



Code of Conduct and Ethics



Table of contents

1.	INTRODUCTION FROM THE CEO	3
2.	CODE OF CONDUCT AND ETHICS- OBJECTIVES, AND COMPANY VALUES	4
2.	EXPECTATIONS TOWARDS OURSELVES – AS WORKERS	5
	Human dignity and mutual respect	5
	Lawful conduct and safety culture	5
	Resistance to corruption and fraud	6
	Maintaining good reputation	6
	Preserving Company Assets	7
	How to avoid conflicts of interest	7
	Gifting	8
	Workplace appearance and conduct	9
	Protection of Company Data Assets	10
	Self-checking	10
	Setting an example as a leader	10
3.	GENERAL CODE OF ETHICS OF THE COMPANY	12
	Equality of treatment	12
	Protecting privacy and personal data	12
	Relations with business partners, authorities	12
	Conduct of business	12
	Competitors	12
	Local communities, civil society, academic life, community responsibility	12
	Public participation	12
4.	GETTING TO KNOW THE CODE OF CONDUCT AND ETHICS, ASKING FOR ADVICE, REPORTING	13

INTRODUCTION FROM THE CEO

Dear Colleagues and Partners,

As one of Hungary's largest investments, we share the common goal to ensure that Paks II project will significantly contribute to the growth of the Hungarian economy, the long-term energy security of the country and a substantial increase in the share of climate-friendly electricity supply. We deliver our strategic objectives in accordance with the requirements laid down in our Code of Conduct and Ethics, to ensure that moral and business ethics are fully respected in the performance of our duties.

Together with my colleagues, we have defined ethical values that serve as a general benchmark throughout our working life, and we expect all workers at Paks II Ltd. to demonstrate behaviour that is in line with these standards. We commit to act together against any violations of our ethical values and to be consistent in all cases.

We invite our colleagues and partners to support our ethical values by understanding them, as well as to report us any behaviour that they suspect may violate our ethical standards via the reporting platform for incidents involving breaches of integrity, so that we can take the necessary action.

Paks, March 2025



Gergely Jákli
Chief Executive Officer

1. CODE OF CONDUCT AND ETHICS- OBJECTIVES, AND COMPANY VALUES

The objective of the Code of Conduct and Ethics for Paks II Ltd. (hereinafter referred to as the Company) is to define the principles of ethical and lawful conduct for the Company's workers, as well as to provide guidance on the ethical standards affecting the performance of work and compliance thereof, based on the Company's scope of activities and operational characteristics, and thereby safeguarding the integrity of the Company.

The following corporate values have been established by the Company, and combined with our ethical values, they ensure the achievement of our common goals:

Safety awareness:

Nuclear safety is always enforced throughout our work activities.

Responsibility:

We will take responsibility for our decisions and results. We trust in the professional competence, experience and responsible performance of our workers and partners.

Efficiency:

Our work activities are organised and performed according to a schedule, with optimal resource management, aiming at the best possible results and in compliance with the rules.

Forward thinking:

We are committed to Paks II project. Sustainability and consideration of future generations' interests are key to the implementation of the project.

Potential of continuous improvement:

We pursue our activities in a professional manner, using our specialist knowledge, as well as our national and international experience to the Company's benefit. We are committed to improvement and open to

expanding our knowledge and expertise, sharing our acquired knowledge and experience, and providing constructive criticism.

Compliance with rules:

We perform our tasks in accordance with applicable legislation and our internal rules, while enforcing our ethical values, with integrity and based on mutual respect for our partners and colleagues.

The Code of Conduct and Ethics is the result of our workers' consensus and it is primarily addressed to the Company employees, but it is also available to the public in Hungarian, English and Russian.

2. EXPECTATIONS TOWARDS OURSELVES – AS WORKERS

Human dignity and mutual respect

As a worker of the Company, we shall refrain from any conduct that offends human dignity in any way. We oppose and do not tolerate harassing, degrading, humiliating, insulting, intimidating or hostile conduct or attitudes. Our tasks shall be performed in a manner of courtesy, trust and mutual respect.

