

Elseta Anti-Bribery and Anti-Corruption Policy

Introduction

Elseta is unwavering in its commitment to conducting business with the highest standards of integrity, transparency, and accountability. We recognize that bribery and corruption distort markets, impede economic development, and harm society at large. Therefore, we maintain a zero-tolerance stance on bribery, corruption, kickbacks, and all forms of fraudulent activities in every aspect of our operations.

This policy is a testament to our dedication to ethical business practices and compliance with all applicable laws and regulations. It is designed to guide our employees, officers, directors, agents, consultants, contractors, representatives, and any third parties acting on our behalf in identifying and preventing bribery and corruption risks.

Policy Statement

Elseta strictly prohibits any form of bribery or corruption, whether direct or indirect, in all business dealings and transactions across all jurisdictions in which we operate. This prohibition extends to all individuals and organizations we interact with, including government officials, private companies, and public entities.

Specifically, the following activities are prohibited:

- **Offering, Giving, or Promising Bribes:** Providing or offering any undue advantage, whether financial or otherwise, to any person or entity with the intent of influencing a decision or securing an improper advantage.
- **Soliciting or Accepting Bribes:** Requesting, agreeing to receive, or accepting any undue advantage, whether financial or otherwise, as an inducement or reward for acting improperly.
- **Facilitation Payments:** Making unofficial payments to secure or expedite routine governmental actions is strictly prohibited, regardless of local customs or practices.
- **Kickbacks and Secret Commissions:** Accepting or providing any form of kickbacks or secret commissions from or to suppliers, contractors, or other parties is forbidden.
- **Improper Gifts and Hospitality:** Offering or accepting gifts, entertainment, or hospitality that could influence or appear to influence the outcome of business transactions is not allowed.
- **Money Laundering:** Engaging in activities that involve the concealment of the origins of illegally obtained money is strictly prohibited.

Compliance with Laws

Elseta is committed to full compliance with all applicable anti-bribery and anti-corruption laws and regulations. This includes, but is not limited to:

- **The Organisation for Economic Co-operation and Development (OECD) Anti-Bribery Convention:** We adhere to the principles and provisions set forth by the OECD to combat bribery of foreign public officials in international business transactions.
- **The United Nations Convention Against Corruption:** We comply with the UN Convention's measures to prevent and criminalize corruption, promote international cooperation, and recover assets.
- **European Union Anti-Corruption Directives and Regulations:** We follow all relevant EU directives, including the anti-money laundering directives and regulations aimed at preventing financial systems from being used for corrupt practices.
- **National Anti-Bribery and Anti-Corruption Laws:** In every country where we operate, we comply with local laws and regulations pertaining to bribery and corruption, even if these are more stringent than international standards.

Responsibilities

All Elseta personnel and associated third parties have a responsibility to uphold this policy:

- **Employees, Officers, and Directors:** Must read, understand, and comply with this policy. They are expected to conduct themselves with integrity and avoid any activities that could lead to a breach of this policy.
- **Agents, Consultants, Contractors, and Representatives:** Must be made aware of this policy and are expected to comply with its provisions when acting on behalf of Elseta.
- **Third Parties:** Due diligence must be conducted before engaging with third parties to ensure they have a reputation for integrity and ethical conduct.
- **Managers and Supervisors:** Have an additional responsibility to promote a culture of compliance and to ensure that those they manage are aware of and understand this policy.

Due Diligence and Monitoring

Elseta implements rigorous due diligence procedures and continuous monitoring to prevent and detect bribery and corruption:

- **Risk Assessment:** Regular assessments are conducted to identify and evaluate potential bribery and corruption risks within our operations and supply chains.
- **Third-Party Due Diligence:** Before entering into a business relationship, due diligence is carried out to assess the integrity and reputation of potential partners, suppliers, and agents.
- **Contracts and Agreements:** All contracts with third parties must include clauses that require compliance with anti-bribery and anti-corruption laws and this policy.
- **Financial Controls:** Robust financial and accounting procedures are in place to ensure transparency and accuracy in all financial transactions, preventing unauthorized or improper payments.
- **Training and Communication:** Mandatory training programs are provided to all employees to ensure awareness and understanding of anti-bribery laws, this policy, and how to recognize and deal with bribery and corruption issues.

