

General Manager of  
Legal Affairs & Corporate  
Governance

Compliance Department



# Conflict of Interest Policy HEDNO S.A.

BoD Decision 9/02.04.2024

Hellenic  
Electricity Distribution  
Network Operator S.A.

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One power  
system for all

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## INTRODUCTION

1. The Hellenic Electricity Distribution Network Operator (hereinafter, "HEDNO" or "HEDNO S.A." or "the Company") undertakes to carry out its activities in a manner that ensures that judgement and decisions made by its staff are not affected by personal interests. When personal interests unduly affect or are presumed to unduly affect decision making in HEDNO, conflict of interest arises. For the management of conflict of interest, HEDNO adopts this "Conflict of Interest Policy" (hereinafter the "Policy"). The Policy is effective upon approval by HEDNO's Board of Directors.
2. Conflicts of interest (as defined in the present) may arise when personal interests take precedence over the interests of the Company and when such personal interests influence, unduly and at a significant extent, business judgement, decisions or actions. In addition to Company staff, which for the purposes of this Policy also includes: a) the members of its Committees designated by the Articles of Association and/or Decisions of other competent bodies of the Company and/or the Shareholders' Agreement, with the exception of members of such Committees that are also members of the BoD for whom the provisions of Article 5 of the Rules of Procedure of the HEDNO BoD is the respective applicable clause and b) executives, irrespective of the procedure and the manner of their recruitment, including Special Executives and Special Advisers of the company, such situations may involve persons closely connected with them (as defined in the present). The practices and procedures related to the removal of conflict of interest do not aim at the – infeasible – eradication of situations that constitute conflict, but at their proper management. They aim not so much at the suppression, but mainly at the prevention and deterrence of undesirable situations of conflict that may affect the judgement, decision making or

action taking process in an objective and effective manner.  
For this reason:

- Staff should understand when conflict of interest situations may arise and request guidance in case of doubt;
- Staff should avoid conflict of interest situations, wherever possible;
- Staff should report conflict of interest situations, wherever possible;
- The Compliance Department (hereinafter COMD) shall make sure that conflict of interest situations are properly managed.

## **PURPOSE OF THE POLICY**

- 1** Through this policy, HEDNO seeks to provide to all employees, irrespective of their position in the hierarchy, support, information and guidance on the principles and rules for the prevention or management of conflict of interest situations, and on how to apply these principles and rules.

## **SCOPE AND APPLICABILITY**

- 2** This Policy applies to all persons employed in the Company, including persons working under an employment contract, persons working under a project contract, an independent service contract or a retainer contract, to persons working through third party service providers and to persons working under an internship, training or apprenticeship scheme, to executives and members of the abovementioned Committees with the exception of those members of such Committees that are also members of the BoD and in relation to whom Article 5 of the BoD Rules of Procedure applies, as set out in the introduction of the present and for every case in which the personal interest of each of the aforementioned persons may come into conflict with the interest of HEDNO. Additionally, and where relevant, it may apply to third parties having transactions with the Company.

- 3 Given that the exhaustive listing and description of conflict of interest cases is not possible in the context of this Policy, it is recommended that, beyond the special provisions of this Policy in case of doubt as to whether such conditions apply, the opinion of COMD be sought, either directly or through the relevant Hierarchy.

#### KEY DEFINITIONS

- 4 A **"Conflict of Interest Situation"** means every situation in which a set of circumstances creates the risk that professional/ management judgements or actions regarding to a primary interest, such as the duty of loyalty to the interests of the Company, are unduly affected by a secondary interest or duty. It includes every case, professional or personal, which could potentially affect in an undue manner a person's ability to assess a situation or to make a decision, independently and impartially, that may result in jeopardising the interests of the Company. In more detail, for a situation of conflict of interest or of duty to exist all of the following conditions need to apply: (a) a person, natural or legal, managing Company assets, who (b) is confronted with actual circumstances, especially of personal interest, which may reasonably lead to (c) internal conflict able to (d) interfere and decisively affect the judgement of such person in terms of the management duty assigned to them in a manner such that (e) Company interests are not served in the expected manner.
- 5 **"Conflicts of interest"** may be: actual conflicts of interest (the person concerned is facing a real, existing, conflict), possible conflicts of interest (an employee is or could be in a situation that could lead to conflict) and potential conflicts of interest (the person concerned is or could be in a situation that could be perceived as conflict even if this is not the case). In the context of HEDNO activities,

conflict of interest may arise both from external business activities or from personal activities of the persons involved.

