

Whistleblower Protection and Internal Reporting System

Information regarding the internal reporting system and whistleblower protection

According to Article 7(3) of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (hereinafter referred to as the “Directive”) and Act No. 171/2023 Coll., on the Protection of Whistleblowers (hereinafter referred to as the “Act”).

In accordance with Directive M-22 – Rules for Reporting Unlawful Conduct, Handling Reports and Protecting Protected Persons – **PBT Works, s.r.o.**, registered office at Lesní 2331, Rožnov p. R., 756 61, ID No.: 25827987, registered in the Commercial Register kept by the Regional Court in Ostrava, Section C, Insert 19889, represented by Ing. Robert Sítek, Managing Director, as the obligated entity, provides the following information on the implementation and use of internal reporting channels and procedures, including follow-up procedures (hereinafter the "internal reporting system"), which also includes the designation of the competent person authorized to receive and investigate reports of unlawful conduct (hereinafter the "competent person").

Who is the internal reporting system for?

This system is strictly intended for individuals working for **PBT Works s.r.o.**, or performing similar activities as defined in Section 2(3)(a), (b), (h), or (i) of the Act, who have become aware, in connection with their work or similar activity, of unlawful conduct at **PBT Works s.r.o.** that breaches legal regulations in one of the areas defined by the Directive and the Act.

Where can a report be submitted?

Reports may be submitted to the designated competent persons:

Simona Malinovská and **Lenka Křištofová**.

How can a report be submitted?

- **By phone:** Monday to Friday, 8:00 AM to 2:00 PM, at +420 572 153 165 or +420 572 153 147
- **By email:** whistleblowing@pbt-works.com
- **In writing:** By dropping a report into the whistleblowing mailbox located at:
 - Lesní 2331, near the main entrance, next to the personal elevator

- Pod lesem 2650, in the production hall, next to the main entrance
 - **In person:** Upon prior written or telephone arrangement with the competent person
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If the report is submitted orally (by phone or in person)

The competent person may create a **sound recording** or a **transcript** of the report. If the whistleblower refuses to allow recording or transcription, it must not be made. Instead, a **written record** capturing the essence of the report will be created. The same applies if a technical issue prevents audio recording. The whistleblower must be allowed to comment on and confirm the written report or transcript.

Important Notice:

If a report is submitted via internal communication channels **other than those explicitly mentioned above** (e.g., via a data box), **PBT Works, s.r.o. cannot guarantee** the protection of the whistleblower's identity or the confidentiality of the information in accordance with the Directive and the Act.

Alternative reporting channels

1. **External reporting system of the Ministry of Justice (Czech Republic):**
<https://oznamovatel.justice.cz>
2. **Public disclosure** (e.g., via social media, the press, or websites)
 - This should only be used in **exceptional cases** defined in the Directive and the Act when internal or external channels cannot achieve the purpose of the report.
 - If it later becomes clear that the conditions for public disclosure were not met, the whistleblower may be held **legally liable** (e.g., for defamation under §184 of the Criminal Code, false accusation under §345, or spreading false news under §357).
3. **Reporting to authorities**
 - If the report concerns a **criminal offense or administrative offense**, the whistleblower can submit the report via the internal system, external system, or directly to the **relevant public authority** (e.g., police, prosecutor, administrative authority).

- These authorities are the only ones competent to assess whether a crime or offense occurred.

Recommendation for whistleblowers

It is **preferable** to submit the report **internally** at first. This allows **PBT Works s.r.o.** to respond promptly and possibly prevent damage or reputational harm.

This approach is also **less legally risky** for the whistleblower.

However, if the internal channel is non-functional or the whistleblower believes their report will not be investigated properly, or fears retaliation, they may go directly to the **external system** run by the Ministry of Justice.

External reporting does not require prior internal reporting.

Before submitting a report

Whistleblower obligations:

- Must have **reasonable grounds** to believe that the information is **true** and **genuine**.
 - Must not knowingly submit **false information** – such action may be punished.
 - Must not commit a criminal offense while collecting evidence.
 - Must act in the **public interest** and in **good faith**.
 - Should be able to **identify the area** of the violation (see below) and prepare **verifiable information**.
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What can be reported?

While often labeled as "reporting corruption", the scope is **broad**. The law protects reports relating to the following **areas**:

1. Financial institutions, financial services, auditing, financial products and markets
2. Corporate income tax
3. Anti-money laundering and terrorist financing
4. Consumer protection, product safety and compliance
5. Transportation safety and road traffic

6. Environmental protection, food/feed safety, animal health
 7. Radiation protection and nuclear safety
 8. Public procurement, public auctions, competition
 9. Internal order, safety, life and health protection
 10. Personal data protection, privacy, IT/network security
 11. Protection of the EU's financial interests
 12. Functioning of the internal market including competition and state aid rules
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Exceptions (§3 of the Act)

Reports are **not considered violations** of confidentiality (e.g., bank secrecy, NDA, tax secrecy), **except** when related to:

1. Classified information, criminal investigations, or crisis management
2. Confidentiality of:
 - Notaries and legal trainees
 - Prosecutors and assistants
 - Lawyers and their firms
 - Judges and judicial trainees
 - Bailiffs
3. Legal representation in court or administrative proceedings
4. Healthcare confidentiality

A whistleblower is **not protected** if the information was obtained by committing a **criminal offense, unless** they had **justified reasons** to believe the report was necessary.

Reports are not accepted if they contain:

1. Information that may immediately endanger the essential security interest of the Czech Republic
2. Information about intelligence services
3. Confidential spiritual information (e.g., confession)

Whistleblower Protection

A whistleblower must **not** face retaliation. This protection extends to:

1. Persons assisting in the reporting
2. Close persons to the whistleblower
3. Colleagues or similarly positioned individuals
4. Entities controlled by the whistleblower
5. Legal entities where the whistleblower is a stakeholder or board member
6. Legal entities where the whistleblower performs work
7. Trusts established or supported by the whistleblower

In **anonymous cases**, protection applies **from the moment identity is revealed**.

Whistleblowers are entitled to **compensation for non-material harm** caused by retaliation.

Protection cannot be waived.

No protection is given if the report is proven to be **knowingly false**.

How is identity protected?

Only the **designated competent person** has access to the internal reporting system and must keep the whistleblower's identity confidential.

Their identity must **not** be disclosed without **explicit consent**, except when required by **law enforcement**, in which case the whistleblower will be **informed**.

Processing of reports

- **Acknowledgment** within **7 calendar days**
 - **Final outcome** within **3 months** of acknowledgment
 - If justified, corrective action will be proposed or the case may be forwarded to public authorities (e.g., police or labor inspection)
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Issued in Rožnov pod Radhoštěm on 15 December 2023

Simona Malinovská

Competent Person

