

# PGE Capital Group Code of Conduct for Business Partners

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Version D



*Leading in the green transition*





PGE Capital Group (hereinafter: “PGE Group” or the “Group”) operates in accordance with applicable laws, internal regulations and adopted ethical standards, contained in particular in the PGE Group Code of Ethics, Anti-Corruption Policy, Diversity Policy and other policies. These regulations are the foundation for the PGE Capital Group Code of Conduct for Business Partners (hereinafter: the “Code of Conduct for Business Partners”), which governs our everyday cooperation with our Business Partners.

As PGE Group, we are guided by the following values: Partnership – Development – Responsibility. These core values are equally important to us when working with our Business Partners. Our priority in business relations is transparency along with the development of relations that are based on mutual trust, respect and professionalism. We do business responsibly, striving for sustainability.

For the sake of maintaining and promoting the highest standards of ethical conduct, we aim to work with Business Partners that do business fairly. We have formulated our expectations in this Code of Conduct for Business Partners.

The Code of Conduct for Business Partners sets out requirements for PGE Group Business Partners in the areas of respect for human rights, working conditions, climate and natural environment, fairness and striving for sustainability in their business activity.

The Code is subject to periodic reviews and updates as needed.

# Partnership – Development – Responsibility

## The common denominator for PGE Group companies and their Business Partners

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As PGE Group, we provide our clients with secure and stable supplies of electricity and heat. Our priorities are: product supply reliability, technical excellence, modern services, efficient and effective organisation and partnership with our stakeholders.

We are contributing to the country's energy security and the development of the Polish economy and we take every effort to live up to this responsibility. At the same time, we care about continuously growing PGE Group's value for our shareholders.

We act in accordance with our values and principles, as formulated in particular in the PGE Group Code of Ethics, Anti-Corruption Policy, Diversity Policy and other policies. We conduct our business transparently, while complying with legislation in force and our internal regulations. We are

a partner for local communities, and we continually minimise our negative impact on the natural environment throughout our entire value chain. We also promote consumer patriotism.

We are aligned with initiatives intended to eliminate human rights violations, including children's rights and labour rights (such as the International Labour Organisation Conventions), effectively counteract discrimination in employment, apply a precautionary approach to environmental and climate-related challenges and work against corruption (including with the standards for companies listed on the Warsaw Stock Exchange). In this respect, we take action and expect our Business Partners to act in accordance with these directions and with due regard to the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

At PGE Group, we are certain that ethics is a key factor of long-term success for our organisation and thus an essential element of value-based




management. The Partnership – Development – Responsibility values and the principles applicable at PGE Group are laid down in the PGE Group Code of Ethics and in the policies applicable at PGE Group. All employees, regardless of their function or position, as well as persons acting for and on behalf of PGE Group companies, are obliged to comply with them.

At PGE Group, we do not tolerate non-compliances, i.e. non-observation of generally applicable laws or PGE Group's internal regulations, including ethical standards. In particular, this applies to unfair behaviour, criminal activities, mismanagement, cases of abuse of power, violation of labour rights, conflict of interest, security (physical, IT), OHS, natural environment, accounting matters, financial reporting, insider trading, bribery, corruption, competition or other issues of key importance to business activity conducted by PGE Group.

PGE Group Business Partners include natural and legal persons and unincorporated organisational units in the public and private sector with which PGE Group has a business relation and which participate in its value chain. In particular, this includes contractors, subcontractors, suppliers,

consultants, counterparties in wholesale trading, agents, financial institutions, industry organisations and other similar entities with which PGE Group Companies do business, excluding the customers of PGE Group companies (i.e. recipients of electricity and heat supplied by PGE Group companies and other customers), prosumers and mutual relations between PGE Group entities.

In working with Business Partners, we seek a common denominator - similar values and compliance with the principle of legality. In contacts with PGE Group Business Partners, we care about the integrity and transparency of these relations and about maintaining their formal nature. This is why we expect our Business Partners to introduce and apply in their business ethical standards on par with the Code of Conduct for Business Partners. Moreover, Business Partners participating in procurement procedures organised by PGE Group companies are obligated to read and comply with PGE Group's Good Procurement Practices. We aim to contribute to the development of Polish society and business in accordance with the idea of sustainability. We care about our own development as well as that of our Business Partners.



Business Partners should raise awareness among the employees and other persons acting on their behalf and for them with regard to the compliance with the legal and ethical standards described here and take reasonable care to ensure that these standards are met also by their employees, partners, subcontractors or persons through whom they will provide services/supply/construction works.

We expect that in the event of a negative impact of the activity of Business Partners in the areas indicated in the Code of Conduct for Business Partners, they take follow-up actions to stop this activity, mitigate the effects of this impact and reduce the risk of occurrence of such events in the future.