Examples of conflict of interest situations include, but are not limited, to:

A staff member or a person closely related to him/her:

Is an executive of a company or participates in the activity of production and/or supply of electricity

- Uses company assets or especially important information to which he/she has access due to his/her capacity as employee in order to obtain financial gain,
- Acquires information about a business opportunity and discloses it to third parties or makes an investment or exploits it for his/her own benefit,
- Through his/her position in the Company, he/she confers financial benefit on one or more third parties having transactions with the Company, explicitly including, among others, electricity suppliers or producers, or more generally HEDN Users or in general participants in the electricity market,
- Accepts money, gifts, luxury hospitality, loans, guarantees or other special treatment from parties having transactions with HEDNO S.A., explicitly including among others electricity suppliers, electricity producers, HEDN Users or in general participants in the electricity market,
- Participates in a significant personal transaction regarding the Company for his/her own benefit,
- Has direct or indirect financial, economic or other personal interests that could be construed as affecting his/her impartiality and independence in the context of the contract award process,
- Participates in any transaction/ contract of the Company, either as the approver of the transaction/ contract, or as a person

responsible for monitoring its approval, according to terms that either deviate from the transaction/ contract, or deviate from the usual terms of similar transactions/ contracts, unless they have been duly approved.

COMD prepares and updates a list of indicative conflict of interest situations, and notifies it, by every appropriate means, to the staff of the Company and to parties having transactions with it

- 7 "Closely connected persons" are:**
- a)** a spouse (not divorced) or a partner of a person who fall under the scope of application of this policy,
  - b)** a child, under national law, of a person who fall under the scope of application of this policy,
  - c)** Dependants, including relatives (in both the ascending and descending lines) with whom they share the same house, of a person who fall under the scope of application of this policy,
  - d)** any type of legal person the administration/ management of which is exercised by a staff member or by a person referred to in (a), (b), (c) above, or who is directly or indirectly controlled by such a person, or established for the benefit of such a person, or whose financial interests are in essence identical with the financial interests of such a person,
  - e)** In case of Committees involved in the conduct of tender procedures, the relevant provisions of the laws pertaining to conflict of interest shall apply.
- 8 "Gift/ personal benefit"** means any item or benefit whose value exceeds 150 euros.

## PRINCIPLES AND RULES

### 9 BASIC RULES

Employees may not provide services to any other employer without the prior permission of the competent Service of the Company, and may not engage in any other activity that serves the interests of third parties and comes into conflict with the interests of the Company. The aforementioned prohibition, which involves and is related to personal interests, also includes the interests of closely related persons.

- 10 Gifts, meals and any kind of benefit which is likely to affect the making of objective decisions in the interest of the Company should not be accepted. In particular, all Company staff involved in the process of concluding contracts for works, supplies and services, from the preparation of the relevant feasibility report up to the relevant award decision, but also during the execution process, shall submit to their superiors a Declaration for the non-existence of a conflict of interest situation..
- 11 A respective to the aforementioned declaration shall be required from and submitted by all economic operators participating in any relevant process. These declarations shall be part of the respective tender dossiers.
- 12 Staff should not have a supervision or control relation (e.g. have an influence on working conditions) with closely connected persons or participate in any recruitment decision of closely connected persons (including internal/external recruitment and internal staff movement).
- 13 Staff shall maintain confidentiality regarding the affairs and activities of the Company and shall protect all data related to its trade secret. The same obligations are also binding on the Company's



associates, who are required to sign a relevant Confidentiality Agreement.

- 14 Staff members in cases where their personal interests may conflict with the interests of the Company have the duty to first make such interests known (disclosure) and then not participate in the relevant decision-making process (abstention). In case of doubt they should seek the opinion of COMD.

