APPROVED

by the Decision of the Supervisory Board of

JSC NNEGC Energoatom, dated 11.07.2025, Minutes of Meeting No. 10

**Compliance Policy of**

**JSC NNEGC Energoatom**

**Kyiv-2025**

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# TERMS AND DEFINITIONS OF NOTIONS

The following terms and definitions provided herein shall be used only in the context and for the purpose of this document:

|  |  |
| --- | --- |
| “Compliance” | refers to the conformity of activities of Joint Stock Company “National Nuclear Energy Generating Company “Energoatom” (hereinafter “JSC NNEGC Energoatom”) to applicable requirements of laws of Ukraine, the Company’s internal documents and obligations, resolutions of the Company’s governing bodies, orders of the Company’s Executive Chief Officer. |
| “Compliance Risk” | refers to the likelihood of losses/imposition of sanctions, financial and/or reputational losses, and/or loss of profit, material or other damages to the Company, other negative economic consequences as a result of failure of the Company’s employees and/or counterparties, persons acting on the Company’s behalf, to comply with requirements of Ukrainian laws, the Company’s internal documents or obligations, resolutions of the Company’s governing bodies, orders of the Company’s Chief Executive Officer. |
| “Compliance Risk Management System” | refers to a set of measures, procedures and instruments of control aimed at ensuring that the Company, its employees and persons acting on the Company’s behalf will comply with requirements of laws of Ukraine, the Company’s internal documents, resolutions of the Company’s governing bodies, orders of the Company’s Chief Executive Officer. |
| Other terms used herein shall have the meaning assigned to them by laws and the Company’s internal documents. | |

# GenERAL pROVISIONS

## The Compliance Policy of JSC NNEGC Energoatom determines the purpose and fundamental principles of the compliance at JSC NNEGC Energoatom, as well as basic approaches to the organization, support for functioning and implementation of the Company’s Compliance Risk Management System.

## This Compliance Policy was developed in accordance with requirements set forth by:

## Law of Ukraine “On the Use of Nuclear Energy and Radiation Safety”;

## Law of Ukraine “On Joint Stock Company “National Nuclear Energy Generating Company “Energoatom”;

## Law of Ukraine “On Management of State Property Objects”;

## Law of Ukraine “On Public Procurement”;

## Law of Ukraine “On Prevention of Corruption”;

## Cabinet of Ministers of Ukraine’s Resolution No.1420 “On Establishing of Joint Stock Company “National Nuclear Energy Generating Company “Energoatom”, dated as at 29 December 2023;

## Cabinet of Ministers of Ukraine’s Resolution No. 1369 “Certain Matters of the State Property Policy”, dated as at 29 November 2024;

## OECD Guidelines on Corporate Governance of State-Owned Enterprises;

## Internal documents of the Company.

## This Compliance Policy shall be an integral part of the overall governance system of the Company.

## This Compliance Policy shall be binding upon the Chairperson and members of the Supervisory Board, the Chief Executive Officer and members of the Executive Board, all employees of the Company regardless of their positions, as well as other persons acting on behalf of the Company, under contracts (agreements) concluded with them.

## The Company expects its counterparties and stakeholders to adhere to the principles of this Compliance Policy in their activities.

## Counterparties of the Company are obliged to comply with the Compliance Policy’s requirements in the frameworks of the contracts (agreements) concluded with them.

## The Company’s Subdivision, which is in charge of following up the implementation of this Compliance Policy, shall be the Compliance Subdivision.

# PURPOSE AND MAIN OBJECTIVES OF THE COMPLIANCE POLICY

**2.1** The Purpose of the Compliance Policy is to establish uniform common principles and approaches to the functioning of the Company’s governance system to secure:

* Achievement of strategic and operating goals of the Company;
* Development of leadership in the area of compliance;
* Compliance of the Company’s activities with requirements of laws of Ukraine, the Company’s internal documents and obligations, resolutions of the Company’s governing bodies, orders of the Company’s Chief Executive Officer;
* Adequate level of compliance and minimization of compliance risks in the Company’s activities;
* Building up and maintenance of an adequate level of the compliance culture and integrity of the Company’s employees and persons acting on the Company’s behalf;
* Protection and strengthening of the Company’s business reputation.

