

# PGE CG HUMAN RIGHTS POLICY

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*Prowadzimy w zielonej zmianie*

## PREAMBLE

As the PGE Capital Group, we are one of the largest businesses in Poland and conduct our operations in compliance with generally applicable laws, as well as with the fair business practices. We act ethically and responsibly, and expect the same from all our Employees and business partners. We observe the principles and values established in the PGE Capital Group. As the PGE Capital Group, we assume responsibility for respecting all recognised human rights, including those recognised internationally. This Policy also supports the organisation's due diligence process with regard to human and labour rights.

The entire functioning of the organisation, including the organisational culture of the PGE Capital Group, is based on the three values of utmost importance to us: **partnership, development, and responsibility**. These values are described in the PGE Capital Group's Code of Ethics, which addresses issues and guides conduct *inter alia* in the area of human rights. Guided by these values in our daily activities, we are collectively pursuing the objective of leading in green change.

## DECLARATION OF RESPECT FOR HUMAN RIGHTS

The PGE CG's Human Rights Policy sets out the essential principles of actions, behaviour, and regulations applicable across the PGE CG in the broad context of human rights and the PGE Capital Group's operations.

Everyone acting for and on behalf of PGE Group is obliged to know the Policy and, above all, to comply with the principles set out in the document. We are committed to working with companies that are aware of the principles and values we uphold and that themselves perform their work for the PGE Group in a lawful and ethical manner.

PGE CG's Human Rights Policy governs the way in which irregularities are reported when its provisions are violated or not complied with.

PGE CG's Human Rights Policy is implemented not only on the basis of internal regulations or national legislation, but also in accordance with international standards and guidelines, including:

- **Constitution of the Republic of Poland**
- **Labour Code**
- **Universal Declaration of Human Rights**
- **ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work** and complementary measures, and ILO conventions covered by the declaration
- **Declaration of the International Labour Organization** based on the key ILO conventions
- **UN Guiding Principles on Business and Human Rights**, i.e., the United Nations' framework document: "Protect, Respect, and Remedy"
- **Ten Principles of the United Nations Global Compact**
- **OECD Guidelines for Multinational Enterprises**
- **OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas**
- **Children's Rights and Business Principles**

Where there is a discrepancy between the standards set under national and international law and the standards and guidelines referred to above, we prioritise the regulations that ensure the protection of human rights to the greatest extent possible.

This PGE CG's Human Rights Policy is consistent with the PGE CG's Corporate Risk Management Policy and the PGE CG's General Procedure for Corporate Risk Management, which contain risk factors identified in relation to the area of human rights as part of the operations of PGE CG Companies, and mitigating measures.

The Policy constitutes a declaration by the senior management to foster and respect human rights in every aspect of the operations of the PGE Group Companies. Our awareness of the specifics of the energy industry allows us to continuously improve and to raise our standards. The Policy is supported by the internal regulations in place in the PGE Capital Group and its Companies, as indicated in this document.

The human rights which are most relevant for PGE Group's operations include:

- safety and health of the Employees,
- a respectful work environment and privacy protection,
- equal employment opportunities,
- freedom of assembly, association, and the right to collective bargaining,
- prevention of child labour and forced labour,

- access to a clean environment.

This Policy may be subject to update so as to identify and work towards ensuring the full protection of all human rights in respect of PGE CG's operations as a result of ongoing monitoring and analysis of the impact on human rights in the value chain, including as a result of involvement of PGE CG's stakeholders.

## SAFETY AND HEALTH OF THE EMPLOYEES

In the PGE CG, concern for the health and safety of the Employees is an imperative and a prerequisite for ensuring a safe and healthy work environment.

Our business is run in a manner that ensures a safe and healthy work environment for all Employees. At the same time, we require our Employees to comply with the health and safety standards and regulations in force in the PGE CG and under the generally applicable legislation. We implement these measures by fostering a culture of safety and through a range of activities and initiatives to prevent accidents, failures, and other life- or health-threatening incidents.

We provide all Employees with access to information concerning the safe working conditions and requirements. Employees undergo training appropriate to their position.

## A RESPECTFUL WORK ENVIRONMENT

In the PGE CG, we observe values, rules, and ethical standards that are intended, *inter alia*, to foster an atmosphere of respect and equal opportunities.

The PGE CG's Code of Ethics sets out a system of values and principles that we wish to follow in our daily work, whatever our job is. The Code reaffirms the pledge to operate to the highest standards and provides practical guidance and ways to implement our commitments.

It sets out the PGE Group's fundamental ethical values and standards the compliance with which is expected from the Employees, including the management. Our most important principles address our attitudes towards the company, Employees, business activities and external relations.