## **POLICY IMPLEMENTATION**

### **IDENTIFICATION OF CONFLICT OF INTEREST**

- 15 HEDNO implements appropriate mechanisms and procedures for the timely identification of conflict of interest, both prior to the assumption of duties of their executives, and during the performance of their duties. For the purposes of applying this Policy, "Executives" means all Company executives of the 3rd Level and above, irrespective of their duties and manner/ procedure of their selection, explicitly also including Special Executives of the 3rd Level and above, as well as Special Advisers.

#### **Conflict of interest form**

Prior to the assumption of duties by an Executive

- 16 COMD, before any of the above executives or persons who are to become members of the HEDNO Committees referred to in the Introduction of the present, with the exception of members of such Committees that are also BoD members and for whom the provisions of Article 5 of the BoD Rules of Procedure apply, take up their duties, informs, on a case by case basis, the selected persons on the content of the Conflict of Interest Policy. For the purposes of taking up their duties, the persons above shall complete and sign the "Conflict of Interest Form" stating that there is no conflict

of interest, as described in this Policy, or, alternatively, disclosing any situation that may entail conflict of interest.

In relation to Committees involved in tendering procedures, the relevant updates and actions will be made by the Director(s) to whom they are assigned, who must inform COMD in case a conflict of interest situation arises.

After identifying a conflict of interest situation, COMD informs either:

- The competent Director or, in the case of an Executive at Director level and in the case of a Special Executive of the 1st Level or of a Special Adviser, the competent General Manager, or
- The Board of Directors, in the case of an Executive of a level higher than that of Department Director, or member of the HEDNO Committees provided for in the Introduction of the present who comes under the scope of application of this Policy.

- 17 Therefore, the Director or the General Manager or the Board of Directors, as the case may be, shall decide on the appropriate measures to be taken to address the conflict of interest, upon a recommendation by COMD.

### **Annual Declaration**

- 18 All Company Executives are obliged to submit to COMD, through the Department to which they belong, an annual "Conflict of Interest Form" (see Annex) filling/completing it with true information and to update such information in case of any change. The Directors or the General Managers, as the case may be, and COMD shall ensure that the above Executives comply with their annual obligation to submit the form in question.

After identifying a conflict of interest situation, COMD informs either:

- The Director or, in the case of an Executive at Director level and in the case of a Special Executive of the 1st Level or of a Special Adviser, the General Manager of the Executive, or
- The Board of Directors in case of an Executive of a level higher than that of a Department Director, or member of the HEDNO Committees provided for in the Introduction of the present who comes under the scope of application of this Policy.

**19** The Director or the General Manager or the Board of Directors, as the case may be, shall decide on the appropriate measures to be taken to address the conflict of interest, upon a recommendation/opinion by COMD.

**20** COMD shall record all identified conflicts of interest and the way they are being handled in the Conflict of Interest Register (see below).  
Conflict of interest disclosure

**21** **Conflict of interest disclosure**

It may not always be possible to avoid a conflict of interest situation, as it may arise as circumstances evolve. In this case, i.e. in case of a conflict of interest, staff members are obliged to report the conflict. In the performance of his/her duties, an employee may become aware of a conflict of interest situation that did not exist at the time of submission of the annual conflict of interest form. In this case, the employee must report the personal interest to his/her Director and then inform COMD, updating the Conflict of Interest Form. The report must provide sufficient details on the conflict of interest to enable a sufficiently substantiated decision to be made on the appropriate resolution.

- 22** After identifying a conflict of interest situation, COMD informs either:
- The competent Director of the employee or of the executive or of the special executive up to the 2nd Level,
  - The competent General Manager in the case of an Executive at Director of Department level, or of a Special Executive of the 1st Level, or of a Special Adviser.
  - The Board of Directors in case of an Executive of a level higher than that of Department Director, or member of the HEDNO Committees provided for in the Introduction of the present who comes under the scope of application of this Policy.
- 23** Therefore, the Director or the General Manager or the Board of Directors shall decide on the appropriate measures to be taken to address the conflict of interest, upon a recommendation by COMD.
- 24** COMD shall proceed to recording all identified conflict of interest cases in the "Conflict of Interest Register" (see below).

### **MANAGING CONFLICT OF INTEREST**

- 25** COMD is responsible for analysing the information received through the "Conflict of Interest Form". It shall also evaluate any information that may have been reported to COMD directly or through the Company's reporting and complaints line (see below). After investigation, collection of the necessary evidence and the initial evaluation of each case, COMD shall deliver an opinion on whether there is conflict and, if so, on the type of conflict, e.g. actual, potential or perceived.
- 26** For the purposes of managing conflict of interest cases, the provisions of this Policy apply in conjunction with the provisions of HEDNO's

Sanctions Policy & Reporting/Complaint Handling Procedure, to the extent that the provisions of the latter are applicable.

- 27** COMD evaluates the impact that may arise from the conflict concerned and how it may affect the Company's interests, and, in accordance with paragraph 14 of this Policy, shall provide its recommendation on how to manage the conflict to the relevant line manager, who shall apply the appropriate measures to address the conflict. In any case and until the situation has been assessed, the person/persons involved in the alleged conflict of interest must refrain from any further action related to the case concerned.
- 28** In case of alleged conflict of interest involving an executive up to the 2nd Level or of a Special Executive up to the 2nd Level or of an employee, who takes part in any process, in particular in the conclusion of a contract or its execution, and which (conflict of interest) has come to his/her knowledge), the relevant executive/employee should immediately notify in writing the competent Director and, until the situation has been assessed, he/she shall temporarily abstain from the relevant process. Within a week, the above Director shall submit a written and reasoned assessment of the situation to the relevant General Manager, and notify the COMD and, if there is a conflict of interest, the declarant shall be asked to abstain from the process connected to the conflict. In the event that the competent General Manager has doubts, either in respect of the assessment of the situation, or of the proposed action to resolve it, he/she shall ask COMD to prepare a recommendation/ opinion following which he/she shall make the final decision on the measure most appropriate for the case at hand.

- 29** In case of alleged conflict of interest in the person of an executive of the 1st Level or of a Special Executive of the 1st Level or of a Special Adviser involved in any process, in particular in the conclusion of a contract or in its performance, and who has become aware [of it], the relevant 1st Level executive/ special executive/ special advisor should immediately notify it in writing to the competent Director and, until the situation has been assessed, he/she shall temporarily abstain from the relevant process. Within a week, the each time competent General Manager shall prepare a written and reasoned assessment of the situation which it shall notify to COMD and, if there is a conflict of interest, the declarant shall be asked to abstain from the process connected to the conflict. In the event that the competent General Manager has doubts, either in respect of the assessment of the situation, or of the proposed action to resolve it, he/she shall ask the COMD to prepare a recommendation/ opinion following which he/she shall make the final decision on the measure most appropriate for the case at hand.
- 30** In case of alleged conflict of interest in the person of an Executive of a level higher than Department Director or member of the HEDNO Committees provided for in the Introduction of the present who comes under the scope of application of this Policy, who is involved in any process and who has become aware of [it], the executive/ member concerned should immediately notify it to the BoD, and until the situation has been assessed and the BoD has taken the relevant Decision, he/she should temporarily abstain from the process concerned. In the event that the Board of Directors has doubts, either in respect of the assessment of the situation, or of the proposed action to resolve it, it shall ask COMD to prepare a recommendation/ opinion following which it shall make the final decision on the measure most appropriate for the case at hand.

Every two years, COMD in cooperation with the Corporate Risk Management Unit makes an assessment of the risks related to the Conflict of Interest Policy, i.e. underlining on the one hand the frequency of conflict of interest cases within the Company and on the other the magnitude of their consequences. This process could bring to light well-established corporate practices conducive to the development of conflict of interest areas, which could be prevented through adopting and implementing appropriate corrective measures.

- 31 Conflict of interest cases identified in the course of each year and their management are included in the corresponding Report which is notified to the Company's Board of Directors.

### **CONFLICT OF INTEREST REGISTER**

- 32 COMD maintains and updates a register of all conflict of interest situations that arise, with reference to involved parties, activities / services in which the conflict has arisen as well as data regarding the management of each conflict. The Register ensures a proper record of how the situation has been addressed and consistency of treatment.