We do so by:

- communicating in a civilised and courteous manner with each other while representing our professional position during the course of our work, respecting the human dignity of others, and taking consistent action when we observe or observe any inconsistent conduct;
- considering our opinions before expressing and communicating them, to determine whether their content and the manner in which they are expressed may be likely to offend the human dignity of others, and if so, avoiding such expression;
- striving to use assertive communication;
- asking questions in a responsible and non-offensive manner;
- respecting other people's privacy and private life;
- building a community powered by diversity and effective collaboration across disciplines.

We object to:

- bullying, humiliation or stigmatizing others in any way;
- disseminating offensive content or material concerning others;
- disseminating any statement or malicious gossip that violates others' dignity, privacy or personal rights;
- using harassing, sexist or sexually explicit remarks; making statements or claims that violate the privacy rights of others while remaining anonymous.

Standard of good conduct for the correct use of our ethical requirements:

There has been a negative rumour circulating around the corridors about a colleague's personal problems, which makes this person appear in a very bad light. Is it right for me to pass this information on to others?

No, it is not. I shall not pass on any malicious information that comes to my attention. It is important to stand up for your colleague and ask those communicating with you to jointly refrain from spreading or transmitting information that reflects negatively on each other.

Lawful conduct and safety culture

In the course of our work, we demonstrate lawful conduct in all situations, respecting the Company's objectives, values and mission. In this context, particular emphasis is placed on the paramount importance of nuclear safety at all times, which is at the core of the Company's activities, and on the implementation and maintenance of a nuclear safety culture.

We do so by:

- taking an active role in shaping and maintaining nuclear safety culture;
- developing our internal processes with a commitment to strengthening nuclear safety culture and in full compliance with relevant legislation;
- considering relevant legislation, other standards and the impact of our own activities on nuclear safety when performing our tasks, and by calling the attention of colleagues to the appropriate action when misconduct is detected.

We object to:

- promoting negative work ethics, unlawful, improper or unethical behaviour, and underestimating the importance of nuclear safety;
- concealing or covering up detected unlawful conduct, or encouraging others to engage in such conduct.

Resistance to corruption and fraud

We reject all forms of corruption, unlawful influence or any attempt to influence our business and professional decisions.

We shall not offer, give, request or accept business facilitation benefits, even if this places the Company at a disadvantage or impedes the achievement of our corporate objectives.

Decisions shall be taken after due consideration of the best interests of the Company, with full exclusion of individual interests, and as a result of a prior and thorough decision-making process. Objective professional criteria shall prevail in our decision-making.

We do so by:

- understanding and complying with applicable regulations and identifying with the anti-corruption rules;
- promoting transparency and compliance in (public) procurement and other contracting procedures, and ensuring the enforcement of rules through our conduct;
- reporting without delay and not tolerating behaviour that violates our business ethics, as well as any conduct indicating corruption, regardless of the job title or position of the person concerned.

We object to:

- all forms of unlawful intent to influence;
- all forms of favour or mutual benefit arising from misconduct.

Standard of good conduct for the correct use of our ethical requirements:

A person I have met in the course of my work has indicated to me that a quick and positive processing of an application to the authorities could be arranged if the Company were to employ his/her child in the future. What to do?

As the Company rejects all forms of corruption (in this case, the use of influence), we shall not accept such offers and report the case immediately to our manager and the Compliance Department.

A business partner offers to meet much more favourable terms than those in the contract if we ensured long-term cooperation in the future and preference over other competitors in future procurement procedures. Can we accept this offer?

No, we cannot! Fair and open competition between competitors is encouraged by the Company, and any unlawful conduct that restricts or distorts competition is rejected. The Company rejects corruption, so we shall not accept such offers and shall promptly report any request to our manager and Compliance Department.

You are approached by a business partner who acknowledges the fact of non-performance, but objecting to the amount of the penalty claim to be enforced. This partner suggests that if the Company should refrain from enforcing the penalty or not impose it to the extent agreed in the contract, some expression of gratitude would be provided. Can we accept this offer?