PGE Group companies also expect that Business Partners, taking into account the form and scale of their activity, will implement appropriate systems in the areas indicated in the Code of Conduct for Business Partners, aimed at preventing violations of the law and ethics. Such systems may include, in particular, the implementation of procedures for reporting and preventing violations, the analysis of reports after their potential occurrence and the implementation of follow-up actions.

PGE Group companies may monitor their Business Partners' compliance with the standards laid down in the Code of Conduct for Business Partners. Therefore, PGE Group companies may request their Business Partners to provide adequate, reliable information about their compliance with the Code of Conduct for Business Partners.

In light of the above, PGE Group companies expect their Business Partners to comply with the following principles.







# Human rights, including labour rights



PGE Group companies expect their Business Partners to respect and protect human rights, including children's rights and labour rights, in accordance with the fundamental principles laid down in:

- Universal Declaration of Human Rights;
- International Labour Organisation standards;
- United Nations Global Compact commitments;
- Convention on the Rights of the Child;
- Guidelines of the Organisation for Economic Co-operation and Development (OECD) for multinational enterprises;
- Guidelines on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework.

All employees and other persons working for and on behalf of a Business Partner must be treated fairly, respectfully and with respect for their dignity.

## Health and safety of employees

Business Partners provide a safe and healthy workplace for everybody who works for them. To reach this goal, they cooperate with PGE Group's representatives. They share PGE Group's ambition of achieving the goal of zero injuries at work. As part of their efforts in this regard, they:

- comply with the relevant standards, the requirements of PGE Group Companies and OHS-related laws;
- ensure that the necessary OHS information is provided to everybody who works for them, and in particular ensure that on-the-job training is conducted and that information on the safe working methods, OHS conditions and requirements is provided;
- provide adequate protection measures and other necessary resources;

- monitor the current situation with regard to OHS, identify hazards and assess the risk involved in the tasks at hand, and take action to minimise it;
- when work is performed on the premises of PGE Group companies or with the use of their equipment, immediately report OHS incidents as well as unsafe conduct and working conditions to PGE Group companies' representatives, participate in the analysis of such incidents and implementation of potential follow-up actions, including preventive and corrective actions;
- submit OHS-related reports in line with the requirements of PGE Group;
- allow PGE Group's representatives to monitor the fulfilment of their OHS obligations resulting from both legal and contractual requirements.

## Prohibition of mobbing and discrimination

PGE Group companies expect their Business Partners to not apply or tolerate any form of harassment or discrimination, in particular based on sex, age, disability, race, religion, nationality, political views, membership in organisations, ethnic background, faith, sexual orientation, employment for a specified or indefinite period or on a full-time or part-time basis. This applies to decisions concerning the recruiting and hiring of employees, their employment (limited access to promotions, bonuses, training, etc.) and the termination of employment, which should result from objective and substantive criteria.

**Pay and working conditions**

Business Partners pay their employees on time, at least the legally required minimum wages, and are responsible for all legally required labour costs, in particular those concerning social security insurance and taxes. PGE Group Business Partners also observe regulations pertaining to employment conditions concerning working time, annual leave, absences related to child care, sick leave and all other issues regulated by labour laws.

**Prohibition of forced labour**

PGE Group Business Partners do not engage in any form of forced labour, in Poland and/or abroad. Work being performed by a Business Partner or its subcontractors and suppliers is voluntary. PGE Group Business Partners will not tolerate any form of work for them or their subcontractors if the region's difficult economic or political situation is taken advantage of in this work by forcing people to work in conditions that threaten their health or violate their dignity, including as regards remuneration levels. Work for a PGE Group Business Partner and its subcontractors must always be performed voluntarily and may not breach basic employee rights. This also applies to work in overtime and on public holidays.

**Prohibition of child labour**

PGE Group Business Partners do not engage in any form of child labour. If under-age persons are employed in accordance with the law, they only perform light work. Light work may not endanger the under-age employees' life, health or psycho-physical development, and it may not collide with school work.

**Information and consultation obligations towards employees**

PGE Group Business Partners recognise and implement the obligation to inform and/or consult employees whenever it is required by the provisions of generally applicable law binding a given Business Partner.

**Freedom of association**

PGE Group Business Partners acknowledge and respect the right to associate freely.





# Care for the climate and natural environment

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PGE Group companies expect their Business Partners to conduct business activities in a responsible manner, prevent environmental risks and reduce the negative impact of their activities on the climate and natural environment. Business Partners should operate sustainably.

## **Compliance with environmental law**

PGE Group companies expect their Business Partners to comply with generally applicable environmental laws. Business Partners are obliged to hold all administrative decisions required by law (e.g. permits, licences) necessary for their activity and for the performance of their obligations.