### **TRAINING AND AWARENESS**

- 33 In cooperation with the Training, Development and Organisational Structures' Department, COMD trains and should provide information on issues of conflict of interest to all staff of the Company. Especially regarding staff training, COMD commits itself to take the following measures:
  - Provision of relevant information, including the publication of this Policy, through the intranet, in-house seminars and open discussions, etc.

- Development of staff skills in identifying and managing conflict of interest situations through the guidance and ongoing training provided to staff by their Directors and by COMD.
- Inclusion of conflict of interest issues in the induction and training programs for new recruits.

### **VIOLATIONS OF THE POLICY AND REPORTING**

- 34** Violations of this Policy shall not be tolerated and may lead to the initiation of the disciplinary control provided by the regulatory and legislative framework each time in force.

Each staff member becoming aware of or suspecting a possible violation of this Policy by another staff member shall notify his/her suspicions to COMD, straightaway. If he/she so wishes, he/she may submit a report through the Company's reporting or complaints line. Staff members who report potential misconduct or provide information or otherwise assist in any inquiry or investigation of a possible misconduct shall be protected from retaliation in accordance with the applicable law.

Upon diagnosis of an established conflict of interest case, the provisions of this Policy apply in conjunction with the provisions of HEDNO's Sanctions Policy & Reporting/Complaint Handling Procedure.

### **OBLIGATIONS**

- 35** It is the responsibility of each Director to comply with this Policy in the area of his functional responsibility, to set an example (tone from the top) and to provide guidance to staff members under him/her.
- 36** All staff members are responsible for the observance of the principles and rules set out in the present Policy.



- 37 The Human Resources Department is responsible for ensuring that new hires comply with the requirement to submit a Conflict of Interest Form during the recruitment process.

### **MONITORING AND REVIEW OF THE POLICY**

- 38 COMD is responsible for matters related to the implementation of this Conflict of Interest Policy also based on the framework of what particularly is set out in it. COMD is responsible for ensuring that the Policy stays up to date and that it constitutes best practice. More specifically, COMD reviews the Policy of Conflict of interest at least every two (2) years or periodically depending on needs, in order to determine if and how the Policy should be revised or amended to reflect its objectives and to comply with the applicable legal framework and the Company's internal policies and procedures. Any updates, additions, and/or amendments to the Policy are approved by HEDNO's Legal Affairs & Corporate Governance Department.

**ANNEX: CONFLICT OF INTEREST FORM<sup>2</sup>**

Personal information<sup>3</sup>

<b>Full name</b>
<b>Address - Branch - Section</b>
<b>Date</b>

I declare that:

I have read, understood and agree to comply with the Conflict of Interest Policy.

**A.** I declare that:

- I do not have to disclose current conflicts of interest as defined in the Policy.
- I assume the obligation to disclose any conflict of interest that may arise in the course of my duties at HEDNO.

**B.** Alternatively, I declare that I have personal interests that may involve conflict of interest and I disclose the following:

[Describe as fully as possible the facts that indicate a possible conflict of interest situation].

I assume the obligation to comply with any instructions or measures required by HEDNO’s Compliance Department for the management of the conflict of interest.

Name:

(Signature)

(Date)

<sup>2</sup>This form shall be submitted upon taking up duties at HEDNO and shall be updated on an annual basis by all staff members.

<sup>3</sup>HEDNO, being the Data Controller, would like to inform you that the personal data you provide are collected and lawfully processed within the framework of the Company’s legal obligations and the relevant contractual/legal relationship, exclusively for the purpose of identifying and managing conflict of interest situations that are undesirable and tortious to the Company or to third parties. Only the staff of the competent Department of the company has access to the personal data collected, according to what has specifically been laid out in the Policy. You reserve the right to access, correct, object to, delete, restrict the processing of your data in accordance with the legislative framework in force and under its caveats. For more information on the processing of personal data you can contact the Data Protection Officer at [dpo@dieddie.gr](mailto:dpo@dieddie.gr).