



# SoftGroup

# Code of Conduct

## Code of Conduct

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APPROVED BY THE BOARD OF DIRECTORS OF SOFTGROUP AD









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# 1. Introduction

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What is the purpose of Code of Conduct?



Through this “Code of Conduct”, SoftGroup declares its entrepreneurial responsibility and good corporate citizenship. As a progressive company, we believe that our internal and external actions must be aimed at responsible and ethical development.

The foundation of SoftGroup’s Code of Conduct consists of international principles for responsible corporate governance that we identify as a leading force in our operational processes.



Responsible business requires constant efforts toward people's safety, freedom and dignity. This Code of Conduct is the behavior guide for our employees, business partners and suppliers.





## 2. Basic principles

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## 2.1 Compliance with the law

This Code of Conduct observes all applicable laws and regulations. Our company expects the same observance from all of SoftGroup's business partners. Breaches of law and current regulations, in any country in which we operate, are not permitted in any way.

All reports of misconduct are subject to investigation. The consequences of misconduct and/or violation can have a severe impact on both the company and its employees.

SoftGroup is ISO/IEC 27001 and ISO 9001 certified since 2014 and applies all the requirements of the Quality Management System (QMS) and Information Security Management System (ISMS) standards, which are also relevant to its employees, business partners and suppliers.

The observance of the standards laid in this Code of Conduct, as well as the laws, regulations and corporate policies, are monitored by our company.

## 2.2 Protection of company assets

SoftGroup operates efficiently and cost-consciously – thus, the protection of corporate assets is an integral part of our responsibility at work.

The protection of assets, in particular property, also relates to valuables that have been entrusted to SoftGroup by customers, business partners, or other third parties.



The following principles apply to the protection of assets:

- Employees are obliged to protect SoftGroup's property and assets from loss, damage and misuse.
- Organizational measures for the control of invoices and the release of payments must be observed.
- Objects and other assets provided by SoftGroup are only to be used for operational purposes unless otherwise regulated; they shall be treated with utmost care and consideration.
- Employees shall treat third-party assets and objects entrusted to them with utmost consideration and care.

Protection of company assets is described in detail in SoftGroup's ISO documentation.

## 2.3 Products and services quality and safety

SoftGroup bears a responsibility for preventing, to the extent possible, any risks, detrimental effects and hazards to the health, safety, environment and assets of our customers and their employees arising from the handling and use of our products and services. For that reason, it is not only our statutory duty but also our mission to comply with the laws and regulations as well as the internal standards that apply to our products. Our products are state of the art and are developed in accordance with legal requirements. This is monitored continually and systematically through processes and structures. We make no compromises on that. We ensure that suitable measures can be taken in good time in the event of any discrepancies.

As part of the company's ISO Quality Management Policy, the senior management of SoftGroup declares and undertakes a commitment to continuously improve the quality of its products and services, strive for maximum satisfaction of the needs and expectations of its customers, achieve a high level of competitiveness of the company, meticulously select, train and develop its human resources while complying with all applicable Bulgarian and international laws and regulations, as well as international standards and good practices.

## 2.4 Risk management culture

SoftGroup strives to manage and reduce the risks in all aspects of the company activities.

As part of SoftGroup's QMS, senior management and department managers determine the risks and opportunities for the quality of the company's products and services, taking into account the external and internal context of the company, as well as the needs and expectations of the customers and business partners.

The determination and assessment of risks related to information assets and information security is carried out regularly according to implemented ISMS procedures intended to present the information security risk assessment process. This process determines the necessary actions to systematically identify, analyze and assess information security risks related to the main activities and information systems of the company, as well as the controls implemented to manage these risks.







## 2.5 Fair competition

The protection of free competition is an essential requirement for wealth, growth and employment. SoftGroup is committed to unrestricted and fair competition. We deal fairly with our business partners. Our aim is to prevail in competition by means of our values and expertise when participating in the market. SoftGroup does not tolerate any anti-competitive behavior.



The following principles apply to the protection of assets:

- We do not enter into any unlawful agreements with competitors, in particular on prices, market segments, capacities and/or customers.
- We do not exchange sensitive/strategic information such as prices, price components, costs or investments with competitors.
- We do not agree on unlawful restrictions with customers or suppliers, and we do not unlawfully exclude anyone.
- We deal fairly and responsibly with strong market positions.
- We do not manipulate tender procedures or submit fraudulent bids.

If you are uncertain whether a planned approach is compatible with legal requirements or internal rules, always contact the senior management of SoftGroup in a timely manner.



## 2.6 Protection against corruption and bribery

### Prevention of corruption

Corruption is generally defined as the abuse of entrusted power for personal or private gain. Corruption not only causes material damage but also obstructs the economic, political, and social development of a country and thus ultimately undermines the foundations of society.

Integrity in business dealings and the prevention of corruption are important principles for SoftGroup. We do not bribe and do not allow ourselves to be bribed. We do not tolerate any form of corruption and avoid even the mere appearance of undue influence. We grant benefits to business partners, customers or other external third parties only within the permissible legal framework and in line with existing rules.

### Gifts and invitations

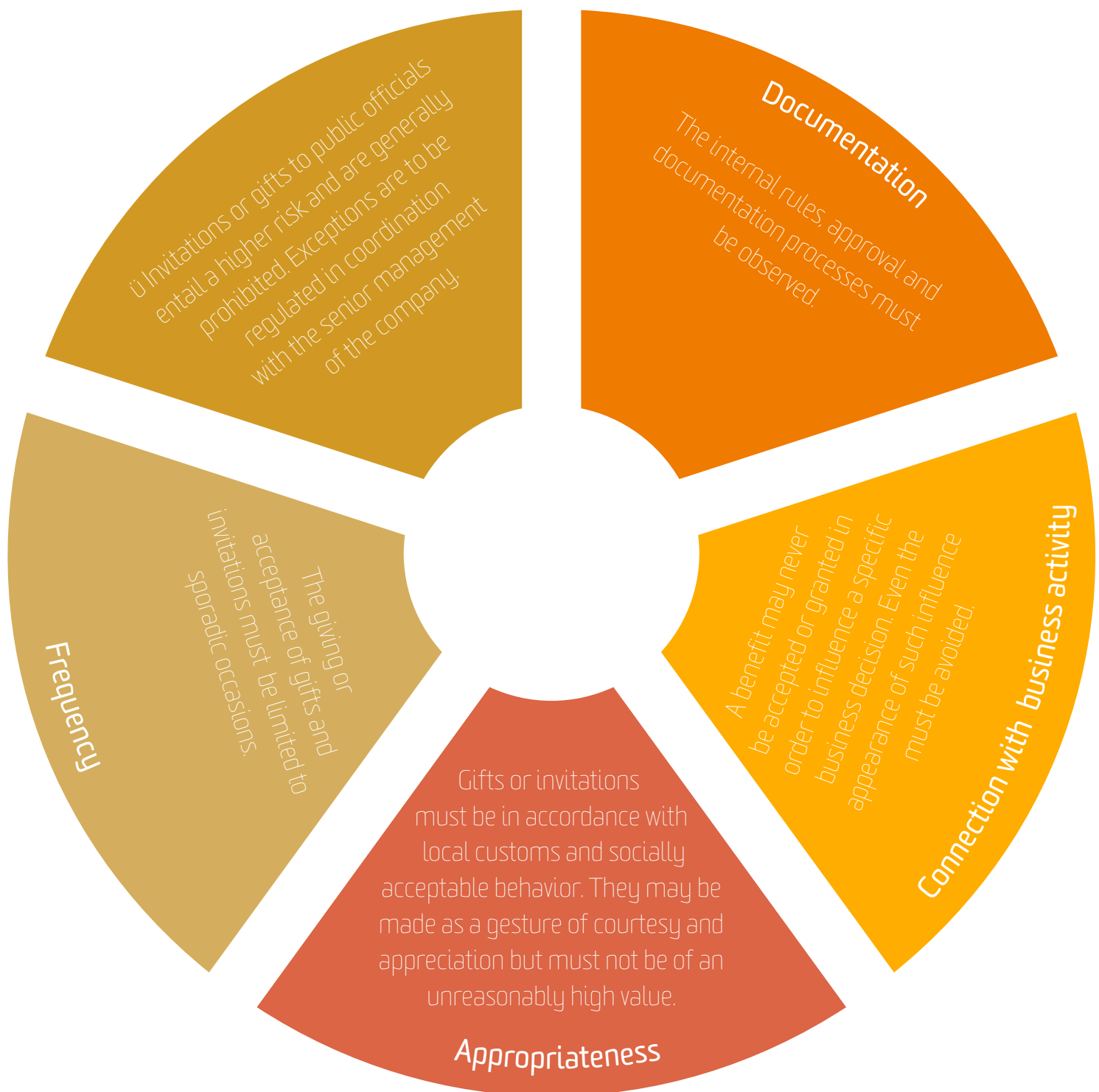
Benefits in the form of gifts and invitations are part of the usual forms of social contact in business life. Nevertheless, inappropriate benefits can be understood as inadmissible forms of influence, which may also be punishable by law.

All employees undertake not to offer or accept any gifts or invitations in business dealings that could influence a business relationship in an inadmissible manner.

We observe the following principles regarding gifts and invitations:



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## 2.7 Conflicts of interest

There is a potential conflict of interest if the private interests of one of our employees or of persons related to our employees clash or could clash with the interests of SoftGroup. If an employee places his/her personal interests above those of the Company, it could damage the company.

We respect the personal interests and the private lives of our colleagues. However, it is important to us to avoid conflicts between private and business interests, or even the appearance of such a conflict. All our decisions are made exclusively on the basis of objective criteria, and we do not allow ourselves to be swayed by personal interests or relations.

Conflicts of interest can arise in many ways, e.g. through financial interests in suppliers, customers or business partners, in the context of secondary employment or through personal relationships between employees at work and with business partners.

If a conflict of interest exists or could exist, we implement the following measures:

- The affected employee shall notify his or her superior in writing.
- The superior shall take appropriate measures to adequately reduce the risks to SoftGroup arising from the conflict of interest and timely inform senior management.
- We document the conflict of interest, the decision on whether and which measures are necessary, and the measures taken.

## 2.8 Donations and sponsoring

We assume social responsibility. As a trusted partner for our community, we promote culture, education, sports, and ecological and social matters.

In doing so, we take the following principles into account:

- We use donations and sponsoring only for purposes compliant with integrity requirements and avoid even the appearance of undue influence.
- Donations and sponsoring are awarded on the basis of transparent and clear criteria.



## 2.9 Prohibition of money laundering and terrorist financing

Money laundering (introduction of illegally acquired assets into the legal economic cycle) and terrorist financing (providing assets to carry out terrorist activities) are a serious threat and are therefore prohibited in many countries around the world.

We support the fight of states against money laundering and terrorist financing and observe national and international economic sanctions.

The following measures are implemented in this connection:

- We conduct risk-based checks on the identity of business partners. It is our goal to maintain business relationships only with reputable partners who act with integrity and whose operating resources originate from legitimate business transactions.
- If there are any suspicions of money laundering or terrorist financing, you must inform the senior management immediately. SoftGroup reports suspicious cases to the relevant authorities.
- To reduce money laundering and other compliance risks, cash transactions must be kept to a minimum.
- We observe legally binding sanctions.



# 3. Relationships

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## 3.1 Relations with shareholders and investors

SoftGroup strives to protect the interests of all its shareholders and investors without any form of prioritizing or favoritism.

We guarantee transparent communication and information flow with our shareholders and investors.

Any form of preference toward a shareholder, investor or its representative/s, unless legally grounded, is explicitly forbidden.



## 3.2 Relations with suppliers and trading partners

All external suppliers of processes, products, and services are selected, evaluated, monitored, and re-evaluated to determine their ability to perform processes or deliver products and services in accordance with the specified requirements. The evaluation and selection of suppliers are performed in accordance with the objective selection criteria adopted by the organization and specified in the relevant ISO documentation.







### 3.3 Relations with customers

We are truthful, accurate, cooperative and courteous with our customers.

SoftGroup strives to a strong and trustworthy ecosystem with its customers, building on shared values, trust, brand alignment and business enrichment.

We regularly evaluate the levels of customer satisfaction by collecting and analyzing data from surveys, warranty claims, support tickets, case studies, letters and e-mails. We use customer feedback to constantly improve and develop our products and services.

We follow fair and transparent communication, giving accurate information on the products and services. Misleading promotional information about the products and services is explicitly forbidden.



### 3.4 Government and regulatory relations

Dealings with officials or holders of political office, governments, authorities and other public institutions often involve special statutory rules, any individual breach of which may have serious consequences and could bar SoftGroup from public contract awards.

Our contacts with officials and holders of political office are strictly in line with all laws and legislation as well as the relevant internal rules concerning the avoidance of conflicts of interest and corruption. We do not make any “facilitation payments” (sums paid to officials to accelerate routine administration matters).



# 4. Content, information, finance

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## 4.1 Protection of intellectual property

SoftGroup observes all relevant intellectual property laws and regulations, following the definition that intellectual property is a category of property that includes intangible creations of the human intellect regardless of their commercial value. SoftGroup utilizes copyrights, patents, trademarks, and trade secrets, as applicable.

Company employees are responsible for all official documents, files, data, software and hardware designs, developments and projects they create and use. Employees know that the data they create and use are property of the company, except for personal data. Personal data provided for use by the company is the property of the subjects of the personal data and the company has taken the necessary measures to protect such data.



Violations of intellectual property rights is not tolerated at SoftGroup. Examples of intellectual property infringements include, but are not limited to:

- Copyright infringement – unauthorized display, distribution, or performance of copyrighted material
- Trademark infringement - unauthorized use of a trademark in a manner that may confuse consumers as to the source of the product, or as to whether there is some affiliation between the seller of the product and the actual trademark owner
- Patent infringement – unauthorized creation, use and distribution of copies of protected intellectual property
- Trade secrets infringement – unauthorized disclosure, use or distribution of business information defined as a trade secret

## 4.2 Personal data privacy and protection

SoftGroup collects, processes and stores and transmits personal data of natural persons only for the purposes provided for in the Bulgarian legislation and in accordance with EU's General Data Protection Regulation (GDPR). Personal data is used for:

- Individualization of the persons whose data are subject to processing;
- Fulfillment of the regulatory requirements applicable to SoftGroup and the contracts concluded by it;
- Protection of the legal rights and interests of SoftGroup
- Providing an opportunity for data subjects to exercise their rights within the meaning of Art. 12-22 of General Data Protection Regulation;
- Clarification of the roles of administrator and processor in the context of the company's processes, and possible lawful disclosure of data to third parties.

The software products and services of SoftGroup are not intended for or related to the processing of personal data.

Personal data privacy principles and protection measures are well documented in company internal procedures and instructions (ISO and GDPR), including SoftGroup's Data Privacy and Cookies Policy. SoftGroup's employees responsible for the collection, and processing of personal data are trained to do so and advised by our legal department.

## 4.3 Financial integrity

SoftGroup can build and retain the trust of the general public, its shareholders and contract partners only through proper accounting and correct financial reporting. Any irregularities may have serious consequences for the company as well as for those responsible.

We strictly comply with the statutory provisions for proper accounting and financial reporting. Transparency and correctness are our top priorities. We publish our financial statements annually in accordance with the legal requirements.



## 4.4 Information technology use and security

SoftGroup strives for high levels of information security through the application of documented security policies, methods and good practices related to:

- Physical and logical access to company assets
- Creation and protection of passwords, part of the IT system in the company
- Use and protection of business e-mails, telephones, laptops and other mobile devices
- Utilization of cryptographic mechanisms
- Utilization of backup technology
- Protection of confidential information, personal data and intellectual property

## 4.5 Confidentiality and business information

SoftGroup defines and regulates the methods for managing confidential information through confidentiality agreements/NDAs with employees, business partners and third parties, and through internal procedures and instructions.

Confidential information management methods include all activities related to the preparation, printing, filing, storage, use, distribution, reporting, destruction and control of confidential information, regardless of medium (paper, electronic, optical, magnetic or other).

The following are some examples of information which we consider as confidential for SoftGroup:

- all information and facts included in documents and information assets of the company which are not publicly available - all technical or other data regarding technical provisioning, know-how, trade secrets, security, administrative and organizational matters concerning the company; accounting and financial data; business processes, models and plans; pricing and payment schemes; information about collaborators, entrepreneurs, partners, investors, subcontractors and customers; internal rules, policies, procedures and good practices; contractual and legal information
- information, facts and data, the distribution of which would lead to material and financial losses and damage to the good name and authority of the company
- information, facts and data owned by other private or state organizations that have become known or have been provided for storage in the company when working under joint contracts and SoftGroup has undertaken to protect
- personal data within the meaning of the General Data Protection Regulation that the company processes
- If you are uncertain whether specific information is confidential for the company, always consult the senior management of SoftGroup in a timely manner.



