



KRÁLOVOPOLSKÁ, a.s.

# Company Code of Ethics

## KRÁLOVOPOLSKÁ, a.s.

### 1. Introductory provisions

The company KRÁLOVOPOLSKÁ, a.s., with its registered office at Křižíkova 2991/68c, Královo Pole, 612 00 Brno, Company ID: 46347267, entered in the Commercial Register kept by the Regional Court in Brno, Section B, Insert 771, represented by Ing. Miroslav Jucha, Chairman of the Board of Directors, issues this Code of Ethics (hereinafter referred to as the "Code") as a binding document for its employees, members of bodies and selected business partners.

### 2. Introductory word from the CEO

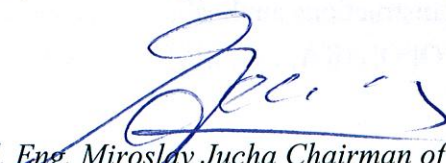
Dear colleagues, dear business partners,

KRÁLOVOPOLSKÁ, a.s. has more than 130 years of history, and during that time we have repeatedly proven ourselves to be a reliable partner for customers at home and abroad. This trust is not taken for granted — it was built by generations of employees who worked honestly, with respect for others and with responsibility towards society.

The Code of Ethics you hold in your hands is not just a formal document. It is an expression of how we want to do business — honestly, transparently, and with respect for the people and environment around us. It applies to each of us without exception, from management to every employee on the shop floor and in the office.

I urge you to review the Code and embrace its principles. If you are ever unsure about how to handle a particular situation, please contact your manager or use the reporting channels described in this Code. We will never punish anyone for asking a question or raising a concern.

Thank you for being part of KRÁLOVOPOLSKÁ.



*Grad. Eng. Miroslav Jucha Chairman of the Board of Directors and CEO*

**KRÁLOVOPOLSKÁ, a.s.**

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### 3. Introduction and mission of the Code

KRÁLOVOPOLSKÁ, a.s. has been guided by the values of honesty, quality and responsibility since its founding in 1889. This Code is a binding document that sets standards of conduct for all employees, management and business partners of the company.

The Code is based on:

- the company's Integrated Management System (ISM) policy,
- certifications according to ISO 9001, ISO 14001, ISO 45001 and ISO 3834-2,
- applicable Czech and European legislation,
- international standards of ethical business (UN Global Compact, OECD Guidelines),
- internal guidelines of KRÁLOVOPOLSKÁ, a.s.

### 4. Scope of the Code

The Code is binding on:

- all employees of KRÁLOVOPOLSKÁ, a.s. regardless of job position,
- members of the board of directors and the supervisory board,
- business partners, suppliers and subcontractors in cooperation with the company, to the extent determined by the contractual documentation.

### 5. Core values and principles of integrity

KRÁLOVOPOLSKÁ, a.s. stands on five pillars of integrity:

- Quality – we deliver products and services that meet the highest technical standards.
- Safety – job security and health protection are the highest priority.
- Honesty – we act transparently and truthfully.
- Responsibility – we accept responsibility for economic, social and environmental impacts.
- Respect – we respect the dignity of every person and the diversity of opinions.

### 6. Integrated Management System (ISM)

The company operates a certified ISM covering ISO 9001, ISO 14001, ISO 45001 and ISO 3834-2.

Each employee is required to follow the ISM procedures and instructions applicable to his/her work area, in accordance with the internal guidelines of KRÁLOVOPOLSKÁ, a.s.. ISM records must be kept accurately, completely and in a timely manner.



The company's management regularly reviews the effectiveness of ISM through internal audits and data analysis; employees are required to provide truthful information to auditors.

## **7. Job security and health protection (OSH)**

Safety is part of every work decision. Every employee is required to follow all safety regulations, procedures and instructions, use PPE, not work under the influence of alcohol or drugs, undergo medical examinations and report injuries and hazards immediately.

Senior employees ensure a safe working environment, conduct regular safety inspections, and promptly address reported risks.

BOZP rules are applied in accordance with the internal guidelines of KRÁLOVOPOLSKÁ, a.s.

## **8. Environmental protection and sustainability**

The company minimizes the negative impacts of production on the environment, complies with legislation and ISO 14001 requirements, reduces resource consumption, sorts and disposes of waste, and works to reduce emissions.

Employees are required to follow internal environmental procedures and report environmental incidents immediately.

## **9. Production and welding quality (ISO 3834-2)**

Each employee is responsible for the quality of their work. Production is carried out in accordance with technical documentation, procedures and standards. Non-conformities must be reported immediately, concealing them is a serious violation of the Code.

Welders must have a valid qualification according to ČSN EN ISO 9606; welding without qualification or in violation of the WPS is prohibited. Quality documentation must be kept accurately and truthfully; falsification also has criminal consequences.

Non-conformity management is carried out according to an internal process in accordance with the internal guidelines of KRÁLOVOPOLSKÁ, a.s.



## **10. Relationships with the customers**

Employees treat customers professionally, honestly and with respect, provide truthful information, comply with contractual obligations and resolve complaints without undue delay. Customer satisfaction is monitored through questionnaires and communication, and the results are used for improvement.

