, concealment of essential facts or other dishonest actions and manipulations is not tolerated,
- promotes innovations, new proposals and solutions, positive changes, ability to accept new solutions in practice, willingness to help their coworkers.

### 1.4 Senior staff's responsibility, leadership, and authority

The culture of ethical behavior and Compliance starts with the top management of the company. All board members, managers and executives lead by example and create a Compliance environment and culture within the company, have a thorough knowledge of the rules and ensure their implementation and compliance in practice. Communicate the Compliance program and ensure employee training, proactively identify Compliance issues and risks and take appropriate preventive measures to minimize risks. Create an environment where employees are not afraid to report violations of the rules. In the case of detection of a violation of the rules, they unconditionally and immediately take appropriate measures.

The senior employee is responsible for the subordinate employees in terms of organizational and labor law regulations and ensures their continuing education.

He is obliged to:

- with regard to the principles of the Code of Ethics, to organize and control the performance of assigned tasks, while ensuring respect for legal and internal regulations and preventing any violation thereof,

- to have tasks of a technical-operational nature professionally reviewed from the point of view of technical documents corresponding to the matter, safety, fire, health and ecological aspects, including the presentation of relevant documentation, certificates, test results and attestations,
- not to tolerate violations of legal regulations and internal rules and, when an attempt to violate them is discovered, draw labor-related legal consequences. He is aware that violation of the rules of occupational safety, fire protection, neglect of preventive measures and maintenance can lead not only to ethical consequences for the company and affected employees, but also to material and financial damages that greatly exceed the costs of preventive activities, or up to accusations in terms of administrative or criminal liability of the company,
- solve ambiguities with the solution of labor or legal issues with personnel officers and lawyers in order to ensure compliance with labor-legal regulations, administrative and criminal liability of the legal entity and other legal regulations.

The responsibility of managers does not exempt employees from their own responsibility in fulfilling the Compliance rules and fulfilling their work duties.

## 1.5 Quality and health safety of products, environment, work safety

- Quality management and control systems are implemented so that products and production processes meet or exceed legislative and regulatory requirements, as the quality and safety of products and production processes are among the highest priorities in all industries where DEZA, a.s. conducts business (safe and healthy food and feed, agricultural commodities, sustainable biofuels, safe chemical products meeting ecological standards, etc.)
- DEZA, a.s. protects its employees and third parties. It complies with applicable laws as well as appropriate company rules, protects health of its employees, follows occupational safety rules and rules for the safe operation of technical equipment.
- DEZA, a.s. respects the protection of the environment and complies with the legal regulations applicable to this area.

## 2. Relationship with business partners and third parties

### 2.1 Protection of fair competition and principles of fair trade

DEZA, a.s. is ready to compete successfully in today's business environment and will always do so in full compliance with all competition and unfair competition laws.

Thus, employees must always follow these rules:

- Business policy and pricing will always be set independently and must never be agreed on, formally or informally, with competitors or other parties, directly or indirectly.
- Customers, territories or product markets will never be colluded with competitors but must always be the result of fair competition.
- Competitors or competitors' agents must never be given sensitive business information, which may include information about prices, offers, business terms, market share, costs or margins.
- When participating in trade associations or within other mutual relations with competitors, it is prohibited to participate in actions that would be contrary to legal regulations or this code. Should a competitor seek such conduct, it is absolutely necessary to express your disapproval.

- In the case of a leading or significant position in the market, one must never act in a way that would be perceived as an abuse of the market position (e.g. selling products or services below the level of production costs, etc.)
- Conduct with customers and suppliers must always be done in a fair and just manner.
- All employees, but especially those working in sales and purchasing, marketing or those who are in regular contact with competitors, are required to familiarize themselves with all relevant competition laws and, if in doubt, to contact legal department of DEZA, a.s. or if necessary, turn to a specialist in the Legal Division of AGROFERT, a.s., where they will be provided with the required information and regular training and training regarding the Law on the Protection of Economic Competition and other relevant competition regulations. This training is mandatory for selected employees.

## **2.2 Business negotiations and conduct**

- The company offers and sells its products and services based on their quality and price.
- All business operations must be approved according to the applicable internal rules.
- Business relations must be in accordance with generally binding legal regulations and are documented by relevant documents.
- In business activities, employees observe legal regulations against money laundering and financing of terrorism.

## **2.3. Business courtesy, anti-corruption behavior and relations with the public domain**

- The employee must respect anti-corruption regulations. It is forbidden to develop activities that could be understood as corruption and influencing a partner in order to obtain an unjustified advantage for DEZA, a.s. or the AGROFERT concern.
- Employees may not directly or indirectly (through third parties) offer, give, demand or accept bribes or gifts and favors that could be construed as a bribe or special advantage. Only corporate gifts of reasonable value may be accepted and provided. Other gifts must be tactfully declined.
- An employee may only accept and offer invitations to entertainment of reasonable value, or where refusing an invitation would be contrary to the principles of courtesy.
- Caution is also appropriate for activities such as invitations to an event, field trip, conference, etc., which may only be given or accepted as part of official company activities (never in isolation) to the extent appropriate for legitimate business purposes, as long as they are consistent with normal business courtesy, or usual procedures in the industry, and which exclude the impression of inappropriate influence.
- Employees respect the rules and regulations for subsidies, public tenders and other contracts of state and public institutions. They provide true and correct information in communications and documents. It is prohibited to influence the representatives of these institutions in any way in order to obtain an unauthorized competitive advantage.
- Any negotiations and communication with representatives of organizations related to the public domain during a public tender or the subsidy allocation process take place only to the extent defined by legal regulations, and in these cases the employee is not authorized to maintain above-standard relations with persons influencing decision-making.

## **2.4 Rules for awarding contracts and negotiating business relationships**

- Every potential supplier who wants to receive a contract from the company expects an honest and unbiased review of his offer, which must be respected by the company's employees who have a

procurement job in their job description; the same applies to the conclusion of business and sales contracts with DEZA's customers, a.s.

- Suppliers applying for contracts must not be unfairly favored or disadvantaged in any way, nor should customers.
- Business relations are established only with partners where there are no doubts about their reputation, the legality of their business and whose funds come from legitimate sources. It is not allowed to participate in activities that could assist a third party in carrying out potentially illegal activities. The manager responsible for the business relationship is obliged to vet the business partners and in case of doubt or possible risk to the company's reputation will not enter into the business relationship.
- The Company complies with all applicable regulations, rules and controls related to international trade, including international sanctions (e.g, restrictions on trading certain types of goods with certain partners.)

## 2.5 Gifts

DEZA, a.s. provides targeted monetary and in-kind donations to finance science and education, research and development, culture, education, fire protection, support and protection of youth, protection of animals and their health, for social, medical, ecological, humanitarian, charitable, physical education purposes, sports etc.

DEZA, a.s. proceeds in the matter of giving gifts according to the following rules:

- fundamentally does not comply with the requests of private citizens, does not provide payments of even small amounts to private accounts; an exception to the given rule may be approved by the company's board of directors, taking into account the social or other aspects of the request,
- does not provide any contributions to persons and activities if their support could harm the reputation of DEZA, a.s. or the AGROFERT concern,
- the recipient of the gift is known and the specific method of its use by the recipient, the reasons for the contribution,
- the use of the gift must be substantiated at any time by presenting receipts,
- it is prohibited to accept and provide gifts/contributions provided as compensation for a certain work or service significantly exceeding the value of that service.

## 3. Conflict of interest prevention

### 3.1 Conflict of Interest

Employees have a duty to ensure that their work activities do not come into conflict between their private interests and the interests of DEZA, a.s. or the AGROFERT concern and consistently prevent all situations that could create a real, perceived or potential conflict of interest.

- An employee is obligated **to report to his supervisor or manager any personal interests that could influence the assignment and implementation of his assigned work** (i.e. prove his independence in the course of performing his duties - an example of such a risk of conflict of interests and possible bias are: personal or professional ties/relationships of the employee and persons close to him with employees/beneficiaries of a business partner, interest of an employee or a close person in the income of a business partner, personal business relationships of an individual nature(1), as well as a confidential non-work relationship with a subordinate).
- **Supervisor always evaluates the risk of a conflict of interest and decides on additional measures** (e.g. in the area of control and approval of the business relationship on the transfer of responsibility for

relations with the given partner to another employee) and **must submit** a written report to the relevant Compliance officer of the company with information about the conflict of interest and its solution.

- Employees may not place any personal orders or do business with companies with which they have business dealings if this could result in certain advantages not normally offered to the public - especially in cases where the employee has or could have direct or indirect influence on awarding contracts to this company. A conflict of interest also results in the conclusion of such a deal by a person close to the employee for the benefit of a personal advantage.