Reporting and Whistleblowing

Elseta encourages a culture of openness and accountability:

- **Reporting Mechanism:** Employees and third parties are encouraged to report any suspicions or knowledge of bribery, corruption, or fraudulent activities. Reports can be made through multiple channels, including direct communication with supervisors, the compliance department, or via a confidential whistleblowing hotline/email.
- **Confidentiality:** All reports will be treated confidentially to the fullest extent possible, consistent with the need to conduct an adequate investigation.
- **Protection Against Retaliation:** In alignment with the EU Whistleblower Protection Directive (Directive (EU) 2019/1937), individuals who report concerns in good faith will be protected from any form of retaliation, discrimination, or disciplinary action.
- **Investigation:** All reported concerns will be promptly and thoroughly investigated by qualified personnel who are independent of the alleged wrongdoing.

Consequences of Non-Compliance

Elseta takes violations of this policy seriously:

- **Disciplinary Action:** Any employee who breaches this policy may face disciplinary action, up to and including termination of employment.

- **Termination of Relationships:** Contracts with agents, consultants, contractors, representatives, or other third parties may be terminated if they breach this policy.
- **Legal Proceedings:** Violations may result in civil or criminal penalties for both the individual and Elseta, including fines and imprisonment, under applicable laws.
- **Recovery of Losses:** Elseta reserves the right to seek restitution or damages from individuals or entities whose actions have caused harm to the company.

Gifts, Hospitality, and Expenses

Elseta recognizes that modest gifts and hospitality can be part of normal business relationships but must be managed carefully:

- **Acceptable Gifts and Hospitality:** Must be reasonable, proportionate, and for legitimate business purposes. They should not influence, or appear to influence, business decisions.
- **Approval Process:** Any gifts or hospitality exceeding predetermined thresholds must be approved by senior management and properly documented.
- **Prohibited Gifts:** Cash or cash equivalents, such as gift cards, are strictly prohibited.

Political and Charitable Contributions

- **Political Contributions:** Elseta does not make donations or contributions to political parties, organizations, or individuals engaged in politics as a way of obtaining an improper business advantage.
- **Charitable Donations:** Must be ethical and legal under local laws and practices. They should not be made to secure improper advantages and must be approved through proper channels.

Training and Awareness

Elseta is committed to ensuring that all employees are aware of this policy:

- **Mandatory Training:** All employees are required to complete anti-bribery and anti-corruption training upon joining the company and at regular intervals thereafter.
- **Specialized Training:** Additional training is provided to employees in high-risk roles or regions.
- **Communication:** Regular communications, updates, and resources are provided to keep employees informed about compliance obligations.

Responsibilities of Employees

Employees are expected to:

- **Understand and Comply:** Familiarize themselves with this policy and comply with its provisions and related laws.
- **Exercise Due Care:** Be vigilant in identifying potential bribery and corruption risks and take appropriate steps to mitigate them.
- **Seek Guidance:** Consult with their supervisor or the compliance department if uncertain about any aspect of this policy or when faced with potential ethical dilemmas.

Monitoring and Review

Elseta will regularly review and update this policy:

- **Continuous Improvement:** The effectiveness of this policy and associated procedures will be periodically assessed, and enhancements will be made as necessary.
- **Regulatory Updates:** The policy will be updated to reflect changes in laws, regulations, and best practices.
- **Reporting to the Board:** The compliance department will report to the Board of Directors on the implementation and effectiveness of the anti-bribery and anti-corruption program.

Conclusion

Elseta is dedicated to upholding the highest standards of ethical conduct in all its business activities. By adhering to this Anti-Bribery and Anti-Corruption Policy, we aim to:

- **Protect Our Reputation:** Maintain the trust and confidence of our customers, partners, stakeholders, and the public.
- **Ensure Compliance:** Avoid legal penalties and ensure compliance with all applicable laws and regulations.
- **Promote a Culture of Integrity:** Foster an organizational culture where ethical behavior is the norm, and employees feel empowered to act responsibly.

We expect all employees and associated parties to embrace the values and principles outlined in this policy. Together, we can contribute to a fair, transparent, and sustainable business environment.

Approved by:

Board of Directors, Elseta UAB

Effective date: