

**VT DZU**

**VIDEOTON Bulgarian Holdings**

**VEAS Bulgaria**

**VT Bulplast**

## **CODE OF CONDUCT AND ETHICS**

**TECHNOLOGY**

**STABILITY**

**SUSTAINABILITY**

**DYNAMISM**

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April 2025

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## 1. Introduction

The most significant elements of the activities of VT DZU AD, VEAS Bulgaria Ltd, VT Bulplast Ltd and VDEOTON Bulgarian Holdings Ltd (collectively referred to hereafter as VDEOTON Bulgaria) are the commitment to ethical conduct and a solid ethical foundation. Our companies are committed to conducting their business with a high ethical culture and uncompromising compliance.

Our effectiveness is unthinkable without trained and ethically committed employees. It is a basic requirement for all employees of VIDEOTON Bulgaria to perform their work in full compliance with legal, moral and professional regulations.

We work exclusively with organizations that have an impeccable track record of human rights and compliance. We continuously monitor that our partners' overall activities are in line with our Code of Conduct and Ethics.

The Code of Conduct and Ethics summarizes the basics of ethical work and its directives. It sets out those fundamental corporate values that define the day-to-day work of our companies, thereby supporting the continued success of the business group. It contributes to the further development of the corporate culture, creates synergies between organizational units, and strengthens our internal and external relationships. Familiarity with the document, adherence to its rules, and monitoring of changes are basic requirements for all employees. We expect both our employees and our partners to adhere to this Code in both their professional and personal conduct.

Videoton Bulgaria companies are committed to lawful, ethical and transparent organizational behavior.

We provide our employees with the opportunity to report violations of the Code of Conduct and Ethics in person, by telephone or by email. We also make every effort to protect the employee who reported the violation from discrimination and unfair treatment. We prohibit retaliation or negative consequences against anyone who in good faith reports an actual or suspected violation of the values and directives of the Code of Conduct and Ethics.

Our Managing Directors have a prior responsibility to convey by their conduct the importance of the Code of Conduct and Ethics and to deal with any ethical issues that arise as soon as possible. Employees are required to cooperate in the investigation of any ethical violation. Inappropriate conduct that does not comply with the Code may be considered misconduct that may result in disciplinary action and appropriate disciplinary action.

## 2. Scope of the Code of Conduct and Ethics

The provisions of the Code of Conduct and Ethics shall apply to all employees (including temporary workers and interns) of VIDEOTON Bulgaria. We expect our suppliers and business partners to accept and comply with our ethical values and related requirements.

## 3. Ethical values

The core values of VIDEOTON Bulgaria are respect for human dignity, privacy, respect for others, fairness, responsibility, reliability and acceptable behavior in accordance with the law.

### 3.1 Child Labour, Forced Labour, Modern Slavery and Human Trafficking

Videoton Bulgaria believes in treating all people with dignity and we work to create a culture of respect, ethics and social responsibility.

Any form of child labour, forced labour, modern slavery or exploitation is unacceptable and incompatible with our values. We encourage all of our suppliers, business partners and customers to also share our commitment to this important cause and to work with us by agreeing to abide by our Code and all applicable laws and regulations that prohibit these practices.

Videoton Bulgaria aims to provide a safe and fair working environment for all and takes all necessary measures to identify and prevent human rights violations in our companies and their supply chains.

#### **Action plan for the detection of child labour in Videoton Bulgaria:**

- Immediately stop child labour and ensure child safety and health;
- Notification of the Child Protection Agency and the Ministry of Interior;
- Making contact with the child's parents/carers;
- Family support to reduce dependency on child labour;
- Introduce long-term measures to prevent future cases of child labour;
- Monitoring and evaluation of the effectiveness of the measures taken.

#### **Action Plan for the detection of forced labour, modern slavery and/or trafficking in human beings in VIDEOTON Bulgaria:**

- Immediate stoppage from work and ensure the safety and health of the worker;
- Notification of the Social Assistance Directorate and the Ministry of Interior;
- Maintain contact regarding worker health and safety;
- Provide support to the worker to reassign or find employment;
- Introduce long-term measures to prevent similar future cases;
- Monitoring and evaluation of the effectiveness of the measures taken.

### 3.2 Employees

**Human rights:** we are committed to respecting the dignity and human rights of all people and communities with whom we come into contact in the course of our activities. We condemn inhuman treatment, human rights violations and discrimination. Our managers and employees must treat everyone with dignity and respect. They must show respect and acceptance of the religious, national, ethnic, sexual and political affiliation of others; They must refrain from racist displays and the dissemination of content that could be construed as incitement to racism; They must unconditionally respect the constitutional and legal rights of others and should in no way use vulgar, obscene, abusive or defamatory language;

**Discrimination:** we strive to create a work environment where individual differences are accepted. Any discrimination based on a person's real or perceived characteristics (gender, race, color, nationality, national or ethnic minority, native language, disability, medical condition, religious or philosophical beliefs, political or other opinions, marital status, maternity/pregnancy or paternity, sexual orientation, gender identity, age, social background, financial status, nature of employment or other part-time or specified

**Right to off-the-job political activity and the right to free trade union association:** We do not restrict political activity by our employees outside the company, but we do prohibit political campaigning in the workplace. Employees are not permitted to use the names "VT DZU" and/or "VIDEOTON" during individual political activity, nor are they permitted to give the impression that the VIDEOTON Bulgaria business group is committed to supporting a particular political party. Under current laws, our employees have the right to form or join trade unions. VIDEOTON Bulgaria provides equal rights and opportunities for its employees, regardless of their political views or their participation/non-participation in trade unions.

**Alcohol or Drug Use:** We strictly prohibit our employees from performing their duties under the influence of alcohol or drugs, or from possessing, selling, buying or dealing in illegal substances or drugs.

**Violence in the workplace:** VIDEOTON Bulgaria strongly opposes all forms of violence in the workplace, as well as the threat of violence, and any behavior that may cause fear or make employees feel unsafe at work.

The companies of Videoton Bulgaria have internal security in case of violence:

- Security intervened to immediately stop the violence;
- Employee safety and health are ensured;
- Notify the authorities of the Ministry of the Interior about the violence;
- We initiate disciplinary proceedings under the Labour Code;
- Introduce long-term measures to prevent similar future cases;
- Monitoring and evaluation of the effectiveness of the measures taken.

**Harassment:** we expect all our employees to refrain from any form of harassment towards others. Any conduct, whether verbal, non-verbal or physical, that is carried out with the purpose or effect of violating a person's dignity, creating a threatening, hostile, abusive or humiliating environment is prohibited.

Sexual harassment is any act, verbal remark or written communication related to gender and sexuality (physical contact, provocative, covert behaviour) that violates a person's sexual integrity or intimate sphere.

**Offensive forms of communication:** employees of the companies of VDEOTON Bulgaria should address their colleagues and partners of the organization in an appropriate, collegial manner. Condescending, arrogant, abusive, disrespectful address violates ethical standards in all cases.

### 3.3 Protection of the reputation of VDEOTON Bulgaria

**Compliance with legislation:** our companies adapt to and strictly comply with the applicable laws and regulations of the Republic of Bulgaria and the European Union. Compliance with legislation is a fundamental requirement for our employees and partners.

**Standard of Conduct:** As individuals, we are also responsible for creating and maintaining a good image. Our employees and partners should refrain from any actions that could adversely affect our companies' reputation. It is their moral obligation to represent the reputation of VDEOTON Bulgaria and to represent it appropriately to the public.

It is unacceptable for employees to express opinions that damage the reputation of DZU-VIDEOTON Bulgaria business group, both verbally and in writing, including on social networking platforms. It is unacceptable for employee conduct to express any form of harassment, intimidation, discrimination, inappropriate tone or offensive language. In the event of an ethical issue concerning a Business Group company, employees may contact the individuals listed in Section 7 by any of the contact methods listed.

### 3.4 Fair business

Videoton Bulgaria's cooperation with other organizations is based on trust and mutual benefit in accordance with competition law. Our organization is committed to ethical and fair competition. We sell our services and the products we manufacture based on their quality, conformity and competitive price. All of our employees are personally responsible for complying with the legal, professional and ethical rules associated with their job and level of responsibility.

Competition and antitrust laws determine how we enter into business relationships with competitors, customers, suppliers and other third parties. It is not permissible to enter into agreements with a competitor on the terms of sale (prices, discounts, credit terms, etc.) concerning the setting of production standards, volumes, the allocation of customers or territories or the boycott of a customer.

Videoton Bulgaria managers and employees are in no way involved in bribery, cartel agreements or any other actions that violate the law and fair competition.

Our companies act in accordance with the principles of fairness and business integrity in their dealings with customers and suppliers. We do not provide misleading or false information to our customers and suppliers.