**2.2** The main objectives of this Compliance Policy shall include:

* Ensuring that all employees of the Company as well as persons acting on its behalf, will adhere to the requirements of laws of Ukraine, the Company’s internal documents and obligations, resolutions of the Company’s governing bodies, orders of the Company’s Chief Executive Officer;
* Setting out the requirements for the functioning of the Compliance Risk Management System that aligns with the structure and focus areas of the Company’s activities;
* Creating a proper environment for the purpose of maintaining the highest level of the compliance risk management culture;
* Promoting the adherence by all employees of the Company, as well as persons acting on its behalf, to corporate values and rules of business ethics;
* Providing reports to the Supervisory Board of the Company on the implementation progress of this Compliance Policy, as well as outcomes from assessments of the status of the Compliance Risk Management System.

# PRINCIPLES OF THE COMPLIANCE POLICY

The Company shall employ the comprehensive, adequate and effective Compliance Risk Management System based on the principles as follows:

**3.1 Safety Culture**

The fundamental principle of JSC NNEGC Energoatom’ s activities is adhering to the highest standards of nuclear and radiation safety with the aim of ensuring safe electricity production.

Recognizing the importance of safety in operations of nuclear facilities and taking into consideration the IAEA recommendations, JSC NNEGC Energoatom is continuously carrying out the efforts related to building up, maintaining and improving the safety culture level.

Production processes are supported by a high level of nuclear, radiation and operational safety and meet the IAEA requirements, international and national standards. Improving and maintaining the attained safety level of NPP units is the highest priority in activities of JSC NNEGC Energoatom.

The principle that each employee of the Company should be responsible for safety and quality of his/her job shall apply across all levels of activity.

**3.2 Compliance with legal requirements and sanctions**

## The Company shall abide by all legal requirements, including but not limited to laws of Ukraine “On the Use of Nuclear Energy and Radiation Safety”, “On Electricity Market”, “On  Public Procurement”, “On Prevention of Corruption; the Labor Code, legislative acts applicable in the field of the electricity market functioning, economic activity performance, information disclosure, public procurement, taxation, antitrust regulations, environmental protection, and so on. The Company shall apply the provisions of international standards and implement the best international practices.

## In its activities, the Company shall be guided and unconditionally abide by the Law of Ukraine “On Sanctions”, the President of Ukraine’s Decrees on enactment of resolutions of the National Security and Defense Council related to imposing special economic and other restrictive measures (sanctions) on legal entities and individuals, as well as sub-legislative acts to enforce their implementation.

## **3.3 Integrity**

## The Company makes a principled stand on its commitments to the standards of fair business conduct, and ensures the corporate culture development based on the principles of integrity.

## The Company undertakes to carry out its activities to achieve the best results only if such results are achieved in a fair, lawful manner and are compliant with the culture of integrity.

## The Company's employees and persons acting on its behalf shall adhere to the specified ethical principles and norms and shall be guided by the principles of integrity in their professional lives.

## The Company expects its business partners to adhere to the standards and principles of fair competition.

**3.4 Providing “The Three Lines of Defense”**

The Company shall establish and maintain an internal control system taking into account the specifics of the type of activities, nature, and scope of operations carried out by the Company, as well as the risks inherent in such activities.

When carrying out its compliance risk management activities, the Company shall ensure that all structural and separate subdivisions of the Company will be involved in the assessment, acceptance and control of compliance risks, which is part of the internal control system.

## **3.5 Relationships with business partners**

## The Company seeks to cooperate with business partners who share the values set out in this Compliance Policy.

## To implement the declared policy, the Company always informs business partners about all requirements stipulated by the Compliance Policy, take into account their business reputation, and the availability of a system of appropriate measures.

The Company shall verify potential and existing business partners as prescribed by the procedure established by the Company.

**3.6 Combatting corruption**

In its activities, the Company shall adhere to zero tolerance to corruption in any of its forms and manifestations, and shall take all measures provided for by law to prevent, detect, and combat corruption and related actions.

The Company has implemented an Anti-Corruption Program that establishes a set of measures (rules, standards, and procedures) to prevent and detect corruption in the Company's activities.

**3.7 Response and responsibility**

The Company shall provide an opportunity to confidentially report alleged violations by the Company's employees, as well as persons acting on its behalf, of the laws of Ukraine, the Company’s internal documents and obligations, decisions of the Company's governing bodies, and instructions of the Company’s Chief Executive Officer.

Such reports shall be reviewed using all possible legal and reasonable procedures and resources.

**3.8 Policy of equal opportunities**

All appointments, dismissals and transfers, as well as other personnel decisions affecting employees' work activities, shall be made without regard to political, national or other beliefs, gender, ethnic or social origin, etc.

Any discrimination against the Company's employees shall not be allowed.

The Company shall adhere to a general approach to the implementation of the state policy of barrier-free access to ensure unimpeded access of all employees to various spheres of life in the performance of their duties.

