



Code of Ethics

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A portrait of Michal Strnad, a man with a shaved head and a short beard, wearing a dark blue jacket over a white t-shirt. He is standing with his arms crossed against a dark blue background.

Introduction

Heart. Heritage. Horizon. is our motto and our daily driving force. We're a global company whose products bring customers safety, innovation, and great technologies.

Czechoslovak Group is a global industrial and technological group encompassing the activities of a family of industrial and trading companies from the defence and civilian industries, based primarily in the Czech Republic, Slovak Republic, Italy, Spain, the UK, and the USA. We are proud of our traditional values. Above all, thanks to the hard work of our employees who have faith in this tradition, we've managed to rekindle and restore the prosperity of several traditional Czech, Slovak, and other brands. We highly value our employees and the work they do, and their satisfaction is a priority for us.

We are aware that as our activities grow, strict adherence to the law, international standards, and ethical principles must be maintained, along with the right company culture, overall transparency, and observance of the latest standards in compliance. Our code of ethics therefore forms the foundation for the entire Group's compliance program. Our employees and management have an obligation to abide by this code in their daily work.

A stylized blue ink signature of Michal Strnad.

Michal Strnad

Chairman of the Board
Czechoslovak Group



A Universal Commitment

This Code of Ethics applies to every Group employee, no matter whether they're serving on the top floor or the shop floor, in the management of individual companies, or as directors.

Some of its provisions also apply to specific groups of employees (e.g., sales) or relate to parties outside of the Group (e.g., suppliers and dealers) in the Czech Republic and the other countries where the Group operates.

Failure to comply with the principles set out in this code may result in disciplinary action, including termination of employment, and in serious cases, reporting to the relevant authorities.



We Uphold the Law and High Ethical Standards

We regularly monitor legislative developments, promptly implementing corresponding adjustments into our daily practice, and always take steps to prevent any conflicts with legal requirements. We strongly reject all unlawful, or even dishonourable or unfair conduct and distance ourselves from it. Infractions of the law or ethical standards will not be tolerated and will always be dealt with accordingly.

If an employee or any individual becomes aware of actions that are reasonably suspected to be illegal, unethical, corrupt, in violation of work safety or environmental standards, or damaging to the reputation of the Group, they should report these actions through the [Group's ethics line](#). However, allegations that are trivial, unsubstantiated, or worse yet false, with the goal of personally harming someone, are not to be made. The reporting party bears full responsibility for any such allegations and can be sanctioned, given that they are undermining trust and standard work relationships in the company, and ultimately also violating the Code of Ethics.



We Combat Corruption

The Group thoroughly rejects and forbids any type of corrupt behaviour, and in every proven case of corruption, it makes a claim against the perpetrator for the damages they caused to the Group, generally immediately terminates their employment, and reports the corrupt behaviour without delay to the Police of the Czech Republic, who may act to initiate prosecution.

Employees of the Group, and especially members of its sales and marketing departments, are required to familiarize external partners, above all dealers and suppliers, with the Group's anti-corruption program, or more precisely with its portions relating to external partners.

General responsibility for the implementation of the Group's anti-corruption program is borne by its board of directors, while the managerial anti-corruption program is run by the Group's compliance department, which has full access to the Board members in matters of the anti-corruption program and is responsible for the ongoing implementation of the ethics and anti-corruption agendas in the company.

The Group's sales staff and the Group's dealers are required to take corruption risks into account in the course of evaluating sales opportunities and of their actions in business cases. These risks are generally given by the customer's position in the public or private sector, the position of their country of origin on Transparency International's global anti-corruption index, and how the order is being placed (via competitive bidding, or solicitation of a single entity).

The Group's sales staff are required to verify, via the compliance department, whether any proven corruption cases have appeared in connection with the Group's external partners and take this into account during their business decisions—including the option of terminating, or not establishing, relationships with partners where corruption has appeared.



