



# KLIMAOPREMA

## Anti-Bribery and Corruption Policy

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Samobor, 11 October 2023

## About this policy

It is Klimaoprema's (KO) policy to conduct all our work in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships.

This Anti-bribery and Corruption Policy exists to set out the responsibilities of Klimaoprema and those who work for us in regards to observing and upholding our zero-tolerance position on bribery and corruption. This Policy forms an integral part of Klimaoprema's Code of Conduct.

It also exists to act as a source of information and guidance for those working for Klimaoprema. It helps them recognize and deal with bribery and corruption issues, as well as understand their responsibilities.

Any act or form of Corruption and Bribery is prohibited in relation to business conducted by or in relation to Klimaoprema.

Any KO employee who violates this Policy may be subject to appropriate disciplinary action, up to and including termination, as applicable.

## Agents and other business representatives

This policy applies to all persons working for us or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners (hereinafter: "Business Representatives") throughout the world.

Our policy is that Business Representatives shall conduct business according to this Policy in the same manner as employees of Klimaoprema. We must never allow or encourage Business Representatives or other third parties to pay or receive bribes or engage in other corrupt practices on KO's behalf.

All Business Representatives must be appointed and compensated pursuant to a written contract with appropriate contractual protection against corruptive behavior. Business Representative who violate this Policy may have their contract terminated with immediate effect.

## What is Bribery?

Bribery refers to the act of offering, giving, promising, asking, agreeing, receiving, accepting, or soliciting something of value or of an advantage so to induce or influence an action or decision or to refrain from acting.

A bribe refers to any inducement, reward, or object/item of value offered to another individual in order to gain commercial, contractual, regulatory, or personal advantage. Bribery is not limited to the act of offering a bribe. If an individual is on the receiving end of a bribe and they accept it, they are also breaking the law.

A bribe can take many forms, including a payment of money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or any other advantage or benefit. Bribery does not have to involve a public official – it can occur between purely private parties, such as two company representatives.

Specifically, you must not:

- a) give or offer any payment, gift, hospitality or other benefit in the expectation that a business advantage will be received in return, or to reward any business received;

- b) accept any offer from a third party that you know or suspect is made with the expectation that we will provide a business advantage for them or anyone else; or
- c) give or offer any payment (sometimes called a facilitation payment) to a government official in any country to facilitate or speed up a routine or necessary procedure;
- d) threaten or retaliate against another person who has refused to offer or accept a bribe or who has raised concerns about possible bribery or corruption.

## Facilitation payments

“Facilitation or grease payments” are payments that facilitate a normal governmental function, such as to expedite processing paperwork. While these types of payments may be accepted as “a cost of doing business” in some cultures, they are illegal and counter to our values.

Even if permitted by local law, no one working or performing services for or on behalf of Klimaoprema may, directly or indirectly, offer, promise or make a facilitation payment in the course of their professional duties.

## Gifts and Hospitality

Giving and accepting benefits that constitute bribes is absolutely prohibited at Klimaoprema. However, limited and reasonable corporate business gifts and hospitality can in some circumstances be accepted as a way of building business relationships if they are transparent, proportionate, reasonable and have a clear business purpose.

It may be difficult to know where the boundaries lie for bribery and corruption. Assessment is often affected by the circumstances in each case. As a minimum, a gift, hospitality or expense must:

- be appropriate and of modest value;
- have a clear, legitimate business purpose;
- be an act of appreciation or hospitality between companies (not between persons);
- not consist of money, loans or anything that can be exchanged to a monetary value;
- not place the recipient under any obligation or expectation;
- not be misused to hide inappropriate gifts or entertainment; and
- comply with law, business practice, ethical standards and the rules of the recipient’s company;
- not be offered on an overly frequent basis.

Additional criteria may have to be considered depending on the circumstances. If a Klimaoprema employee is in doubt of whether or not a benefit is permitted, he/she should contact his/her immediate superior or the legal department of Klimaoprema.

## Red flags

The following is a list of "red flags" that may indicate the possible existence of corrupt practices and should be kept in mind by all those subject to this Policy:

- a) Use of an business representative with a poor reputation or with links to a foreign government.
- b) Unusually large commission payments or commission payments where the business

representative does not appear to have provided significant services.

- c) Cash payments, or payments made without a paper trail or without compliance with normal internal controls.
- d) Unusual bonuses to business representative for which there is little supporting documentation.
- e) Payments to be made through third party countries or to offshore accounts.
- f) Private meetings requested by public contractors or companies hoping to tender for contracts.
- g) Not following KO policies or procedures leading to abusing the decision-making process.
- h) Unexplained preferences for certain sub-contractors.
- i) Invoices rendered or paid in excess of contractual amounts.

This list is not exhaustive, and you should be alert to other indicators that may raise a suspicion of corrupt activity.

## Record-Keeping

Klimaoprema will monitor compliance with this Policy, as well as to foster a culture of integrity and maintain high ethical standards throughout the Company. KO must keep financial records in place which will evidence the business reason for making payments to third parties, for a period of 6 years.

All transactions must be executed in accordance with management's general or specific authorization.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties should be prepared and maintained with strict accuracy and completeness. No accounts or cash funds may be kept "off-book" to facilitate or conceal improper payments. The use of false documents and invoices is prohibited, as is the making of inadequate, ambiguous, or deceptive bookkeeping entries and any other accounting procedure, technique or device that would hide or otherwise disguise illegal payments.

To ensure the effectiveness of internal controls, business and finance personnel of the Klimaoprema will review transactions and expense/payment requests for warning signs that signal an inadequate commercial basis or present excessive risks.

## How to Raise a Concern

If you suspect that there is an instance of bribery or corrupt activities occurring in relation to Klimaoprema, you are encouraged to raise your concerns at as early a stage as possible. If you're uncertain about whether a certain action or behavior can be considered bribery or corruption, you should speak to your line manager or legal department.

You must tell your line manager or legal department as soon as possible if you are offered a bribe by anyone, if you are asked to make one, if you suspect that you may be bribed or asked to make a bribe in the near future, or if you have reason to believe that you are a victim of another corrupt activity.

If you refuse to accept or offer a bribe or you report a concern relating to potential act(s) of bribery or corruption, Klimaoprema understands that you may feel worried about potential repercussions. We will support anyone who raises concerns in good faith under this policy, even if investigation finds that they were mistaken.

Klimaoprema will ensure that no one suffers any detrimental treatment as a result of refusing to

accept or offer a bribe or other corrupt activities or because they reported a concern relating to potential act(s) of bribery or corruption. Detrimental treatment refers to dismissal, disciplinary action, treats, or unfavorable treatment in relation to the concern the individual raised.

Violations of this policy can be reported through the internal whistleblowing process or anonymously by using Concern line (available on Klimaoprema web page).

Concern line is a web ethics concerns reporting system, and made available by Klimaoprema to its employees, external consultants, contractors, agency staff, customers, suppliers, and business partners and those of its affiliates.

Concern line is voluntary, confidential, and allows anonymity if required.

This Anti-Bribery and Corruption Policy is not exhaustive and lays down only the general principles to be followed. Klimaoprema may have separate codes/policies formulated for regulating various matters that may be required under the specific laws.

The Board of Directors shall periodically review and approve proposed amendments to this Policy as appropriate. The legal department shall then ensure that a revised version of this Policy is distributed to employees via appropriate channels.

Chairman of the Board

A handwritten signature in blue ink, appearing to read 'Sergio Galošić', with a long horizontal stroke extending to the left.

Sergio Galošić