No, we cannot! All forms of corruption are rejected by the Company, so we shall not accept such offers and shall immediately report such attempts to our manager and the Compliance Department. As an worker of a publicly-owned company, we pursue the economic interests of the Company and will not waive any legitimate claim for penalties.

Maintaining good reputation

The good business reputation of the Company will be preserved.

We do so by:

- communicating and acting responsibly, both during and outside working hours, in a manner that preserves the good reputation of the Company;
- performing our duties in a highly professional and responsible manner, as our business partners assess the Company's professionalism on the basis of our work;
- taking care of our environment and thinking of future generations in our work, as one of the largest investments in the country.

We object to:

- any unethical conduct or behaviour that may negatively impact the Company's operations or business interests, or that may damage or endanger the implementation of the project or the interests of the owner, the Hungarian State;
- private use of the Company's logo.

Standard of good conduct for the correct use of our ethical requirements:

At a dinner organised on a domestic/foreign mission, I notice that one of my colleagues has “crossed the line”, drank a little too much and is starting to display disruptive behaviour. What to do?

I will request to end this behaviour and offer to escort this person back to their accommodation. I shall avoid excessive consumption of alcoholic beverages at business meetings and company events in order to prevent unacceptable situations.

Preserving Company Assets

We shall manage the assets, financial and other resources used and owned by the Company in a responsible, cost-effective and economical manner in the best interests of the Company, with good stewardship.

We do so by:

- being aware that the Company is not an independent production company, and that its revenues are typically provided by the Hungarian budget in the form of capital increases, therefore the financial resources received shall be managed in a cost-effective and responsible manner;
- evaluating and considering alternative business and execution opportunities and presenting the decision alternatives in detail in our preparatory materials;
- always concluding an agreement on behalf of the Company that is in its best interests, in accordance with the Company’s contracting intentions and protects its legitimate economic interests.

We object to:

- all forms of waste;
- any form of orders that are unjustified or serve private interests;
- the private use of company assets, office equipment, office supplies.

Standard of good conduct for the correct use of our ethical requirements:

I find out that one of my colleagues is using the Company’s assets and company software for private purposes outside working hours and is concealing it. What to do?

I will report this to my line manager, who can take the necessary action.

I have noticed that one of my colleagues is not attending to his/her job duties during working hours, but instead is running his/her own business, which means that more tasks are being assigned to his/her direct colleagues. What to do?

I will report the incident to my line manager, who will remind the colleague to stop this kind of behaviour and may initiate the necessary actions. Failure to do so will be reported to the Compliance Department.

I have noticed that one of my colleagues regularly prints excess paper and then throws it in the waste bin.

I shall remind this person to print only when absolutely necessary and to handle documents in accordance with the information security requirements applicable for the information it contains in the future, as this kind of behaviour is not environmentally friendly. Unless there is a breach of information security, this colleague should act in accordance with the rules on selective waste collection.

How to avoid conflicts of interest

We understand and comply with the Company’s conflict of interest rules, whereby any activity or life situation that may damage or jeopardize the Company’s reputation, legitimate economic interests, interests related to the Company’s operations, and the proper handling of the Company’s trade secrets and vital information shall be considered a conflict of interest. In order to avoid conflicts of interest, we all agree to prevent and control conflicts of interest within the Company. We shall not allow our decisions or conduct to be guided by our personal or family relationships or other private interests.

We do so by:

- understanding the Company’s conflict of interest rules, identifying with the justification for the rules and, if we have any questions, we

will confidently contact the Compliance Department for a proper interpretation of the rules;

- considering and evaluating, in all cases, our ability to perform our duties impartially and making decisions based solely on professional grounds;
- reporting in a timely manner to my line manager and the Compliance Department any circumstances that might compromise my impartiality and affect my ability to make objective decisions and that I cannot assess correctly due to personal involvement;
- complying with the rules and regulations set out in our employment contract and the Company's relevant internal regulations in all cases;
- safeguarding the legitimate economic interests of the Company in the course of our duties.

We object to:

- making biased decisions.
- concealing conflict of interest situations.

