



DECISION OF THE BOARD OF DIRECTORS
of the Institute of European Legislation

The Board of Directors of the Institute for European Legislation, a registered institute, with its registered office at Vojtěšská 211/6, Nové Město, 110 00 Prague 1 (hereinafter referred to as the “Institute”), hereby adopts the following decision:

Following deliberation and with the consent of the Business and Economic Council and the Scientific Board of the Institute, the Board of Directors hereby adopts, with effect as of 1 October 2025,

**the Code of Ethics of the Business and Economic Council of the
Institute,**

which, in its current and approved version, constitutes Annex No. 1 to this Decision.

In Brno, on 1 October 2025

Mgr. Jan Farkač
Chair of the Board of Directors

Code of Ethics of the Business and Economic Council of the Institute for European Legislation

Issued by the Institute for European Legislation, a registered institute with its registered office at Vojtěšská 211/6, Nové Město, 110 00 Prague 1, Czech Republic, Company ID No.: 22581227, registered with the Municipal Court in Prague under Section U, File No. 1287 (hereinafter referred to as the “UPEL” or the “INSTITUTE”), and approved by the Business and Economic Council of the Institute on 1 October 2025 (hereinafter referred to as the “Code of Ethics”).

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Foreword

„Members of the Business and Economic Council of the Institute for European Legislation are accustomed to strictly adhering to generally binding rules of conduct set by normative systems, as well as to maintaining a high standard of ethical behaviour in their own actions. This approach applies not only to our own business or production activities, but also to our broader influence on contractual partners, employees, and collaborators. While this Code of Ethics establishes minimum requirements for the conduct of members, we support continuous improvement within their own activities and supply chains. We are aware of the differing conditions and obstacles our members face, and we believe that together we can raise standards, implement sustainable practices, and create value shared by all.“

Adam Krupa Chair of the Business and Economic Council

INTRODUCTION

The mission of the Business and Economic Council (the “Council”) is to cooperate in jointly seeking consensus between the commercial interests of its members and the professional requirements of addictology and general medicine, while safeguarding the public interest and a free civil society.

Members of the Council do not advocate illegal handling of psychoactive substances and will not marginalize, tolerate, or support such conduct or any circumvention of the law. On the contrary, all efforts concentrated within the Council’s platform are directed toward supporting the rule of law as one of the primary pillars of a free civil society.

Members of the Council accept the principles of harm reduction in their approach to psychoactive substances and fully support, with all due effort, the principles of public-law regulation governing the handling of psychomodulatory substances.

Scope and Applicability

All members of the Council are expected to comply with the provisions of this Code of Ethics in the course of manufacturing, trading, or providing services.

Members are further obliged to:

- Ensure that all employees and external workers are familiar with and comply with the requirements of this Code of Ethics, and to implement appropriate internal policies, procedures, training, and support.
- Promote and disseminate the principles of this Code of Ethics throughout their own supply chains and among their business partners and collaborators.

Compliance with the Code of Ethics

We recognize that it may be challenging for some members to meet all requirements of this Code of Ethics immediately. As the long-term objective is to promote continuous improvement in the production and trade environment for psychomodulatory substances, the Council is prepared to work systematically with such members to assist them in achieving compliance. In the event of a breach of this Code of Ethics, the Council reserves the right to require the relevant member to:

- demonstrate significant progress toward compliance with the relevant requirements within a specified and reasonable timeframe; and/or
- achieve full compliance with the relevant requirements within a specified and reasonable timeframe.

In the event of serious, material, and/or persistent non-compliance, or where the relevant member demonstrates insufficient effort, prolonged inaction, or inadequate improvement, the leadership of the Council reserves the right to submit the matter to the Assembly of the Council with a proposal to exclude such member.

Contact Details of the Council and the Institute

All information that members are required to report under this Code of Ethics shall be communicated to:

Institute Management:

- Contact person: Director Pavel Zbožínek
- email: zbozinek@upel.cz, phone: +420 602 720 518 or postal address: Vojtěšská 211/6, 110 00 Prague 1, Czech Republic

Council Management:

- Contact person: Adam Krupa, Chair of the Business and Economic Council
- email: ahoj@adamkrupa.cz, phone: +420 725 677 330 or Postal address: Vojtěšská 211/6, 110 00 Prague 1, Czech Republic

COMPLIANCE WITH LEGAL REGULATIONS

Members are expected to comply with all applicable legal and regulatory requirements and to act ethically at all times.