## **11. Relationships with suppliers and subsuppliers**

Suppliers are selected transparently based on price, quality, deadlines, reliability and ethical profile. The evaluation is carried out according to a system of categories according to the internal External Provider Card.

Suppliers are required to comply with legislation, respect human rights, prohibit child and forced labor, and have transparent practices.

Purchases must be supported by an order or contract approved by an authorized person; oral agreements above the specified limit are unallowable.

## **12. Anti-corruption measures and bribery**

The company has a zero tolerance policy towards corruption. It is prohibited to offer, give or accept bribes, use intermediaries for indirect corruption, influence public officials through improper means or condition business on personal advantage.

Facilitation payments are also prohibited. Attempted corruption must be reported immediately to a superior or through whistleblowing.

## **13. Conflict of interest**

A conflict of interest occurs when an employee's personal interests may influence their professional decisions. Examples: financial stake in a supplier, competing business, accepting benefits from suppliers, contracts for family without management's knowledge.

Any potential conflict of interest must be reported immediately. Failure to report is a violation of the Code.



#### **14. Gifts, hospitality and sponsorship**

Employees may not accept gifts from partners that exceed the usual symbolic value (approximately 500 CZK), could influence decision-making, or are offered during a selection process. Gifts exceeding this value must be refused or handed over to a superior.

Providing gifts is permissible only within the framework of common customs, of reasonable value and in accordance with legislation. Hospitality must be reasonable, have a business purpose and be properly documented.

Sponsorship or gifts to organizations must be approved by management and must not serve as a means of indirect corruption.

#### **15. Fair competition**

It is prohibited to enter into agreements with competitors on prices or market sharing, to abuse a dominant position or to coordinate actions to the detriment of customers. Information about competitors may only be obtained through legal means.

#### **16. Human rights, equal opportunities, diversity and inclusion**

The company respects human rights according to the UN Universal Declaration, prohibits discrimination based on personal characteristics (gender, nationality, religion, ethnic origin, political beliefs, health status, sexual orientation, etc.) and sees diversity as an asset. The company also prohibits any form of harassment or bullying.

#### **17. Prohibition of child and forced labor, work during pregnancy**

The company does not employ persons under the age of 15 or persons under the age of 18 in hazardous work, does not tolerate forced labor or withholding of documents, and places the same requirements on suppliers.

Particular emphasis is placed on protecting the health of pregnant employees, breastfeeding women and mothers up to nine months after giving birth, in accordance with the Labor Code and Decree No. 180/2015 Coll.; prohibited work must be changed to suitable work without delay, while maintaining legal requirements.



## **18. Employees and working conditions**

The recruitment of employees takes place transparently and in accordance with internal procedures. The new employee completes OSH, ISM training and familiarization with the Code. The company invests in the education and development of its employees. The evaluation of the employee takes place objectively.

Termination of employment is carried out in accordance with the Labor Code. The employee completes an exit interview and returns the property. The company respects the principle of free choice of employment and does not place unjustified obstacles to termination of employment.

Confidentiality regarding confidential information continues even after the employment relationship ends.

## **19. Protection of property and intellectual property**

Employees must handle company property economically and responsibly. Use for private purposes is only possible with express consent.

The results of creative work created within the framework of the employment relationship are the property of the company. Know-how, procedures, design solutions and strategies are confidential and their unauthorized sharing is prohibited.

## **20. Confidentiality of information and trade secrets**

Employees are required to maintain confidentiality regarding confidential information. Confidential information includes, in particular, business strategies, price calculations, technical documentation, information about customers, suppliers, projects, financial results and employee data.

Confidential information can only be shared with persons with authorized access.

## **21. Personal data protection (GDPR)**

The company processes personal data in accordance with legislation (in particular GDPR), only for legitimate purposes, to the necessary extent, accurately, up to date and for the necessary period.



Employees must protect personal data from misuse, not make it available to unauthorized persons, use it only within the scope of work, and comply with the internal guidelines of KRÁLOVOPOLSKÁ, a.s.

Data subjects have broad rights (information, access, correction, erasure, restriction, portability, objection) and the company responds without undue delay, no later than within 1 month.

Verification of the applicant's identity before providing data is necessary. Data protection is ensured by technical and organizational measures. The retention period corresponds to contractual relationships and legal deadlines, after which the data is securely deleted.

Data breaches must be reported, recorded and resolved according to internal procedures.

## **22. Cybersecurity**

Employees must use strong passwords, not install unauthorized software, not store corporate data on private/cloud storage without IT approval, be vigilant against phishing, and use approved VPNs when working off-site. Devices with access to systems must not be left unattended.

Every security incident must be reported immediately to the IT department.

## **23. Responsible use of artificial intelligence (AI)**

AI tools may only be used for work purposes and in accordance with internal IT instructions; it is prohibited to input confidential information (trade secrets, personal data, technical drawings, contracts) into AI, AI outputs must be verified, and unauthorized AI tools are prohibited. A specific employee is always responsible for the outputs created using AI.

## **24. Communication, social networks and good reputation**

Internal communication should be truthful, factual and respectful. Only authorized representatives may speak on behalf of the company.