Standard of good conduct for the correct use of our ethical requirements:

During a procurement procedure, I notice that among the bidders there is a company run and partly owned by a friend of mine – a friend I haven't seen for a long time. How shall I act?

I report the present situation – as required by the Company's regulations –, so that the Company may arrange for the appointment of another employee who can act objectively in a timely manner, without jeopardizing business continuity, if the Company considers that I am unable to perform my duties in an impartial manner. I do so because I am conscious of the need to avoid situations in the performance of my duties which do not allow for impartial work, including both the preparation of decisions and the taking of decisions.

At one of the Company's contractual partners, a close relative of mine is elected as managing director following the conclusion of the contract. I am responsible for controlling the administration of the performance certificate in relation to the relevant contract. How shall I act?

As required by Company policy, I will report the existing life situation so that the Company can arrange in a timely manner for the appointment of another employee who can fulfill the performance certification duties in a completely impartial manner, and I will not cooperate in any way on behalf of the Company during the term of this contract.

Gifting

Regardless of our position, we refuse to accept gifts or other benefits if they are suspected to influence decisions or to gain an unfair advantage.

We also commit to act responsibly and set an example in gift giving and participation in events related to Company operations. In every case, we shall evaluate whether the gift (a tangible gift or a benefit in the form of a service) is provided in a private or business-related situation, on a one-time or recurring basis, and the value of the gift.

We recognise that gifts, due to their nature, can be used to achieve corrupt intentions, so deliberate concealment or disguise thereof is not in accordance with the Company's ethical standards and responsible business conduct. All received gifts, exceeding the value threshold, shall be promptly reported to the Compliance Department, responsible for keeping records thereof, by using Appendix 1 – Gift Reporting – of the Code of Conduct and Ethics.

We do so by:

- assessing in all cases whether it is appropriate to receive a gift or participate in an event. asking ourselves, why are we receiving it? Do they expect or can they expect anything in return?
- behaving in a responsible business manner and avoiding non-public (informal) life situations that provide opportunities for influence. Reporting such situations to our line manager and, simultaneously, to the Compliance Department;
- assessing the possible outcomes of our behaviour in all situations;
- never placing our individual interests over the interests of the Company in the course of our work;
- refusing politely and with due regard to the Company's Code of Ethics, any gift of whatever value that may be offered by a business partner or a person acting in their interest at an unofficial, private event, whether in public or in private;
- declaring all gifts over HUF 20,000 (by filling in Appendix 1 – Gift reporting – and sending a photo of the gift, the event ticket or the invitation to megfeleles@paks2.hu);

- a gift given at a public event (business conference, meeting, business hospitality, etc.) may be accepted only up to the maximum value of HUF 20,000,- set by the Company (without completing the form 1 about Gift reporting);
- in case of receiving gifts from the same business partner repeatedly in the given year, we shall report the additional occasions, regardless of the value limit;
- in cases where we are not sure about the acceptability or value of a gift, we shall consult the Compliance Department;
- we shall always reimburse for services we personally use and shall not allow external parties to take over the payment;
- if we attend a domestic or international sports or cultural event upon the invitation of the business partner, we shall always conduct an individual assessment in due time before accepting the invitation (if this can be identified in advance from the available information), considering the value threshold, inform our supervisor and the Compliance Department, and only after a positive assessment, we shall accept the invitation.

We object to:

- accepting cash, cryptocurrencies, vouchers (other substitutes for cash), watches, jewellery, gemstones, art objects or other objects of utility or ornamentation containing precious metals, technical devices (e.g. mobile phone, tablet, valuable data storage device);
- or withholding any fact(s) that are relevant to the gift.

Standard of good conduct for the correct use of our ethical requirements:

During a business dinner hosted by a business partner, I notice that the host has placed a pen, well over the value threshold, as a gift next to my plate. What to do?

I politely refuse the gift, in accordance with the Company's Code of Conduct and Ethics, and report the matter to the Compliance Department.

Following a business meeting on a foreign mission, one of my business partners presents me with a watch wrapped in a gift box with a company logo as a business gift, thanking me for my efficient cooperation. What to do?