Members shall in particular:

- Comply with all laws and regulations applicable in the jurisdictions in which they operate.
- Notify the Council without delay of any criminal or civil proceedings initiated against them.
- Notify the Council without delay of any fines or administrative sanctions imposed on them that relate to the requirements of this Code of Ethics.

RESPECT FOR HUMAN RIGHTS

Members of the Business and Economic Council commit to applying the United Nations Guiding Principles on Business and Human Rights and to respecting human rights throughout their operations and across their entire supply chains.

Accordingly, members are expected to respect the fundamental human rights of others as set out in the Universal Declaration of Human Rights, in particular with regard to their own employees and individuals working for their suppliers and subcontractors.

Members should seek to identify any adverse impacts on human rights associated with their activities and business relationships. They should take appropriate measures to ensure that their operations do not contribute to human rights violations and to remedy any negative impacts that their activities or business relationships have caused or contributed to.

Suppliers are expected to provide their employees and external workers, at a minimum, with the following conditions:

- Ensure equal opportunities and fair treatment for all workers, including migrant workers.
- Actively work to eliminate all forms of harassment and bullying in the workplace, whether sexual, verbal, non-verbal, or physical.
- Provide a safe working environment, establish occupational health and safety procedures, implement safe working practices, and ensure, where necessary, appropriate personal protective equipment to prevent workplace injuries or occupational diseases.
- Prohibit the use of child labour in operations. This means that persons under the age of 18 shall not be employed in work considered hazardous, and persons under the age of 15 (or under the minimum age for completion of compulsory education, whichever is higher) shall not be employed in any capacity. Certain exceptions apply to child labour in agriculture, as set out below.

- Ensure that no exploitation takes place within operations. In particular, forced labour, bonded labour, involuntary labour, human trafficking, and the use of illegal migrant labour shall not be tolerated.
- Respect the right to freedom of association. In particular, all workers shall be allowed, in accordance with applicable laws, to exercise their rights to freedom of association and collective bargaining, including the right to be represented by recognized trade unions or other representatives acting in good faith.

Child Labour in Agriculture

In certain rural agricultural regions, some forms of work may be part of children's cultural and social development, contribute to their upbringing, and have a place within the family context.

Where permitted by local law, children aged between 13 and 15 years may assist on family farms, provided that such work is light, does not interfere with their education or vocational training, and does not involve activities that could endanger their health or development (such as operating mechanical equipment or handling agrochemical substances).

ENVIRONMENTAL SUSTAINABILITY

The Council is committed to applying best practices in environmental protection and to reducing the environmental impact of business activities both within its own operations and across the broader supply chain.

Members are therefore expected to:

- Identify, assess, and actively minimize the environmental impacts of their business activities, particularly those related to emissions to air, water, and soil, the use of materials, consumption of natural resources, and waste management.
- Where practicable, collect, monitor, and, where required, provide the Council leadership with available information relating to the environmental impacts of their activities.
- Take environmental impacts into account when designing products and/or providing services.
- Provide reasonable cooperation to the Council leadership, upon request, in its efforts to reduce the negative environmental impacts of products and services.

RESPONSIBLE MARKETING

The Council is committed to responsible marketing of all products intended for adult consumers aged 18 and over and fully respects the prohibition of public advertising for products containing psychomodulatory substances. Marketing activities are governed by the principles of this Code of Ethics and applicable standards for the relevant product categories.

Members are expected to comply with:

- the marketing principles set out in this Code of Ethics as a minimum standard where they are stricter than local laws; or
- local marketing laws or regulations where they are stricter than, or take precedence over, the marketing principles of this Code of Ethics.

ETHICAL CONDUCT IN BUSINESS RELATIONS

Bribery and Corruption

It is unacceptable for any member of the Council (or its employees or representatives) to engage in or be associated with corrupt practices.

