

**ENERGO-PRO Group**

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# Whistle Blower Policy

**2021**



  
**ENERGO-PRO**

## **WHISTLE BLOWER POLICY (THE "POLICY")**

### **1. Introduction**

Our core business is the hydropower sector. We operate hydropower plants in Central and Eastern Europe, the Black Sea and the Caucasus. We are also engaged in electricity distribution and power trading, operating large-scale distribution grids in Bulgaria and Georgia with more than 2.3 million grid customers.

Our company was established in 1994 in the Czech town of Svitavy, participating in the modernization and rehabilitation of hydropower energy in Central and Eastern Europe in the period of economic transition. The total installed capacity of our power plants is 1,243 MW, while annual power generation is more than 3.8 TWh.

One part of the multinational group ENERGO-PRO, headquartered in Prague, is the Slovenian manufacturer of water turbines, Litostroj Power d.o.o., with projects delivered to more than 60 countries worldwide. Its subsidiary, Litostroj Engineering a.s., registered in the Czech Republic (formerly known as ČKD Blansko Engineering, a.s.), focuses on research, design and engineering works. Litostroj Group also supplies equipment for hydropower plants, including pumped-storage HPP and pumping stations.

In October 2019, the European Parliament and Council passed the EU Directive 2019/1937 (the "Directive") setting out requirements for the protection of whistle blowers and acknowledging the importance of providing balanced and effective whistle blower protection. The Czech Republic, together with other EU Member States, is required to transpose the provisions of the Directive into national law. This Policy sets out ENERGO-PRO's responsibilities and commitments towards whistle blower protection and applies to ENERGO-PRO a.s. (the "Company"), together with its affiliates (the "Group").<sup>1</sup>

### **2. Definition**

The European Union defines whistle blowers as *"persons who report (within the organisation concerned or to an outside authority) or disclose (to the public) information on a wrongdoing obtained in a work-related context, help preventing damage and detecting threat or harm to the public interest that may otherwise remain hidden"*.

For the purposes of this Policy a whistle blower can be a prospective, current or former partner, director, officer, manager, employee, supplier, contractor, volunteer or intern of any Group company.

A whistle blower is protected under this Policy if he/she learns about possible illegal activities (or other material wrongdoing) in any of the following areas:

- Abuse of power.
- Anti-competition.
- Breach of EU state aid rules.
- Anti-Money laundering.
- Breach of the Global Code of Conduct and company policies.
- Bribery and corruption.
- Conflict of interest.
- Corporate taxation.
- Customer protection (including product safety and compliance).

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<sup>1</sup> The Group includes DK Holding Investments, s.r.o., the sole and direct shareholder of ENERGO-PRO a.s., and all of its direct and indirect subsidiaries.

- Discrimination.
- Environmental protection (including animal health and welfare).
- Financial services including accounting and internal controls.
- Harassment, bullying and sexual misconduct.
- Health and safety (including public health protection).
- Human Rights abuses.
- Improper use of company assets including theft.
- Insider trading.
- Personal data protection and privacy.
- Security of networks and information systems.
- Procurement law.
- Protection of the EU's financial interest.
- Protection of the public order and internal security.
- Substance abuse or drugs.
- Workplace misconduct.

Concerns regarding personal work-related grievances are dealt with through the internal grievance mechanism procedure. Concerns regarding external stakeholders such as communities are treated through the stakeholder Grievance Mechanism Procedure.

### **3. Objectives**

The objectives of this Policy are:

- To comply with the Directive and any Czech law on whistle blower protection.
- To protect people who report breaches (meaning possible illegal activities or other material wrongdoing, as described above) which they have learned about in connection with their work.
- To prevent retaliation<sup>2</sup> towards whistle blowers.

### **4. Reporting Procedure**

People wishing to report breaches under this Policy will follow the following process:

- A. Contact by telephone, mail or email the Whistle Blower Policy designated person (WBDP) mentioned in section 5 of this Policy. To report breaches that constitute or may constitute bribery or money laundering, submit an irregularity report form electronically in accordance with Annex 5 of the Group Anti-Bribery and Anti-Money Laundering Policy available in the Company website. People wishing to remain anonymous must state so in the first contact with the WBDP. A personal meeting with the WBDP (or a person designated by him/her) can be agreed.
- B. The WBDP will note the key points of concern and request documentary evidence, if available. The whistle blower must provide as much detail as possible including dates and a detailed description of the issue of concern. Useful data to provide includes:
  - Date, time and location.
  - Names of person(s) involved, roles and department.
  - Relationship with the person(s) involved.
  - Nature of concern.
  - How the information about the concern was obtained.
  - Witnesses.
  - Other relevant information to support the report (e.g., documents, photos, etc.).
- C. The WBDP will acknowledge receipt of each report within 7 days and thereafter conduct an initial investigation, seeking any required support from relevant offices

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<sup>2</sup> Retaliation can include dismissal, reduction of pay, discrimination, transfer to another job or place, and change of working time schedule, among others.

and/or sites. If contact with different offices/sites is required, the WBDP will ensure that the people supporting the investigation are aware of the provisions of this Policy and the requirement to protect the whistle blower, including prevention of any form of retaliation.