**Anti-Corruption:** In all cases, it is prohibited to influence or obtain undue or illegal advantage in return for payment. We strongly condemn and reject all forms of corruption. It is prohibited to offer, promise, give, solicit or approve any unfair advantage or benefit of a monetary or non-monetary means of payment (e.g.: voucher) or gift, directly or indirectly, for the purpose of obtaining an undue/illegal business advantage.

**Gifts and hospitality:** We avoid any behavior that may give the impression of seeking, receiving or giving preferential treatment in return for personal or official benefits.

Occasional gifts and acts of hospitality may be offered by our employees in accordance with standards of reasonable business etiquette. Managers and employees in our organization may not give or accept anything that constitutes an unfair business incentive or that violates any law, regulation or principle of ethical conduct. Our employees may not receive or accept, directly or indirectly, any reimbursement, rebate, benefit or gift whose value exceeds 10% of the current national minimum wage from any person, firm or corporation that has a business relationship with our companies.

**Conflict of interest:** employees of the companies of VIDEOTON Bulgaria are not allowed to participate in activities that are incompatible with their work and responsibilities, are not allowed to accept recommendations that are incompatible with business ethics, or to secure a personal advantage. All business steps may only be performed and documented in a form that can be verified after the fact in accordance with generally applicable business standards. We accept the civic and community activities of our employees; however, these activities must not be incompatible with the position they hold with the company.

## 4. Commitments of the organization

### 4.1 Accounting, actual reporting and financial integrity

The companies of VDEOTON Bulgaria prepare financial statements in accordance with generally accepted accounting principles and relevant laws, present them and publish them appropriately. All financial and other records of our companies accurately and completely reflect our own revenues, expenses, assets and resources. We condemn all forms of money laundering; we are committed to entering into economic relationships only with those partners who conduct legitimate business from legitimate sources. We are committed to fair taxation and refrain from all tax avoidance practices.

It shall be unlawful for any person to make any false, misleading or fraudulent entry in any book, statement or register of any company. Furthermore, it shall not be permissible to provide false information to government authorities and officials.

### 4.2 Right of competition

The companies of VDEOTON Bulgaria shall refrain from any conduct that may lead to a restriction of market competition or abuse of a dominant economic position. Employees must be aware of their responsibilities in the area of competition during their daily activities, both with competitors and business partners. We consider compliance with ethical standards a priority, so we regularly review and monitor our partner organizations (customers and suppliers).

### 4.3 Responsible sourcing

Videoton Bulgaria, in cooperation with its suppliers, strives to comply with the provisions of the Code of Conduct and Ethics, which may include joint audits and on-site inspections to assess performance. Our companies encourage all suppliers to apply the provisions of the VDEOTON Bulgaria Code of Conduct and Ethics to their own company and supply chain.

The VDEOTON Bulgaria companies are committed to make the necessary efforts to comply with all applicable rules, mandatory commercial regulations and restrictions. The Organization is committed to complying with any international sanctions related to prohibiting or restricting the sale, purchase, transfer of, or access to goods, funds, services, software or information. We pay particular attention to compliance with the **REACH** regulation and **ROHS** directive in force in the European Union.

Our companies adhere to the directive of customer expectations to source tin, tantalum, tungsten and gold (3TG) from a highly responsibly selected global source. Our responsible sourcing also applies to minerals sourced from any conflict-affected and high-risk areas (CAHRA). We ensure that members of our supply chain do not contribute to the financing of armed conflict. In addition, the VDEOTON Bulgaria procurement policy prohibits the following:

- abuses related to the extraction, transportation or trade of minerals;



- direct or indirect protection of non-state armed groups;
- direct or indirect support to public or private security forces;
- Bribery, fraud by misrepresenting the origin of minerals;
- money laundering operations;

VDEOTON Bulgaria undertakes to provide its customers with the collected data on the suppliers in the respective supply chain in a valid CRT file format.

The companies of VDEOTON Bulgaria establish **Conflict Minerals Policies**.

#### 4.4 Information security, trade secrets, intellectual property, personal data protection

Confidential corporate information means such information to which access is restricted and which is of particular importance to the business of companies. This may be confidential information about customers, suppliers, competitors, trade secrets. All employees are required to keep this information confidential. They may not disclose business secrets or confidential information or give false information about the companies, products and services. Employees must continue to maintain confidentiality even after termination of employment.

Employees should refrain from sharing information, either formally or informally, related to the work and activities of the group in situations where it is not necessary for the general conduct of business, or with people who are not employees or business partners of the organization. Taking photographs or recording videos at all VDEOTON Bulgaria sites is only permitted if it is necessary for the business of the organization.

