

Rules for Reporting Unlawful Conduct, Handling Reports, and Protecting Protected Persons

Preamble

These rules for reporting unlawful conduct, handling reports, and protecting protected persons are adopted, inter alia:

- with the aim of supporting individual engagement directed at protecting the public interest, so that individuals do not have to fear retaliatory measures from persons acting contrary to legal regulations or any third party due to their initiative;
 - with the aim of preventing retaliatory measures against persons who in good faith make reports for the purpose of protecting the public interest;
 - in the interest of maximum transparency and the protection of the public interest;
 - with respect for the constitutionally guaranteed right to human dignity, privacy, and the protection of personal data, and with the aim of minimizing the negative consequences arising from reporting suspected unlawful conduct, both for the whistleblower and the reported person, at least until the suspicion of unlawful conduct is proven, especially with the aim of preventing stigmatization and victimization of affected persons;
 - with the aim of defining rules for investigating reports and for implementing measures to eliminate situations in which there is scope for unlawful conduct;
 - in response to the legal regulation on the protection of whistleblowers, as contained in Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report
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breaches of Union law, and to fulfill legal obligations arising from the legal regulations of the Czech Republic, especially and primarily from Act No. 171/2023 Coll., on the Protection of Whistleblowers.

Definition of Terms

For the purposes of these rules, the following terms mean:

- 1) Obligated entity or employer – tesena s.r.o., with its registered office at Budějovická 1550/15a, 140 00 Prague 4, registered with the Municipal Court in Prague, file no. C 176447;
- 2) Employee – employees of the obligated entity in an employment relationship and employees performing work for the obligated entity on the basis of agreements on work performed outside an employment relationship, agency employees temporarily assigned to the obligated entity as users, employees of another employer temporarily assigned to the obligated entity, and employees of another employer performing work for the obligated entity as part of a business trip or other form of secondment;
- 3) Whistleblower – a person submitting a report who performs work or other similar activity for the obligated entity;
- 4) Reported person – a natural or legal person who is to be involved in the reported unlawful conduct as a person violating legal regulations;
- 5) Report – unless otherwise provided by law, the communication of information by a whistleblower through a reporting channel within the meaning of these rules about possible unlawful conduct that has occurred or is to occur at the obligated entity, or at a person with whom the whistleblower was or is (even indirectly) in contact in connection with the performance of work or other similar activity, which:
 - a) has the characteristics of a criminal offense,
 - b) has the characteristics of an administrative offense for which the law provides for a fine, the upper limit of which is at least CZK 100,000,
 - c) violates Act No. 171/2023 Coll., on the Protection of Whistleblowers, or
 - d) violates another legal regulation or a regulation of the European Union in the area of:
 - i. financial services, statutory audit and other assurance services, financial products and financial markets,

- ii. corporate income tax,
- iii. prevention of money laundering and terrorist financing,
- iv. consumer protection,
- v. compliance with product requirements, including their safety,
- vi. transport safety, carriage and road traffic,
- vii. environmental protection,
- viii. food and feed safety and the protection of animals and their health,
- ix. radiation protection and nuclear safety,
- x. economic competition, public auctions and public procurement,
- xi. protection of internal order and security, life and health,
- xii. protection of personal data, privacy and the security of electronic communications networks and information systems,
- xiii. protection of the financial interests of the European Union, or
- xiv. functioning of the internal market, including competition protection and state aid under European Union law.

without the unlawful conduct having to directly concern the obligated entity.

- 6) Anonymous report – a report that does not contain the name, surname, and date of birth of the whistleblower, nor any other data on the basis of which the whistleblower is identified or can be identified using usual means based on such data;
 - 7) False report – a report that was made without the whistleblower having reasonable grounds to believe (having verified) that it was based on truthful information;
 - 8) Work or other similar activity – any of these activities or seeking any of these activities:
 - a) dependent work performed in a basic employment relationship,
 - b) service,
 - c) self-employment,
 - d) exercise of rights associated with participation in a legal entity,
 - e) performance of the function of a member of a body of a legal entity,
 - f) performance of tasks within the activity of a legal entity, in its interest, on its behalf or on its account,
 - g) administration of a trust fund,
 - h) volunteer activity,
 - i) professional practice, internship, or
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- j) exercise of rights and obligations arising from a contract whose subject is the provision of supplies, services, construction works, or other similar performance.
- 9) Protected person – the whistleblower and further
- a. a person who provided assistance in ascertaining information that is the content of the report, submitting the report or assessing its merits,
 - b. a person who is a close person to the whistleblower,
 - c. a person who is an employee or colleague of the whistleblower,
 - d. a person controlled by the whistleblower,
 - e. a legal entity in which the whistleblower has participation, a person controlling it, a person controlled by it or a person controlled by the same controlling person with this legal entity,
 - f. a legal entity of whose elected body the whistleblower is a member, a controlling person, a controlled person or a person controlled by the same controlling person,
 - g. a person for whom the whistleblower performs work or other similar activity, or
 - h. a trust fund of which the whistleblower or a legal entity according to letter e) or f) is the founder or beneficiary or in relation to which the whistleblower or a legal entity according to letter e) or
 - i. a person who substantially increases the assets of the trust fund by contract or disposition upon death.
- 10) Retaliatory measure – an act or omission in connection with the work or other similar activity of the whistleblower, which was caused by making the report and which may cause unauthorized harm to the whistleblower or another protected person, especially
- a. termination of employment or non-extension of employment for a fixed term,
 - b. suspension from duty, assignment outside of duty or termination of service relationship,
 - c. cancellation of a legal relationship established by an agreement on work performance or an agreement on work activity,
 - d. recall from the position of a leading employee or from a managerial service position,
 - e. imposition of a disciplinary measure or disciplinary penalty,
 - f. reduction of wages, salary or remuneration or non-granting of a
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- personal allowance,
- g. transfer or reassignment to another job or another service position,
- h. service evaluation or work assessment,
- i. prevention of professional development,
- j. change of working or service hours,
- k. requirement for a medical report or occupational health examination,
- l. termination or withdrawal from the contract, or
- m. infringement of the right to protection of personality.

Article I.

Scope of Application

1. These rules, in connection with legal regulation and in accordance with legal obligations as they arise from Act No. 171/2023 Coll., further specify and elaborate the conditions for reporting, the method of assessing and handling reports, and define the tasks of the competent person for handling reports. Furthermore, these rules prohibit retaliatory measures and define the basic parameters of related personal data processing, including the obligation of confidentiality.
 2. These rules have the nature of an internal regulation within the meaning of Section 305 et seq. of the Labor Code.
 3. According to these rules, unless otherwise stipulated, in defined cases, in addition to employees and former employees, other authorized persons within the meaning of Section 2 para. 3 of Act No. 171/2023 Coll. may submit reports of suspected unlawful conduct, even if their performance of work or other similar activity for the obligated entity has already ended.
 4. Anonymous reports are not handled according to these rules.
 5. The rules intended for protection against retaliatory measures according to these rules apply both to employees and to other protected persons. Every protected person may invoke protection under these rules.
 6. Protection under the legal regulation on whistleblower protection and these rules shall not be provided to a whistleblower in the case of a false report.
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Article II.

Reporting

Part 1. Submitting a Report

1. A report may, subject to the prescribed conditions, be submitted:
 - a) internally to the competent person,
 - b) externally to the Ministry of Justice or another public authority,
 - c) published.
2. An internal report to the competent person may be made:
 - a) by electronic mail sent to the electronic mail address specified in Annex No. 1;
 - b) by telephone at the telephone number specified in Annex No. 1;
 - c) in person at the request of the whistleblower after agreement with the competent person at a specified time, but no later than 14 days from the date of contacting the competent person, at the registered office of the obligated entity or at another agreed place. A written record shall be made of the submission, or, with the consent of the whistleblower, a voice recording, which means an audio recording or a record that faithfully captures the essence of the oral report.

The competent person shall allow the whistleblower to comment on the record or transcript of the audio recording, if it has been made; the whistleblower's comment shall be attached to the record or transcript.

3. An external report may be made:
 - a) in all cases to the Ministry of Justice through contacts available at <https://www.justice.cz/>;
 - b) in matters falling within their competence also to other public authorities using common contact details (data box, email address, etc.).
 4. A report (information forming the content of the report) may only be published exceptionally. Publication is possible only if the whistleblower:
 - a) submitted a report through the internal reporting system and to the Ministry of Justice or only to the Ministry and no appropriate measure was taken within the deadlines set by law, in particular, the competent person did not assess the merits of the report, the obligated entity did not take other appropriate measures to prevent
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or remedy the unlawful situation, or the state employee did not assess the report within the meaning of legal regulations;

- b) has reasonable grounds to believe that the unlawful conduct stated in the report may lead to an immediate or apparent threat to internal order or security, life or health, the environment or other public interest, or to irreparable harm, or
- c) has reasonable grounds to believe that, in the event of submitting a report to the Ministry of Justice, there is an increased risk, given the circumstances of the case, that the whistleblower or another protected person will be exposed to retaliatory measures or that the reporting process will be jeopardized.

Part 2. Handling Reports

1. Reports submitted through the internal reporting system within the meaning of Part 1. para. 2 shall be handled by the competent person.
 2. The competent person shall inform the whistleblower in writing of the receipt of the report within 7 days.
 3. The competent person shall assess the merits of the report. The whistleblower shall be informed in writing of the results of the assessment within 30 days from the date of receipt of the report. In factually or legally complex cases, this period may be extended by up to 30 days, but no more than twice. The competent person shall inform the whistleblower in writing of the extension of the period and the reasons for its extension before its expiry.
 4. If the competent person finds during the assessment of the merits of the report that it is not a report within the meaning of these rules, they shall inform the whistleblower in writing without undue delay.
 5. If the report is evaluated as substantiated, the competent person shall propose measures to the obligated entity to prevent or remedy the unlawful state. If the obligated entity does not adopt the measure proposed by the competent person, it shall take other appropriate measures to prevent or remedy the unlawful state. The competent person shall inform the whistleblower in writing of the adopted measure (proposed by the competent person or otherwise) without undue delay.
 6. If the competent person evaluates that the reported information does not constitute a report within the meaning of these rules, or if the report is not evaluated as substantiated, the competent person shall inform the
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whistleblower in writing without undue delay. In the communication, the competent person shall explain why, based on the facts stated in the report and the circumstances known to them, they evaluated the report as unsubstantiated, or did not find suspicion of unlawful conduct, or why they concluded that the report was based on false information. As part of the communication, the competent person shall also instruct the whistleblower about their right to submit an external report.

7. The whistleblower shall not be informed of the facts according to paragraphs 2 to 6 if they have expressly requested not to be informed, or if it is evident that informing them would lead to the disclosure of their identity to another person.
8. Written form for the purposes of this Part shall also mean notification by electronic mail.
9. Information on the procedure for handling reports submitted to the Ministry of Justice is available at <https://www.justice.cz/>.

Article III.

Prohibition of Retaliatory Measures

Compensation for Damages

1. It is prohibited to apply, directly or indirectly, any retaliatory measures against any protected person in response to a duly submitted report by a whistleblower. The same applies to the presumption of a report being submitted.
2. Conduct contrary to the prohibition under paragraph 1 may be qualified as a breach of work discipline, or a breach of legal obligations on the part of the person seeking or consciously implementing retaliatory measures.
3. Conduct contrary to the prohibition under paragraph 1 may establish the liability of the person seeking or consciously implementing retaliatory measures.
4. If a protected person suffers harm as a result of a retaliatory measure, the protected person may, in accordance with legal regulations, assert the right to compensation, including the right to financial compensation.

Abuse of reporting, especially if the report is made with dishonest intentions to harm the reported person or another person, or with the aim of obtaining

unlawful gain, may be qualified as a breach of work discipline, or unlawful conduct establishing the liability of the whistleblower.

Article IV.

Competent Person

1. The function of the competent person shall be performed by the person listed in Annex No. 1.
 2. The competent person
 - a) receives and assesses the merits of reports,
 - b) proposes measures to remedy or prevent an unlawful situation in response to a submitted report, unless such a procedure could lead to the disclosure of the identity of the whistleblower or other protected persons,
 - c) maintains confidentiality regarding facts of which they became aware during the performance of their activities, even after the termination of these activities, unless the law provides otherwise,
 - d) acts impartially in the performance of their activities,
 - e) complies with the instructions of the obligated entity, unless they jeopardize or frustrate the performance of their activities according to these rules.
 3. The obligation of confidentiality according to paragraph 1 letter c) includes, in addition to the reported information and all related personal data, information about the security of such information and personal data. Within its capabilities, the competent person ensures the necessary security of the processed personal data, with the support of the obligated entity, within the meaning of legal regulations on personal data protection.
 4. The competent person may not be penalized for the proper performance of their activities.
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Article V.

Personal Data Protection

Confidentiality

1. In accordance with the principle of presumption of innocence and with regard to the risks associated with stigmatization and victimization, as well as with regard to the risks associated with possible retaliatory measures and the risks associated with the possible frustration or endangerment of the purpose of reporting, discretion, i.e. confidentiality regarding information and especially personal data communicated through reporting, must be strictly maintained, at least until the matter is investigated and the merits of the reported suspicion are proven.
 2. The whistleblower shall be informed in advance of the provision of information about their identity to public authorities in connection with their activities, unless a legal regulation provides otherwise. The communication shall state the reasons for which the data are provided, and the whistleblower shall be given sufficient time to comment on the provision of information; a negative statement by the whistleblower on the provision of information cannot affect the fulfillment of the legal obligation of the obligated entity or the competent person to provide information in the performance of public authority and at the justified request of a public authority to provide information about the whistleblower to the public authority.
 3. Anyone who gains access to personal data contained in a report is obliged to maintain confidentiality about them, as well as about the report itself and its content, unless the law provides otherwise, or unless the disclosure of such personal data or their other processing is essential to fulfill a purpose that is fully covered (related personal data processing) by one of the reasons recognized by legal regulations.
 4. Detailed information on the processing of personal data in connection with reporting according to these rules is available at <https://www.tesena.com/gdpr>.
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Article VI.

Record Keeping and Retention of Reports

1. The competent person maintains an electronic record of data on accepted reports to the extent of:
 - a) date of receipt of the report,
 - b) name, surname, date of birth and contact address of the whistleblower, or other data from which the identity of the whistleblower can be deduced, if these data are known to them,
 - c) summary of the content of the report and identification of the person against whom the report was directed, if their identity is known to them,
 - d) date of completion of the assessment of the merits of the report by the competent person or authorized employee and its result.
2. The competent person retains received reports, including related communication and documentation, for a period of 5 years from the date of their receipt, unless a legal regulation provides otherwise.
3. Only the competent person has access to the documentation according to paragraphs 1 and 2.

Article VII.

Final Provisions

1. These rules enter into force and effect on November 1, 2023.
 2. These rules may be amended or supplemented. Amendments or supplements to the rules become valid and effective on the date of their promulgation, unless expressly stated otherwise.
 3. If, after the submission of a report, the rules are amended or supplemented, the report shall be handled according to the current (new) wording of the rules, unless expressly stipulated otherwise.
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Annex No. 1

The competent person for handling reports is: doc. JUDr. Jakub Morávek, Ph.D.

Contact details:

- electronic mail address: oznamovani.tesena@gdpr-certifikace.cz
- telephone contact: +420 725 610 580