**3.9 Gender policy**

The Company shall prevent any discrimination based on gender, shall guarantee equal opportunities for career, professional, and personal growth to all employees, provide flexible working conditions for parents of both sexes, and shall pay remuneration according to the contribution of each employee to the Company's development. The Company shall make every effort to ensure parity in the participation of women and men in making production, economic, social, managerial, and other decisions.

**3.10 Business ethics**

The Company shall define the rules of business ethics that summarize moral and ethical norms and rules of behavior taking into account the high standards traditional for the nuclear power industry.

Employees of the Company, regardless of their positions, and persons acting on behalf of the Company, are obliged to comply with the defined rules of business ethics and prevent any negative impact on the Company's business reputation.

**3.11 Management of conflicts of interest**

The Company shall ensure effective management of conflicts of interest, development of a set of measures aimed at prevention, timely detection and settlement of situations of conflict of interest in the activities of all employees of the Company, regardless of their position and persons acting on its behalf, and conducting of explanatory works with a view to minimize potential risks of corruption related to the possible influence of private interest on the performance of official/representative powers.

**3.12 Gifts and business hospitality**

The Company shall determine the general policy and procedures for providing and receiving business hospitality and gifts, taking into account the requirements of the law, the Anti-Corruption Program, business ethics rules, and other internal documents of the Company.

Employees of the Company and persons acting on its behalf may give and receive ethical and appropriate gifts that meet generally accepted notions of hospitality, in accordance with the requirements of the defined policy on business hospitality.

**3.13 Protection of personal data**

The Company considers compliance with the principles of legality and confidentiality in the processing of personal data, as well as the security of their processing operations, to be one of its most important tasks.

In carrying out such activities, the Company shall process personal data and determine the purposes of personal data processing, the composition of personal data to be processed, actions (manipulations) performed with personal data based on the legal requirements, as well as the Company's business objectives, purpose and areas of activity.

**3.14 Protection of restricted information**

## The Company shall take a set of organizational and technical measures to comply with the regime of protection of restricted information and prevent it from being disclosed in violation of the requirements of laws and internal documents of the Company.

## Employees of the Company and persons acting on its behalf are obliged to take measures to preserve and not disclose restricted information as prescribed by the requirements established by the Company.

## **3.15 Transparency and openness of information**

## The Company shall provide information on the goals, objectives, current and future activities, and its timely communication to the public and other stakeholders as prescribed by requirements of laws, taking into account the conditions of martial law.

## Information on the Company's activities shall be published, under the established procedure, on the Company's official website, in corporate and other media.

## Information about the Company's activities may also be disclosed (made public) by the persons authorized by the Company through public statements and during speeches, briefings, press conferences, round tables, public hearings, consultations, and etc.

## **3.16 Corporate Social Responsibility**

## The Company shall adhere to the generally accepted principles of corporate social responsibility and recognize its responsibility to society and the environment, undertake to adhere to the principles of sustainable development in all aspects of its activities, and shall seek to contribute to the economic and social development of Ukraine.

## For the Company, sustainable development is a key factor in ensuring long-term stability and harmonious coexistence of economic, environmental, and social components of the Company's activities.

## **3.17 Relationships with employees**

## All employees of the Company and persons acting on its behalf shall comply with the principles of this Compliance Policy, as well as the requirements of Ukrainian laws, the Company’s internal documents, and obligations, decisions of the Company's governing bodies, and orders of the Company's Chief Executive Officer.

## Employees of the Company and persons acting on its behalf shall refrain from executing decisions or orders that they consider illegal or that pose a threat to the safety of personnel or the environment, the rights, freedoms, or interests of individuals, legal entities, the state or public interests protected by laws.

# KEY ROLES IN THE IMPLEMENTATION OF COMPLIANCE POLICY PRINCIPLES

* 1. The Supervisory Board of JSC NNEGC Energoatom shall:
* ensure the creation of a Compliance Risk Management System in the Company, and supervise their implementation;
* approve the Compliance Policy and amendments thereto;
* approve the regulations on the Compliance Subdivision and appoint its Head;
* approve the methodology for managing compliance risks in the Company and other documents on compliance issues;
* supervise the activities of the Compliance Subdivision.
  1. The Executive Board of JSC NNEGC Energoatom shall:
* ensure implementation of the Company's internal documents on compliance issues approved by the Supervisory Board;
* assist the Compliance Subdivision in performing its functions and tasks;
* direct the Company's employees to unconditionally adhere to the principles of the Compliance Policy;
* encourage managers at all levels to demonstrate leadership in adhering to the principles of the Compliance Policy;
* maintain the availability of sufficient and appropriate resources for the functioning of the Compliance Risk Management System in accordance with the decisions of the Supervisory Board.
  1. The Compliance Subdivision shall:

- formulate the principles and fundamental elements of the Company's Compliance Policy and ensure their implementation;

- ensure the functioning of the risk management system by timely identifying, measuring, monitoring, controlling, reporting, and providing recommendations on compliance risk mitigation;

- determine strategies, principles and tools, and coordinate the process of identifying and preventing compliance risks in the company, and ensure the application of uniform methodological principles;

- monitor compliance with the Company's Compliance Policy and other internal documents on compliance issues in the Company;

- inform the Supervisory Board of risks and any cases of non-compliance with compliance provisions.

* 1. The Internal Audit Subdivision shall evaluate the effectiveness and efficiency of the Compliance Subdivision’s activities.
  2. Managers at all levels, within their competence, shall undertake to demonstrate leadership and responsibility for the implementation of the requirements of this Compliance Policy by themselves and their subordinates.
  3. The Company shall implement a set of procedures to identify, assess and eliminate (minimize) compliance risks and other risks in its activities.
  4. Compliance risk management in the Company is one of the subsystems of internal control and shall be organized in two dimensions that generate a compliance management matrix (see Figure 1), in which the Supervisory Board, Executive Board, structural and separate subdivisions of the Company are arranged according to (1) the line of defense to which their activities belong, and (2) their position in the hierarchy. The Company's subdivisions shall belong to different lines of defense so as to ensure independence between different lines.



Supervisory Board

Internal Audit

Subdivision

Executive Board

Compliance

Subdivision

Separate Subdivisions of the Company

Structural Subdivisions of the Company’s Directorate

Risk Management Subdivision



Strategic level

Tactical level

Operational level

1st line of defense

2nd line of defense

3rd line of defense

**Figure 1. Compliance risk management matrix**

Fig. 1 shows the involved entities of the Company's Compliance Risk Management System in concert with the lines of defense and their positions in the organizational structure of the Company.

* 1. **The first dimension of compliance risk management** is based on the division of responsibilities between the structural subdivisions of the Head Office and separate subdivisions of the Company, and includes three lines of defense of the Compliance Risk Management System, namely:

1) ***The fisrt line of defense*** – the Company's Supervisory Board, which takes measures to form a Compliance Risk Management System, the Executive Board, structural subdivisions of the Directorate, and separate subdivisions of the Company that ensure the implementation of the Compliance Risk Management System.

2) ***The second line of defense -*** Compliance Subdivision and Risk Management Subdivision, which carry out control measures over the Compliance Risk Management System.

3) ***The third line of defense*** is the Internal Audit Subdivision, which assesses the effectiveness of the internal control system under the requirements established by the Company's internal documents.

* 1. **The second dimension of compliance risk management** relates to the hierarchical levels at which these activities are carried out, and consists of three hierarchical levels: strategic, tactical and operational.
* ***Strategic level:*** includes the functions of compliance risk management, which is formed by the Сompany's Supervisory Board and evaluated by the Internal Audit Subdivision based on the results of implementation.
* ***Tactical level:*** includes risk management functions performed at the level of the Compliance Subdivisions and the Company’s Executive Board.
* ***Operational level:*** includes compliance risk management functions performed at the level of each subdivision of the Company, including the Risk Management Subdivision (regardless of the line of defense to which the subdivision is assigned; independence between the subdivisions shall be maintained).

# ENSURING THE IMPLEMENTATION OF THE COMPLIANCE POLICY

* 1. The implementation of this Compliance Policy shall be ensured by:
     1. Implementing the mechanisms for cooperation between the Company's subdivisions at all organizational levels using the Three Lines of Defense model.
     2. Organizing the Company's activities to comply with the requirements of the Ukrainian laws, the Company’s internal documents or obligations, decisions of the Company's governing bodies and orders of the Company's Chief Executive Officer.
     3. Establishing a systematic and regular process that involves identifying, assessing (accepting), mitigating, monitoring, controlling, and reporting on compliance risks in the Company's activities.
     4. Implementating the methods and tools for effective management of compliance risks and taking necessary measures to prevent/eliminate or minimize their probable consequences.

**5.2.** The Chairperson and members of the Supervisory Board, the Chief Executive Officer and members of the Executive Board, employees of the Company and persons acting on its behalf shall be liable for non-compliance with or violation of the requirements of this Compliance Policy under the requirements of laws and internal documents of the Company.