In order to ensure the integrity, confidentiality and availability of business information, we implement appropriate IT security solutions that are the responsibility of employees, according to their job descriptions, and whose purpose is to protect company information from threats. At the end of the daily work, employees must ensure that materials created and stored on paper or in electronic form do not remain in a location and condition accessible to unauthorized persons. All information security rules and the provisions of the company's data protection and data management regulations must be adhered to at all times.

VDEOTON Bulgaria respects and does not infringe the intellectual property rights of other organizations. We do not engage in unauthorized use, copying, distribution or modification of protected intellectual property. We respect the rights of individuals. We acknowledge the claims of employees and partners, as well as others, for the proper management of their data for legitimate business purposes only. We are committed to complying with data protection legislation. We only manage personal data that is required by law, authorised by our employees and used for targeted data processing. We ensure the safety of personal data with appropriate information security measures.

## 4.5 Safe and healthy working environment

VIDEOTON Bulgaria focuses on workplace safety. We provide clean, safe, physiologically and ergonomically appropriate working conditions that meet all regulatory requirements for occupational health and safety. We are committed to maintaining and improving a healthy working environment. We provide regular health and safety and fire safety training and instruction. All employees are required to protect their own health and the health of their colleagues, keep their work environment clean, protect working conditions and work equipment, and comply with occupational health and safety rules, which are regulated by safety, occupational health and fire safety regulations, as well as domestic, national and international legal provisions for creating and maintaining a safe and healthy working environment.

## 4.6 Environmental protection, corporate social responsibility

We consider economic, environmental and social factors when making decisions about work and business. We are committed to promoting sustainable development. As a group of large industrial manufacturing companies, we consider it extremely important to contribute to the green economy, to reduce harmful emissions, specific energy, water consumption and waste generated during our operations; to recycle waste generated and to use environmentally friendly production processes. We advocate the selective collection and recycling of waste. We pay special attention to meeting our present needs without compromising the opportunities of future generations.

VIDEOTON Bulgaria is committed to social responsibility for sustainable development. The scope of our support is expanding year by year, mainly in terms of our industrial base in the town of Vitebsk. We have been expanding our activities in the last few years.

## 4.7 Fair employment, working conditions and living wages

We are committed to achieving workplace equality, legal and fair employment and pay practices, in accordance with applicable minimum wage, overtime and statutory benefit provisions under employment and social security legislation. We strongly oppose the direct and indirect use of child, bonded, forced or compulsory labour in any form. We condemn all forms of illegal, unfair and unethical employment that exploit the workforce, destroy the social security system or serve to evade taxes.

VIDEOTON Bulgaria is familiar with the concept of a living wage. Our aim is to identify the estimates and calculation methods applicable in our region to measure group performance in this area. We strive to ensure that all our employees are remunerated in line with the living wage for the region and the UN targets. We comply with the most stringent legal requirements regarding employee salaries and monitor changes in international labour laws to ensure fair pay. We keep a record of all payments and provide each employee with a pay slip. Our formalized payroll system records all wages, which are paid by bank transfer. We ensure wages are paid in full, on time, and in full compliance with all applicable regulations.

## 5. Company assets

All managing directors, managers, heads of business units and employees should protect the companies' assets. They may not use the companies' assets, capital, facilities, equipment, employees or other resources for personal purposes unless permitted by law or the companies' bylaws.

The companies' assets include physical infrastructure and intellectual property rights as well as all available equipment.

## 6. Communication and press release

Contact with the media shall be made only by designated authorized persons. If any organizational unit receives a request for information from the media, it should direct it to them. Statements concerning the entire business group are made by the executive directors of BT DZU S.A., and statements concerning the production companies in the VDEOTON Bulgaria business group are made by the respective manager. The topic of the interview, the statement and the questions arising shall be coordinated with the representatives of the respective media. No one may make a statement regarding our partnerships without the consent of the respective partner. In the event of an unscheduled interview relating to a specific event, Governors may make a statement as they decide and are responsible for, or may nominate a member of staff to make a statement in accordance with the above principles.

## 7. Reporting ethical issues

If any of our employees becomes aware of a potential violation of any aspect of proper conduct set forth in this Code of Conduct and Ethics, they may file a report in accordance with the provisions of the **INTERNAL REPORTING POLICY**.

The policy is available at:

- the company's internal servers;
- the company's website [www.dzu.bg](http://www.dzu.bg)