## **Pollution prevention and responsible waste management**

PGE Group companies expect that their Business Partners will, as part of their business activity, reduce emissions of pollutants into the environment, minimise the amount of waste generated and use resources in an optimal manner. Business Partners should apply the principle of circular economy (CE) so as to protect natural raw materials and minimise their environmental and climate footprint.

## **Environment Management System**

PGE Group companies expect their Business Partners to adopt a structured and systemic approach to climate and environmental protection in their business activity, in accordance with the form and scale of their activity. This may include, e.g., environmental policy, specific objectives related to the management of climate and environmental footprint.

# Counteracting corruption and fraud



## **Compliance and fairness in business**

PGE Group companies expect their Business Partners to conduct their activity in an ethical, transparent and fair manner and in compliance with generally applicable laws, in particular, as regards counteracting corruption and other fraud, understood as a deliberate act or omission violating the financial interests of the State, PGE Group Companies or a Business Partner, in the areas listed below.

## **Compliance with tax laws**

PGE Group companies expect their Business Partners to conduct their business in compliance with generally applicable tax laws, in particular by refraining from applying illicit tax optimisation measures and by observing transfer pricing regulations.

## **Prevention of money laundering and financing of terrorism**

PGE Group companies expect their Business Partners to take actions in the course of their business aimed at ensuring compliance with commonly applicable laws on anti money laundering and countering terrorist financing as well as limiting the related risk.

## **Use of conflict minerals**

If our Business Partners operate in conflict-affected areas or source raw materials from them, PGE Group companies expect them to take reasonable care to ensure that there are no links to the financing or support of armed groups.

## **Protection of information and personal data**

PGE Group companies expect their Business Partners to care about the security of information and personal data, in particular data that is made available to them by PGE Group companies in the course of doing business, and that the information and personal data they use is obtained and processed in accordance with the law.

## **Zero tolerance for corruption and fraud**

PGE Group Business Partners have a zero-tolerance policy with regard to conduct bearing the hallmark of corruption, bribery, fraud, trading in influence, disruption of a public tender, unlawful exertion of influence, causing damages in economic trade or other abuse. Business Partners may not directly or indirectly offer or accept any undue advantage or promise thereof, including material or personal gains, in exchange for a specific act or failure to act.

## **Remuneration for Business Partners**

Remuneration paid to PGE Group Business Partners should not be used to finance undue advantage for themselves, their clients or third parties.

## **Conflict of interest**

PGE Group Business Partners avoid conflicts of interest, understood as a situation where a Business Partner, its employees or partners have an actual or legal relation with other entities that could give rise to justified concern on the part of a PGE Group company as to the impartiality of this Business Partner in connection with products, services or construction works. Business Partners are required to inform PGE Group companies in advance about each case (which applies to both PGE Group Business Partners and entities with capital, personal or organisational ties to them) where an order is accepted or involving participation in a court or administrative proceeding where the interests of PGE Group Business Partners and PGE Group companies are conflicting (e.g. bringing an action against PGE Group companies, accepting an instruction to argue a case against PGE Group companies, a Business Partner acting as an expert appointed by the PGE Group company's opponent).

### **Business gifts, including invitations**

Over the course of cooperation and in order to build relations between PGE Group companies and Business Partners, it is acceptable to receive and give business gifts, including invitations. The following rules for exchanging business gifts are in place at PGE Group:

- business gifts are given for a legal purpose;
- accepting or giving a business gift does not affect tasks being performed, decisions being made, gaining unfair advantage, preferential treatment or giving such an impression;
- a business gift does not require reciprocity, and can only be a courtesy expression of appreciation;
- its value does not exceed PLN 200 at a time (including VAT);
- a business gift is given rarely (not more frequently than 3 times per calendar year);
- it is not in the form of cash or its equivalent, or a luxury invitation;
- it is not given or accepted by a person who is bound by the "zero-gifts" policy.

Certain people at PGE Group companies are subject to a zero-gifts policy, which prohibits receiving and giving business gifts other than symbolic gifts (up to PLN 50 including VAT and with a permanent company logotype). A person bound by the zero-gifts policy may accept an invitation from a Business Partner to take part in events, such as workshops, conferences, reference visits, technology presentations, industry-specific and anniversary celebrations, etc., only on the condition that internal regulation criteria are met, e.g. direct relation with the conducted business activity, agenda and cost adequacy, etc.

The following persons at PGE Group companies are required to apply the zero-gifts policy:

- charged with oversight or directly involved in selecting suppliers, advisers or service

- providers; additionally, all persons directly involved in or having an impact on procurement procedures, in particular members of tender committees, persons preparing procurement procedures and making decisions in these procedures, as well as the persons supervising the execution of agreements, carrying out acceptances;
- management in a situation where its members exercise direct supervision over the selection of contractors and suppliers and make decisions as part of this selection;
- employees and other persons employed in the area of retail trade, wholesale trade and procurement.