Information may only be shared on social media to the extent of publicly available materials. It is prohibited to publish confidential information or content that damages the reputation of the company, customers or colleagues.



## **25. Money laundering and terrorist financing**

The company strictly refuses to participate in money laundering, terrorist financing or other illegal financial operations. It accepts payments only from legitimate sources, verifies the identity of partners, does not accept unusual cash payments and transparently records transactions.

Employees must report “red flags” such as a request for payment to a third-party account, refusal of identification, economically meaningless transactions, unusual payment structures, or the origin of funds from risky/sanctioned countries.

Violation of obligations may have criminal consequences, suspicions must be reported.

## **26. Insider trading**

It is prohibited to use non-public information for personal gain, to disclose confidential business information to unauthorized persons, or to trade securities based on non-public information.

Sensitive information includes data on significant contracts, pre-publication financial results, planned acquisitions/mergers/restructurings, and technical specifications or know-how.

## **27. Export controls and international sanctions**

Before each export, the company verifies whether goods/technology/services are not subject to export control under EU, US and other jurisdictions regulations, checks the customer, end user and destination against sanctions lists and exports dual-use goods only on the basis of a permit.

It is prohibited to circumvent embargoes or sanctions, provide false information in documentation, or supply goods/technology suspected of being used for weapons of mass destruction. Suspected violations must be reported immediately to a supervisor or the Legal Department.

## **28. Financial integrity and reporting**

All financial transactions must be recorded accurately, completely and in a timely manner in accordance with accounting regulations. It is prohibited to create fictitious invoices, falsify records or conceal transactions, and payments without proper justification are unacceptable.



Employees who process financial documents are personally liable. Tampering with records is a serious violation of the Code with possible criminal consequences.

## 29. Relations with public institutions and state administration bodies

The company deals with public institutions honestly, transparently and in accordance with legislation. It does not provide benefits to public officials in order to influence decisions. All communication with authorities is carried out through authorized employees.

The company does not support any political party or candidate; the political activities of employees take place exclusively as private individuals.

## 30. Whistleblowing and whistleblower protection

The company supports a culture of openness and accountability. Every employee has the right, and in certain cases the obligation, to report suspicious or illegal behavior.

The notification can be submitted to:

- the direct superior,
- the legal / responsible department of the company (compliance function), in accordance with the internal guidelines of KRÁLOVOPOLSKÁ, a.s.,
- via the company's internal reporting system, in particular:
  - by e-mail to [whistleblowing@kralovopolska.cz](mailto:whistleblowing@kralovopolska.cz),
  - by post to the company's address to the attention of the relevant person,
  - by dropping a written notice into the box labeled "WHISTLEBLOWING" at the company's headquarters,
  - by submitting a notification in person after prior agreement with the relevant person,
  - directly to the Ministry of Justice of the Czech Republic (by post or through its electronic notification system), in accordance with Act No. 171/2023 Coll., on the protection of whistleblowers.

The detailed conditions for submitting reports, the procedure for handling them, the protection of whistleblowers, deadlines for notification and registration of reports are governed by the Directive on the Protection of Whistleblowers of Unfair Behavior of KRÁLOVOPOLSKÁ, a.s., in accordance with Act No. 171/2023 Coll..



An employee who reports in good faith a suspected violation of the Code or the law is protected from any form of retaliation. Retaliation against the whistleblower is a serious violation of the Code.

Protection applies to whistleblowers acting in good faith. Knowingly false reports are unacceptable and may have disciplinary consequences under the company's internal guidelines and legal consequences under the Whistleblower Protection Act (e.g. a fine of up to CZK 50,000).

### **31. Responsibility of management and managers**

Senior employees must actively promote the values of the Code, create a safe environment for reporting concerns, not encourage violations of the Code, escalate ethical issues and lead by example. An ethical culture is built "from the top".

### **32. Review and update of the Code**

The Code is reviewed and updated at least once a year, or in the event of significant changes in legislation, internal environment or business conditions, in accordance with the internal guidelines of KRÁLOVOPOLSKÁ, a.s. The legal department is responsible for updating it in cooperation with management.

### **33. Sanctions and consequences of violating the Code**

Violation of the Code may result in a written warning, termination of employment (including immediate termination), compensation for damages and criminal charges in the event of unlawful conduct. The severity of the measure corresponds to the seriousness of the violation.

No business opportunity, financial result, or instruction from a superior justifies a violation of the Code or the law.

### **34. Final provisions**

This Code shall enter into force on the date of its publication.

The Code is binding on all employees of KRÁLOVOPOLSKÁ, a.s.

Each employee shall confirm their familiarization with the Code by signing.

The Code is available to all employees on the company's intranet.

Questions regarding the interpretation of the Code will be answered by your supervisor or the Legal/Compliance department.



KRÁLOVOPOLSKÁ, a.s.

This Code of Ethics was approved by: Grad. Eng. Miroslav Jucha Chairman of the Board of Directors and CEO.

Brno, August 3, 2026

Signature:

**KRÁLOVOPOLSKÁ, a.s.**

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