I will politely refuse the gift in accordance with our Company's business ethics standards. If the circumstances of the gift do not allow for rejection or return of the gift for any reason, I will immediately report the matter to my line manag-

er and, upon my return home, immediately notify the Compliance Department, which will arrange for the return of the gift involving the department responsible for the relationship.

Workplace appearance and conduct

We shall always attend our workplace in a fit and proper state for work. This includes wearing appropriate clothing that reflects the importance of Paks II project, our position, our role or the nature of the specific task to be performed, at all times, looking well-groomed, dressed in a professional manner and appropriate to the work environment.

We do so by:

- presenting ourselves at business meetings and media events in smart, modest attire and with a well-groomed appearance;
- learning about the host country's cultural conventions and respecting them in the way we dress and behave, while maintaining our identity.

We avoid:

- wearing clothes that are inappropriate for an office or work environment, provocative, attracting attention, or unsuitable for the nature of our work.

Standard of good conduct for the correct use of our ethical requirements:

In case I attend a concert or sports event after working hours, how do I manage wearing recreational clothing during the day?

At work, I will ensure to wear appropriate clothing for the job at all times, during working hours. I will change at the end of office hours as necessary to suit the concert/sports event/sports activity.

I am travelling abroad on business. Do I need to do anything additionally?

Yes, it is necessary to read the travel advice guidance for each country provided by the Consular Service of the Ministry of Foreign Affairs and Trade. Additionally, we shall familiarise ourselves with the standards of conduct in the country we are visiting in order to ensure that our conduct and clothing, irrespective of our religious or denominational background, does not cause offence or repulsion, which may affect the Company's image.

Protection of Company Data Assets

We shall protect the Company's data assets, the knowledge we have acquired, and we shall handle information (including business and other secrets, information, intellectual property, etc.) that we obtain through our work with due care and confidentiality.

We do so by:

- assessing the classification of the data and information we work with and handling it in accordance with our internal rules;
- continuously monitoring and complying with the Company's internal rules and contractual provisions on data management and confidentiality.

We object to:

- the disclosure to unauthorised persons of data and information belonging to the Company's data assets;
- the underestimation of the importance of classified information.

Standard of good conduct for the correct use of our ethical requirements:

A colleague leaving the office in front of me accidentally leaves a copy of a contract containing confidential or other sensitive information behind. What to do?
If this colleague has just left the premises before me, I shall hand it over and remind him/her of the need to behave with due care. If I cannot do so, I should hand over the contract to the department responsible for information security without delay. If the document contains personal data, I shall also notify my superior, at least at departmental level, and the Company's Data Protection Officer.

Self-checking

We commit to conduct self-checks in all situations and make decisions in the best interests of the Company. We shall consider if a particular decision is favourable or disadvantageous to the Company, and whether making, delaying or failing to decide would cause delays or any other risks to the Company.

We do so by:

- familiarising ourselves with the Company's risk management policies;

- considering any risks related to our tasks;
- demonstrating an open, problem-solving attitude.

We object to:

- managing carelessly any risks that might arise related to our mission.

Standard of good conduct for the correct use of our ethical requirements:

I recognise a potential risk, but my colleagues advise me not to deal with it as it would involve a lot of administration and extra work. What to do?

I shall report the risk via the dedicated risk management channel in order to avoid problems arising, as we are all aware that all Company workers are expected to perform their work with a proactive risk conscious attitude.

Setting an example as a leader

The Company's senior officers are expected not only to comply with the Code of Conduct and Ethics, but also to represent and enforce the Company's values. They are expected to communicate respectfully to the workers under their supervision, to share all information necessary for the success of their work in sufficient detail and to conduct themselves in an exemplary manner in all workplace situations.

Senior officers are expected to evaluate staff objectively, on the basis of their individual and collective performance, and to provide appropriate motivation. They are required to encourage an open and questioning attitude, respect workers' privacy and ensure that there is a healthy work-life balance.

We do so by:

- evaluating the performance of subordinated workers on a purely professional basis;
- not contacting colleagues other than senior managers outside working hours, except in cases of extreme emergency, by telephone calls or text messages, while respecting their privacy and personal data.

We object to:

- holding meetings and conferences without the right atmosphere or opportunity to ask questions and
- make suggestions.

Standard of good conduct for the correct use of our ethical requirements:

I have good reason to believe that my supervisor has breached the Code of Conduct and Ethics. I don't have the courage to report this to anyone, even anonymously, for fear of being dismissed. What to do?

I shall report the incident through the Internal Misuse Reporting System. This reporting channel enables anonymity if the reporting party prefers it. No unfavourable action may be taken against a reporting party acting in good faith, and this is ensured by internal rules and legal requirements. It is illegal to persecute a reporting party (take adverse action against a reporting party, prevent a reporting, attempt to report).

3. GENERAL CODE OF ETHICS OF THE COMPANY

Equality of treatment

The Company is committed to establishing a corporate culture that promotes equal opportunities and diversity in the workplace, and thus treats all workers and groups of workers with equal respect, excluding direct and indirect discrimination. With a view to developing and maintaining a corporate culture of equal opportunities and diversity in the workplace, the Company has established an Equal Opportunities Plan.

Protecting privacy and personal data

We respect the privacy rights of all, including our workers, and ensure the protection of their personal data.

A Data Protection Officer has been appointed by the Company to ensure that personal data is handled lawfully.

Relations with business partners, authorities

The Company shall strive to establish relations with its business partners and the authorities based on trust, mutual respect and accurate accounting.

The Company shall respect the interests and information assets of its business partners and those who otherwise come into formal contact with the Company.

Conduct of business

In the course of its conduct of business and management, the Company shall act in the interests of the Hungarian State, in compliance with the provisions of legislation, and shall manage the assets entrusted to it in a transparent manner.

Competitors

Competition in all markets, both domestic and international, is supported by the Company. It will conduct its activities in accordance with fair competition standards and in compliance with the applicable competition rules.

Local communities, civil society, academic life, community responsibility

The Company is committed to protecting the environment and pays particular attention to this in the performance of its tasks. It aims to provide credible and comprehensible information to society. For this purpose, it seeks open and transparent communication and consultation with local communities, as well as representatives of civil society and academia. The Company encourages its workers to participate actively in the work and development of these communities and civil society initiatives.

Public participation

The Company shall support all public activities of its workers which serve the good reputation of the Company and contribute to the professional development of its workers. However, it prohibits the expression of partisan or political views, statements, promises inconsistent with the provisions of law, internal regulations and agreements, or declarations that are prejudicial to the interests and good reputation of the Company and its business partners in any forum, including at the workplace and on social media, on behalf of the Company or in any manner connected with the Company. The Company shall not restrict the political involvement of its workers, but in such cases, workers may not use the name, logo, contact details, communication channels or resources of the Company. Workers are not allowed to engage in political agitation activities at the Company's registered offices, premises, including office buildings, office premises, work areas, parking lots.

4 GETTING TO KNOW THE CODE OF CONDUCT AND ETHICS, ASKING FOR ADVICE, REPORTING

The Code of Conduct and Ethics is subject to regular review by the Company with the involvement of its workers.

The Code of Conduct and Ethics shall be available on the Company's website and intranet, and the content thereof shall be communicated to new colleagues specifically as part of their on-boarding training.

Any questions or requests for interpretation regarding the Code of Conduct and Ethics should be addressed to the Compliance Department of the Company.

The Company shall act against individuals who violate the Code of Conduct and Ethics. If a person notices any non-compliance with the Code of Conduct and Ethics, this person may report the incident to the Company for a full investigation.

Incident reporting may be performed in relation to any breach of organisational integrity or internal misconduct in the Company's operations, in addition to the rules of conduct detailed in the Code of Conduct and Ethics. Detailed information on this is available [here](#), and the reporting platform can be accessed directly from this link.

Appendix:

No 1. Gift Reporting

Paks II. Nuclear Power Plant Ltd.
7031 Paks, Pf. 116
info@paks2.hu • www.paks2.hu



PAKS II. LTD.