We Stand Against Conflicts of Interest

We forbid any and all conflicts of interest among our employees. This in turn means that the Group's employees may not engage in contracting and business relationships of the Group on the side of suppliers or customers for its goods, directly or indirectly, and they may not have any personal benefit from these relationships from an entity other than the Group.

Any risk of a conflict of interest that arises from e.g. the membership of family members or friends in the governing bodies of companies that are suppliers or customers of the Group, or holding shares in these companies, should be declared by an employee for reasons of prevention to the compliance department of the Group.

We maintain a robust framework for managing conflicts of interests (both under our board rules, as well as under our related party transaction policy), and we uncover potential conflicts of interest in accordance with the Group's established compliance strategies.

An employee, who has a conflict of interest must not participate in any decision-making related to that conflict. All cases of conflict of interest must be handled transparently and in accordance with the Group's compliance strategies.



Handling of Confidential Information

Handling confidential and non-public information requires the highest level of responsibility. In addition to protecting ordinary business information, special care must be taken with classified matters that may affect the Group's strategic interests. Every employee is obliged to safeguard such information and not use it beyond the scope of their work responsibilities. The use of non-public or confidential information for personal gain, unauthorized advantage, or the benefit of third parties is strictly prohibited. Breaches of these principles are considered serious violations of ethical rules and may have legal consequences.



We Follow the Rules for Corporate Hospitality, Gifts, and Sponsoring

As a part of building up good relationships, above all in the area of business, the Group arranges standard services for its partners, including the option of covering the accommodations of the Group's partners and providing gifts and small presents. However, providing inappropriately luxurious accommodations or unethical and expensive entertainment services for partners, or giving them gifts of obviously disproportionate value, is prohibited. Such conduct is considered as potentially corrupt in relation to the Group's partners.

Likewise, managers and employees of the Group, especially in its business division, are prohibited from accepting such obviously excessive services or luxury gifts. In cases where a partner engages in such conduct, the Group employee is required to report this fact to their superior.

On certain foreign markets, officials in the public sector can demand "facilitation payments" for handling matters, which are legal under their countries' laws. It is strictly prohibited for companies in the Group to provide facilitation payments. Sales commissions for partners in the private sector do not fall under the definition of facilitation fees, for example commissions on the basis of dealer contracts, licensing contracts, or commercial agency agreements.

The provision of sponsorship donations that are purposefully tied to any business opportunity in the public or private sector is prohibited. This rule likewise also applies for gifts to political parties and movements. The purpose of the Group's sponsorships is to support education (primarily technical education), as well as to support, for example, sports, culture, and the non-profit sector, particularly in the regions in which the Group's companies operate.



Human Rights

The Group is committed to protecting human dignity and human rights in accordance with international UN conventions, relevant standards, and applicable laws, including the Modern Slavery Act. Every employee contributes to their observance and promotion in daily work and decision-making. Respect for human rights includes equal opportunities, protection against discrimination, and the promotion of diversity and inclusion across all areas of our activities. This commitment is based on key international frameworks such as the UN Universal Declaration of Human Rights, International Labour Organization (ILO) conventions, and the OECD Guidelines for Multinational Enterprises.

The Group respects the right of employees to freedom of association and participation in collective bargaining. It supports the freedom to form unions and participate in collective bargaining without any coercion or restrictions. This principle is an integral part of our corporate culture and everyday decision-making and applies to all employees within the Group.

Child labour is strictly prohibited. The Group opposes any practices that violate children's rights. We ensure that children are not deprived of education or forced to perform work that hinders their development or endangers their health and safety. In accordance with the fundamental standards of the International Labor Organization (ILO), we comply with the minimum age for employment as stipulated by applicable national regulations.

The Group strongly rejects forced labour, modern forms of human trafficking, slavery, and any practices similar to slavery, including servitude or long-term slavery. We expressly reject degrading treatment, exploitation, and the use of physical or psychological violence. All employment relationships are based on the free will of employees and respect the appropriate and legally stipulated notice period.