## 3.2 Side activities

Each employee is required to perform their work assignments with full commitment and use their best knowledge and skills to fulfill their duties. Secondary activities that negatively affect the fulfillment of this obligation are not allowed.

It is possible to carry out other gainful activities that are identical to the subject of the employer's activity, or that could lead to a possible conflict of interests with the interests of the employer, only with the prior written consent of the employer.

A member of the organization is obliged to comply with the legal and contractual rules on conflict of interest and on the prohibition of competition, including cases of conflict with the interests or business of other companies of the concern. In the case of his conflict of interests or violation of the prohibition of competition or the threat thereof, he is obliged to notify the company of this fact. Every employee and member of the authorities who participates in any way (even as a close person) in enterprises (2) that are in commercial or competitive relations with the company DEZA, a.s., is obliged to report this fact in writing to the relevant Compliance officer of the company.

Unethical transfer of business information, recommendations, know-how and other information about DEZA, a.s. or the AGROFERT concern, which may assist the profitable or competitive activities of other persons is also a conflict of interest.

## 4. Information handling

Effective cooperation requires the correct and truthful provision of information in the company in relation to investors, customers, business partners, the public and state institutions, as well as colleagues.

### 4.1 Financial statements and controls

All reports, financial statements, data reports, or drawings for internal and external use must be correct and correspond to reality.

In accordance with the principles of proper accounting, the data must be complete, correct, timely, and correctly maintained in the economic-administrative software, which also applies to the accounting of sponsorship donations.

All transactions must be recorded and documented. Defined processes and controls ensure that all operations are carried out according to established rules and approval mechanisms so that any unapproved, undocumented or unauthorized transactions can be identified.

### 4.2 Privacy and handling of personal data

DEZA, a.s. is obliged to process personal data only for legitimate purposes resulting from relevant legal regulations and contractual relationships or based on the consent of the subject of personal data.

Employees are required to know and comply with applicable laws, policies on the collection, use, transfer and retention of personal data and provide comprehensive protection to all personal data collected by the Company.

### 4.3 Trade secrets and confidentiality of information

The employee must not reveal sensitive business information that he learns about in connection with the performance of his work; he must protect it and make sure that there is no unwanted leakage of this information. These are mainly trade secrets, the company's relations with group members, business methods and procedures, pricing policy, business plans and marketing strategies, information on business partners, terms and conditions of contracts, information on financial and volume indicators of traded products, goods and services, on the status of funds and the course of financing, about the financial statements before their release to the public, about the working and wage conditions of the company's employees, about any personal data, etc. Violation of this obligation would significantly violate the company's legitimate interest in protecting this data, and the company would be at risk of damage.

Confidentiality of information is maintained even after termination of employment.

## 5. Complaints and initiatives

According to valid labor law and organizational rules, employees should, if possible, use internal options to settle disputed cases that they may encounter in the course of their work, by way of work rules.

Every employee of DEZA, a.s. can raise a complaint or point out circumstances from which it can be concluded that there has been a violation of the ethical rules, to his superior, the head of the human resources department, the company's lawyer or the Compliance officer.

One of the tools to resolve possible violations of the rules of ethical behavior is the Ethics Line, which every employee of DEZA, a.s. can contact to communicate any findings or suspicions of unethical behavior at DEZA, a.s. or the AGROFERT concern:

<http://www.agrofert.cz/compliance/>

Or by phone: **+420 272 192 999**

**Every complaint, recorded at any level of the team of the Compliance Officer or the TELL US ethics line, will be investigated in detail and, if necessary, corrective measures will be taken.**

**All documents related to the investigation are confidential.**

**Any retaliatory measures against the person who provided the impetus for the investigation are not permitted and tolerated.**

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<sup>1</sup> Individual means individually agreed business conditions or discounts in a private business relationship with this partner, e.g. in the construction industry, where individual work deliveries are individual agreements (i.e. if an employee influencing the given company's order for the employer also uses this company's supplies privately). For services without an individual option for discounts, which are governed by standard rules and price lists, this conflict of interest is not expected if it concerns conditions and discounts normally offered to the public - for example, it is not a conflict of interest to have standard rates with the company's mobile operator normally offered to the public or a current account according to the standard business conditions of the bank that provides financial services to the employer.

<sup>2</sup> Ownership share, share in the control and management of the company, beneficiary, member of the body, employment-legal relationship.