Members are in particular obliged to:

- Never offer, promise, or provide any gift, payment, or other advantage (directly or indirectly) as an inducement or reward for improper conduct or unlawful influence over any decision of a public official.
- Never solicit, accept, or receive any gift, payment, or other advantage (directly or indirectly) as a reward for improper conduct or as an inducement to improper conduct.
- Never make facilitation payments directly or indirectly in connection with business activities, except where strictly necessary to protect the health, safety, or liberty of an employee and/or external worker.
- Implement effective controls to prevent improper payments being offered, made, or requested by third parties acting on their behalf.

Improper conduct means the performance or non-performance of business activities or public functions in breach of the expectation that such activities or functions will be carried out in good faith, impartially, or in accordance with duties of due care or trust.

Facilitation payments are payments made to expedite or facilitate routine actions of public officials to which the payer is legally entitled without such payments.

Gifts and Hospitality

The offering and acceptance of business gifts or hospitality is acceptable provided that such gifts or hospitality are modest, reasonable, appropriate, and lawful. Nevertheless, members must not offer or accept business gifts or hospitality where such conduct would constitute corruption or could be perceived as such.

Accordingly:

- members must comply with the Council's rules on gifts and hospitality when dealing with third parties and their employees,
- the mutual provision of gifts and hospitality is prohibited during any tender, procurement procedure, or public competition in which a Council member is involved,
- members must not seek to influence a public official by providing any advantage to that official or any other person, in the form of gifts or benefits, whether at their request, with their consent, or with tacit approval.

International Sanctions

Members must conduct their business activities in compliance with all applicable international sanctions regimes.

Members are in particular obliged to:

- Act in full compliance with all sanctions regimes applicable to their activities.
- Implement effective controls to minimize the risk of violations of sanctions regimes, including training and support for employees and external workers.

What Are International Sanctions?

Sanctions, economic embargoes, export controls, and other trade restrictions are political instruments primarily imposed by the United States, the United Nations, and the European Union to influence the behavior of political regimes, individuals, or groups in order to improve conditions in the target state.

Illegal Trade

Combating illegal trade in psychomodulatory substances is a key priority of the Council. Members must not directly or indirectly engage in, support, or tolerate illegal trade in such products or raw materials.

Members are in particular obliged to:

- Refrain from knowingly participating in or supporting illegal trade.

- Implement effective controls to prevent illegal trade, including:
 - measures to ensure that quantities placed on the market correspond to legitimate demand,
 - Procedures for investigating, suspending, and terminating cooperation with persons suspected of illegal trade.
- Actively and constructively cooperate with official investigations into illegal trade.

Types of Illegal Psychomodulatory Products and Raw Materials

Counterfeit or fake products: Unauthorized copies of branded products manufactured without the knowledge or consent of the trademark owner, often using cheap, unregulated materials.

Circumvention of local taxes: Products manufactured and sold in one state but not reported to authorities and therefore not subject to excise duties.

Smuggled products: Products (genuine or counterfeit) transported across borders without payment of taxes or customs duties or in violation of import or export laws.

REPORTING OF ISSUES

Members are expected to support the identification, investigation, resolution, and reporting of suspected or actual breaches of this Code of Ethics.

Members are in particular obliged to:

- Establish effective procedures enabling employees and external workers to confidentially and without fear of retaliation report issues or suspected breaches either to relevant Council members or directly to the Council leadership.
- Promptly investigate all substantiated suspicions and actual breaches and take appropriate measures to prevent potential breaches, minimize impacts, and ensure remediation.
- Immediately report any suspected or actual breaches of this Code of Ethics to the Council leadership using the contact details provided.

MONITORING COMPLIANCE WITH THE CODE OF ETHICS

The Council reserves the right to verify, through internal and/or external assessment mechanisms, whether new and existing members act in accordance with this Code of Ethics.

Members are obliged to:

- Provide reasonable cooperation in verification processes, including granting independent access to facilities, documentation, data, and relevant personnel.

This applies regardless of restrictions relating to commercially sensitive or confidential information. Where such information is considered essential for verification, members shall cooperate with the Council to identify a mutually acceptable, lawful, and secure means of access.