We Reject Discriminatory Behaviour and Create Fair Working Conditions

We ensure equal opportunities for all, irrespective of their gender, nationality, religion, ethnic background or appearance, sexual orientation, disabilities, age, marital status, or other distinct characteristics. We are an equal-opportunity employer, and this includes all employee benefits, options, and conditions within the employment relationship. Any form of discrimination, dishonourable behaviour, harassment, or intimidation is prohibited and inexcusable.

We adhere to the principle that diversity brings unity. We support an environment in which employees work as a single team, display mutual respect and esteem, and strive to communicate openly and truthfully.

Ensuring the safety and health of our employees is our top priority.



We Protect Personal Data and Company Property

We understand the long-term European trend toward increased protection of natural persons’ personal data—and we fully identify with it in our compliance program. We strongly promote observance of security measures passed to protect personal data and are constantly working to improve them. All our employees must abide by our Code of Ethics for the processing of personal data ([Privacy & GDPR | CSG](#)).

We protect the Group’s reputation—and property. Employees are required to handle the tangible and intangible assets of the Group and its clients, suppliers, and other third parties with due care and protect them from loss, damage, theft, and misuse. The Group’s property can only be used for the purposes for which it is intended, and in accord with the rules for its use.



We Prevent Money Laundering and Follow Export and Import Regulations

Prudent business takes precedence over profit. We exert every effort to prevent the legalization of proceeds from criminal activities and the financing of terrorism. We follow the “Know Your Client” principle and only close contracts with trustworthy partners in business whose profits come from legitimate sources.

When dealing with natural and legal persons or specific goods, we always ensure that there is no violation of international or domestic sanctions or imposed embargoes.

We are committed to conducting all business activities with integrity, fairness, and transparency. We strictly comply with applicable competition laws and antitrust regulations; therefore, no employee may engage in practices such as price fixing, market allocation, or other forms of unfair competition. All interactions with customers, suppliers, and competitors must be conducted honestly and in accordance with legal and ethical standards, including refraining from cartel agreements, not sharing commercially sensitive information with competitors, and exercising caution when participating in professional associations.



We Care About Environmental Protection and Social Responsibility

We are aware of the potential impacts of our business activities on the environment, and therefore we care about protecting it and treating it as considerably as we can. We prioritize environmentally friendly technologies, we do not engage in projects that endanger it, and when choosing suppliers, we examine the environmental impact of their products and services.

We actively work to reduce greenhouse gas emissions and promote energy efficiency. We support the circular economy, recycling, and the reuse of materials, thereby reducing the need for new raw resources. We strive for energy self-sufficiency through renewable sources and continuous improvements in energy efficiency.

Our business is built on principles of social responsibility. We support projects that have a long-term positive impact on communities and adhere to transparency and ethical conduct. We implement charitable and sponsorship activities with clearly defined strategic goals that contribute to regional development, education, and culture. We reject any form of discrimination and promote diversity and inclusion. We ensure open communication about our corporate responsibility initiatives and regularly report on our results.



CSG N.V.

The Group is a global industrial and technological group listed on Euronext Amsterdam, with the Czech businessman Michal Strnad as majority owner, who has key production plants primarily in the Czech Republic, Slovakia, Spain, Italy, the UK, and the USA.

The Group supports the development of traditional Czech, Slovak, and foreign companies engaged in defence or civilian industrial production and commerce. The Group includes for example the automaker Tatra Trucks, the major global manufacturer of small-calibre ammunition Fiocchi, and the radar manufacturer Retia. The businesses included in CSG N.V. and the companies connected with it employ over 10,000 people.

The Group's main fields are the machine engineering, automotive, rail, aviation, and defence industries. Thanks to the Group's strongly pro-export orientation, you can find its companies' products on every continent, and its customer count is constantly on the rise.



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