

## Business ethics

DTEK openly declares its anti-corruption standards and pays special attention to building a compliance culture. In the Transparency in Corporate Reporting study conducted by experts of the Transparency International Ukraine\*, an independent international organization, DTEK’s anti-corruption program received the highest rating.

At the same time, DTEK Group continues to improve and enhance the effectiveness of the system of internal controls and mechanisms aimed at countering corruption. In order to develop the provisions of the Code of Ethics and Business Conduct, a new Anti-Corruption Program was approved in 2018.

The program is developed in accordance with the best international practices and standards of corruption risk management, taking into account the provisions of ISO 37001:2016 Anti-bribery management systems, anti-corruption legislation and international acts on combating corruption of extraterritorial action (including the FCPA and the UKBA). In addition, the section on checking business partners for the corruption risk has been finalized and takes into account the recommendations of the Transparency International and the World Economic Forum.

Compliance with the Anti-Corruption Program is mandatory for all employees and representatives of DTEK Group. The Program directly prohibits any manifestations of corruption, including commercial bribery or remuneration for the simplification of formalities. In establishing business relations, preference is given to partners who share the principles of DTEK’s Anti-Corruption Program and those who have an effective internal system of anti-corruption measures. All contractors that have the right to act on DTEK Group’s behalf or represent its interests before any third parties, are subject to mandatory verification for corruption risks. At the same time, it is prohibited to cooperate with contractors or public

organizations which were determined by the Compliance officer as having high corruption risk. Transactions with contractors that have a moderate corruption risk can only be carried out, if recommendations from the Compliance Service to help minimize the risk have been implemented.

Special attention is paid to compliance with sanctions regimes in the jurisdictions where the enterprises and companies of DTEK Group operate. According to the approved risk appetite, all business partners are considered to be subject to sanction risk, regardless of the amount and nature of the transaction. The sanction risk of business partners is identified on a daily basis through automated screening, which compares the contractor database of DTEK Group with a database of an external specialized provider that aggregates the sanction lists of all countries and organizations. In addition, the identification of sanction risk is carried out by checking the contractor, its ultimate beneficiary, direct and indirect shareholders, and the executive body for any indication of sanction risk.

DTEK Group does not operate in jurisdictions that have been subject to extensive US and EU sanction-based restrictions. In DTEK Group, it is impossible to conclude transactions with contractors that have a medium sanction risk without complying with the recommendations of the Compliance Service for risk minimization. At the same time, transactions with an increased sanction risk are subject to agreement with CEO of DTEK, if the recommendations of the Compliance Service cannot be fully implemented.

\* Transparency International Ukraine is a representative office of the international anti-corruption non-governmental organization Transparency International. The study was conducted to assess the implementation of compliance policy standards in the largest companies in the country and was published in 2017. During the study, websites and legal documents of 50 private companies and holding companies, as well as 50 state-owned companies were analyzed. <https://ti-ukraine.org/en/news/62-of-top-companies-of-ukraine-do-not-meet-transparency-standards-ti-ukraine/>

## Insider information management

DTEK’s Eurobonds are listed on the Irish Stock Exchange, which imposes obligations regarding compliance with listing and disclosure rules. In this regard, DTEK Group has adopted a regulation and introduced rules for handling insider information and insider operations. In particular, the criteria for attributing information to insider were defined, the procedure for forming and updating insider lists was adopted, and rules for notifying possession of DTEK securities and obtaining permission to conduct a securities transaction apply for insiders.

The register of insiders, in which persons who have access to insider information by virtue of their position or professional activity, is regularly updated. Maintaining this register allows the Compliance Officer to inform insiders promptly about obligations, responsibilities and prohibited practices, which simplifies the process of monitoring and supervising compliance with information disclosure rules and transparency rules established by foreign regulators.

## Dividend policy

The dividend policy of DTEK Group is based on maintaining a balance between the need to invest in the development of production facilities and respect for the right of shareholders to participate in the distribution of profits. Such approach is a determining factor contributing to the long-term growth of the shareholder value of the operating holdings of DTEK Group.

DTEK’s anti-corruption program received the highest rating in the Transparency in Corporate Reporting study