PGE Group companies expect their Business Partners to respect the zero-gifts policy in relations with PGE Group companies' employees. Business Partners are asked to refrain from giving or sending business gifts, invitations or other benefits in discordance with these entries to PGE Group companies' representatives, including persons encompassed by the zero-gifts policy.

### **Treatment of holders of public office**

PGE Group companies expect their Business Partners to not tolerate and not engage in the unlawful exertion of influence over official activities, giving, offering or promising to the holders of public offices of any illegal and undue advantage in connection with the performance of this function (bribery) or in exchange for intermediation in handling the matter (trading in influence), regardless of whether such considerations are given or offered directly or through third parties.

### **Political parties**

PGE Group companies expect their Business Partners to observe commonly applicable laws on the financing of political parties.

### **Donations and sponsorship**

PGE Group companies expect their Business Partners to give donations in compliance with the law and exclusively on a voluntary basis, without

expecting any undue advantage in exchange. Sponsorship of individuals, groups or organisations must not be for the purpose of obtaining unlawful business advantages.

# Competition and consumer protection

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### **Fair competition and antitrust rules**

PGE Group companies expect their Business Partners to operate in accordance with the principles of fair competition and to comply with the applicable competition laws, including, for example, refraining from engaging in competition-restricting schemes or abusing their dominant position in the market.

### **Protection of consumer interests**

PGE Group companies expect that goods and services provided by their Business Partners under the contracts signed with the PGE Group companies meet all the contractual or legal standards of consumer health and safety.





# PGE Group Business Partners' commitment and adherence to the Code of Conduct for Business Partners

PGE Group companies expect their Business Partners to be committed to respecting ethical standards in a scope on par with that described in the Code of Conduct for Business Partners and to have in place a system for monitoring compliance and handling cases when such standards are not being observed that is appropriate given the form and scale of their operations.

In particular, such a system may provide for a Business Partner implementing policies obliging to comply with individual/specific standards, periodic assessment of compliance with such policies, as well as the process of impartial examination of potential cases of violation and taking appropriate follow-up actions. Moreover, PGE Group companies expect their Business Partners to take reasonable care to ensure that such standards are observed by their contractors, subcontractors and suppliers as regards the performance of contracts/goods and services for PGE Group companies.

PGE Group has a whistleblower function in place, which is a system for reporting irregularities, also anonymously. Anyone who has information about non-compliance should report it.

A person who reports non-compliance may be granted the status of a whistleblower. A whistleblower is a person reporting information on suspected and/or actual non-compliance, whose effects may be damaging to PGE Group, its employees or counterparties, or may threaten the public interest. Anyone may be a whistleblower, especially employees, consultants, contractors, suppliers and clients.

A person who is assigned the whistleblower status has the following rights:

- to submit information in a confidential manner;
- to expect the confidentiality of personal data, function or position and the conduct of an explanatory proceeding in such manner as to prevent the unequivocal identification of the person reporting the information – at this person's explicit request;
- to receive protection against unjust treatment in connection with the report;
- to remain anonymous, with the stipulation that an anonymous report does not offer the right to protection.





## In the event of a suspected violation of the law or the values and principles, a report can be made in the following way:



- by completing an online form available on an intranet or external website;



- by sending an e-mail to:  
**uczciwybiznespge@gkpge.pl**  
or (in special cases) to:  
rada\_nadzorcza.PGESA@gkpge.pl.  
These messages will be received by the Supervisory Board of PGE S.A.;



- **a letter** to the address of the head of the Compliance division at PGE S.A. – ul. Mysia 2, 00-496 Warszawa with an annotation „serve personally”;



- by calling **+48 22 340 12 02** (available 24/7). From Monday to Friday, from 9 am to 5 pm, it is also possible to talk to an employee of the Compliance division.

PGE Group companies may set up their own, additional reporting channels, which will be incorporated into the Group's system.

# Consequences of failure to abide by the PGE Capital Group Code of Conduct for Business Partners

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In the event of violations of the Code of Conduct for Business Partners, Business Partners should take immediate follow-up actions.

In the case of major breaches of the Code of Conduct for Business Partners – adequately to the type and scale of breach and the resulting risks – PGE Group companies reserve the right to take appropriate action toward the Business Partner, including terminating cooperation with a Business Partner engaging in unacceptable practices.

If you have a question or concern about the standards set out in the Code of Conduct for Business Partners, feel free to email us at:

**[OpiniaCompliance.pgesa@gkpge.pl](mailto:OpiniaCompliance.pgesa@gkpge.pl)**



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