## 4.6 Statements and communication

We ensure that our communication is fair, clear and consistent in order to maintain the confidence of customers, investors and other shareholders and investors. Before committing to and executing any planned communication or marketing measures, such measures must first be coordinated with the relevant department.

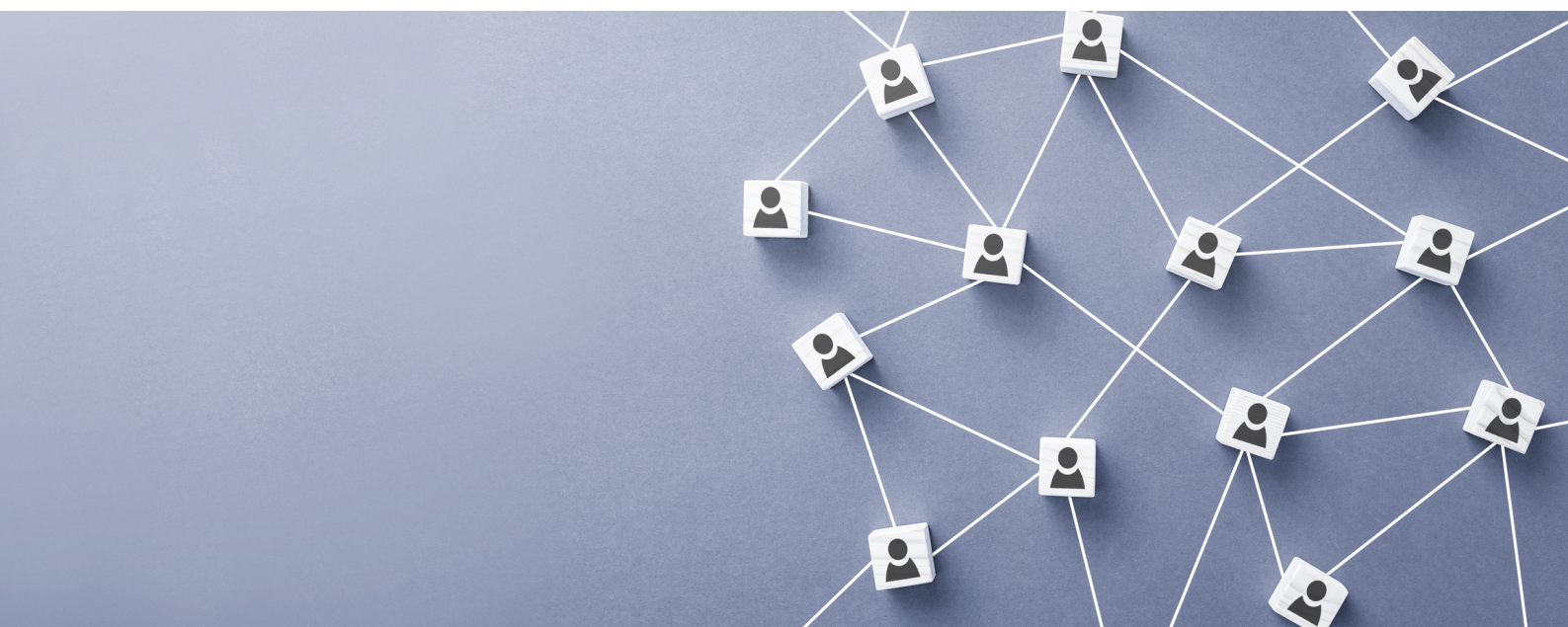
In communicating with our customers, employees and the general public, we use as a main channel SoftGroup's corporate website. Moreover, we distribute our messages additionally through SoftGroup official social media profiles on LinkedIn, Twitter and Facebook.

We treat each other fairly and positively in the digital space. In doing so, we bear in mind that anything published on the Internet cannot simply be taken back.

It is prohibited to make posts that:

- discriminate against or insult other persons
- reproduce unconstitutional or inflammatory content
- harm our reputation and that of our employees
- endanger the climate of peace within the company
- encourage actions with potential negative social, economic or environmental impact

Furthermore, no contributions are permitted that misuse the intellectual property of others or publish confidential or internal data or information.





# 5. Corporate responsibility

## 5.1 Environment

At SoftGroup, we know that supporting digitalization is about much more than developing life-changing technologies. It's also about being responsible, ethical and protecting the environment. That's why we put this as a priority goal in our Corporate Philosophy:

We strive to harness our unique abilities to deliver a high standard of environmental oversight that protects our planet's natural systems and human health.

PRIORITY 1: Minimize the environmental impact of products and services based on Microsoft Green Software Principles.

PRIORITY 2: Decarbonize our value chain.

PRIORITY 3: Empower our employees to go above and beyond to conserve the world's natural resources.

This imperative makes sure we are putting environmental sustainability at the heart of our operations. It serves as a foundation for a sustainable business.

The pressure on environmental health is an increasing danger to human health. This includes degrading air quality, increasing scarcity of clean water and other natural resources, waning biodiversity, and the impacts of climate change.

As a responsible corporate citizen, SoftGroup is putting effort into continually reducing its environmental impact, setting environmental stewardship and resource protection at the heart of its business operations and practices. Both internal and external stakeholders expect us to set the highest standards in this respect — to care for the environment and to take actions that minimize our environmental impact.

In SoftGroup, we express our commitment to the principles of the Universal Declaration of Human Rights and the United Nations Global Compact, respecting the dignity and equality of our employees.

We believe in the equal treatment of our employees without discrimination regardless of their nationality, place of residence, sex, national or ethnic origin, religion, language, or any other status. We embrace diversity, actively encourage inclusion and create an environment that fosters each employee's individuality in the interests of SoftGroup. As a matter of principle, our employees are chosen, hired and supported based on their qualifications and skills. We ensure fair working conditions, including those on payment, working times and the protection of privacy.

## 5.2 Employees – human rights, fair working conditions, anti-discrimination, health and safety

In SoftGroup, we express our commitment to the principles of the Universal Declaration of Human Rights and the United Nations Global Compact, respecting the dignity and equality of our employees.

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In order to provide continuous professional improvement for our employees, SoftGroup provides access to material and financial resources, as well as opportunities for interpersonal, practice-based types of education and trainings both internally and from specialized experts or training organizations. We combine these activities with a performance appraisal process, including the evaluation process and performance and goals analysis.

The continuous professional improvement and planning of trainings is described in detail in the relevant company internal procedures and ISO documentation.

Aiming to protect our employees, we comply with all applicable health and safety standards. SoftGroup provides a healthy environment and safe workplace for its team members by observing laws and rules.

The guiding principles for occupational health and safety are binding for all employees:

- Operational processes must be designed in such a way as to ensure safe and healthy operations. Safety and health are integral components in the planning and implementation of activities.
- Superiors are obligated to act responsibly and in an exemplary manner in terms of occupational health and safety.
- By taking appropriate measures and assuming suitable behavior, managers and employees are obliged to create safe working conditions that do not impair health.





# 6. Instead of conclusion

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What do we do to ensure compliance with this Code of Conduct?



## 6.1 Prevention and control

In SoftGroup's pursuit of compliance with this Code of Conduct aiming for quality, transparency and fairness, the company adopts various measures for prevention and control, including:

- Implementation of internal policies, procedures and instructions
- Implementation of appropriate good practices and standards
- Encouragement and promotion of high morals and ethical values
- Conducting various trainings for employees
- Provisioning of organizational hierarchy and delegation of power and responsibilities

## 6.2 Reporting violations

SoftGroup encourages its employees or third parties to report in good faith any misconduct or suspected violations of this Code of Conduct or any company policy, procedure and instruction, or official laws and regulations.

Retaliation against employees who raise concerns about the misconduct of this Code of Conduct is not tolerated. The rights of all involved individuals are protected when investigating reports of violations. Decisions on disciplinary measures are made confidentially, unbiasedly and transparently, and taking into account all available information.

## 6.3 Contacts

Employees can address questions and concerns regarding this Code of Conduct, or report violations to any of the following:

- Department managers of the company
- Senior management of the company
- The Information Security Manager
- The HR, Legal or Finance departments
- Employee representatives in the company

If a third party is having a question or is willing to report a violation of this Code of Conduct, it may contact us at email: [office@softgroup.eu](mailto:office@softgroup.eu)