- D. If the initial investigation indicates possible misconduct, the WBDP will inform the Group general counsel ("GC") and continue the investigation. The WBDP will keep the GC informed of the investigation's progress.
- E. Depending on the subject matter of the report and the supporting evidence available, the WBDP will conduct a thorough investigation. Internal and external legal advice will be sought, if required. The investigation process will:
  - Follow a fair process.
  - Be confidential (including by its non-accessibility to non-authorised staff members).
  - Be conducted efficiently and without delay.
  - Determine if there is sufficient evidence to establish the truth of the alleged acts or omissions.
  - Be independent of the people concerned by the reporting.
  - Presume innocence of the people involved until the investigation is complete.
- F. The WBDP will prepare a report detailing the subject matter of the report and the results of the investigation. The Report will be provided to the GC.
- G. The GC will review the report in no more than 1 week and promptly thereafter communicate such report, a summary of its key findings and a proposed course of action to the Board of Directors (BOD) for its approval.
- H. The WBDP will inform the whistle blower of the results of the investigation and the course of action approved by the BOD within 3 months after the WBDP acknowledges receipt of the initial report.

Additional Information for the whistle blower:

- A. Whistle blowers should ensure that they have reasonable grounds to suspect conduct that warrants reporting. In reality, a mere allegation without evidence or supporting information, will be unlikely to prove any wrongdoing.
- B. A whistle blower does not need to prove the allegation (this is up to the WBDP), however it will facilitate the investigation process.
- C. ENERGO-PRO will protect the identity of the whistle blower, subject to lawful disclosures.
- D. Whistle blowers can remain anonymous, however in this case it will be difficult to investigate or take action unless the whistle blower provides very detailed supporting evidence.
- E. If the whistle blower suspects any type of retaliation from the business following a report, he/she must inform the WBDP immediately.
- F. A whistle blower must make a report through the WBDP to qualify for protection under this Policy.
- G. When making a report, the whistle blower will be expected to have reasonable grounds to suspect the information reported is true. If this is the case but information proves untrue or incorrect, the whistle blower will not be penalized. However, if the whistle blower knowingly provides false or misleading information, it could result in disciplinary action and/or other legal consequences.
- H. Physical and legally obtained electronic (including audio-visual) records of reports, conversations and meetings created pursuant to this Policy, and other materials connected with any investigation of a report, will be retained for a reasonable and proportionate period. Any minutes or transcripts of reports, conversations or meetings will be provided to the whistle blower for review and approval.
- I. A whistle blower can make an external report to any public agency established in accordance with the Directive, however only if he/she has already used the internal reporting procedure created pursuant to this Policy and has reasonably and fairly concluded that it failed effectively to operate on its terms.

## **5. ENERGO-PRO Designated Person**

Subject to the next following paragraph, the WBDP will be:

[Environmental and Social Group Head]

Catherine Garcia (she/her)

ENERGO-PRO a.s.

Palladium, Na Poříčí 3a

110 00 Prague 1, CZ

[c.garcia@energo-pro.com](mailto:c.garcia@energo-pro.com)

[telephone number: +90 534 277 5234 (Turkey) and +420 777 731 616 (Czech Republic)]

If any Group company has an Internal Audit Division, the WBDP will be the head of such Internal Audit Division from time to time when an irregularity has been communicated through this policy.

## **6. ENERGO-PRO Commitment**

ENERGO-PRO commits to investigating all issues brought forward through the whistle blower process and to treat all people making reports with respect, free from harassment and retaliation. Like protection will be afforded to any facilitator or connected person of a whistle blower and/or to any legal entity which the whistle blower owns, works for or otherwise works with.

ENERGO-PRO recognizes the difficulty that an employee may encounter in making a report and that whistle blowers might wish to remain anonymous. In these situations, the identity of the whistle blower will remain confidential, subject to lawful disclosures. The WBDP will discuss the process with the whistle blower and obtain consent prior to disclosing his/her identity.

ENERGO-PRO will not initiate, and will not tolerate, any form of retaliation against a whistle blower, especially by persons named in any report. Examples of retaliation can include:

- Dismissal.
- Demotion.
- Reduction of salary.
- Reduction or increase in working hours.
- Job transfer without consent.
- Lack of access to promotions or capacity building opportunities.
- Negative job performance evaluation that does not reflect actual performance.
- Harassment, intimidation, threats and/or bullying.

## **7. Distribution**

This Policy is available on the Company's website, is incorporated in selected standard terms and conditions of business, and may be reviewed by directors, officers, managers, employees and other staff of any Group company. This Policy will be reviewed regularly and updated to meet the requirements of law, best practice, our partners and stakeholders.

## **8. Entry into Force**

This version of the Policy enters into force and is effective on and from July 15, 2021.