We are dedicated to maintaining a professional and safe work environment and to ensuring that every Employee is treated fairly and with due respect. We apply a zero-tolerance policy for any kind of discrimination, harassment, mobbing, or any other negative behaviour. PGE CG makes every reasonable endeavour to ensure that no Employee is subjected to physical, sexual, psychological, or verbal harassment, abuse or intimidation in any form.

In line with the values that guide our Capital Group: **Partnership, Development, and Responsibility**, we want to enhance the social dialogue and resolve difficult situations that have occurred or will occur. The principal form of dispute and conflict resolution we employ is mediation and other alternative dispute resolution methods that follow the principles of partnership and responsibility.

We have zero tolerance for any form of discrimination on the grounds of gender, age, race, ethnic origin, nationality, religion, denomination, philosophical belief, disability, sexual orientation, state of health, political opinion, marital status, or membership in organisations. This encompasses the full duration of the employment relationship, including but not limited to the recruitment and hiring process, termination of employment, and access to promotion, bonuses, training, and other employment arrangements.

The Employers in the PGE CG keep records and account for their working in compliance with the applicable legislation and the Group's internal regulations. They right to rest, adequate holiday leave, sick leave, parental leave, etc., is at all times respected.

We respect Employees' right of free expression and freedom of opinion, as well as the right to privacy and good name.

The principles and standards regarding the integration of diversity in the work environment are elaborated in our Diversity Policy and the PGE Capital Group Code of Ethics: "We strive for favourable working conditions" and "We work on self-improvement and we are pro-active, we take the initiative".

We uphold the right to freedom of thought, conscience, and religion, as well as the right to freedom of opinion and expression.

## EQUAL EMPLOYMENT OPPORTUNITIES

We ensure equal opportunities in the recruitment and hiring process, in particular as regards the establishment and termination of the employment relationship, terms and conditions of employment, promotion and access to upskilling training in accordance with the applicable legislation and the organisation's internal regulations.

We make all employment-related decisions in line with PGE Group's corporate employment rules. We apply appropriate and non-discriminatory criteria for hiring, promoting, or dismissing. We use standardised tools in the recruitment process and rely on trusted systems to manage candidate applications.

We create work and pay conditions that foster equal opportunities. We communicate our rules clearly to Employees and ensure that such rules are in line with generally applicable legislation. We comply with minimum wage legislation and set wages in a fair manner.

## FORCED LABOUR AND CHILD LABOUR

The PGE CG accepts no forced labour, human trafficking, or any form of modern slavery. Employees have the right to enter into and terminate the employment relationship at their will. In the PGE CG, we undertake to make every endeavour to ensure that no human being whose work is related to our business (which also applies to work performed by our Business Partners for the PGE CG) falls victim to forced labour. This pledge includes taking action and ensuring the necessary measures that will work towards the elimination of forced labour, modern forms of slavery and human trafficking, while at the same time complying with international provisions on combating forced labour and protecting human rights. To achieve this goal, we foster an organisational culture that is free from any manifestations of threats, intimidation, psychological or physical violence.

If we become aware of any actions contrary to this pledge, we are committed to promptly investigate the situation and, if necessary, implement corrective measures.

The PGE CG is fiercely opposed to the employment of children, i.e. people who are under the legal working age under generally applicable legislation.



## COOPERATION WITH SOCIAL PARTNERS

In the PGE CG, we maintain social relations with representatives of the Employees and Trade Union Organisations in accordance with the law, applicable internal acts of collective labour law and human rights standards – including the right to freedom of assembly and association, to form and join trade unions and to protect their rights.

Employees are protected against discrimination aimed at infringing trade union freedom – in the PGE CG, hiring an Employee is not conditioned on their membership in a trade union, on their lack of such membership, or on the condition that they do not join or discontinue their membership in a trade union.

Social dialogue is held with social, economic, and legal considerations in mind. In the PGE CG, Employers and Trade Union Organisations together undertake initiatives aimed at building awareness and business responsibility and at making Employees and Social Partners identify with the values of the PGE CG. The PGE CG and the Trade Union Organisations are working towards increasing the role of direct communication with Employees.

## RESPECT FOR THE ENVIRONMENT

Access to a safe, clean, healthy, and permanently accessible environment is essential for the full enjoyment of a wide range of human rights, including the right to life, health, food, water, and development. The PGE Capital Group's environmental statement is included in the PGE Capital Group's Environmental Policy.

In the PGE Group, we operate in a sustainable manner. As we transition to low- and zero-emission practices, we do so with respect for our Employees, Customers, Business Partners, local communities, and the environment.

The PGE CG's environmental policy is based on a mindful concern for the environment, as we aim to be an environmentally friendly company that promotes the principle of sustainable development. We conduct our business in accordance with applicable legislation and other requirements, including environmental standards and internal regulations.

We are committed to continuously enhancing our environmental protection and improvement efforts as well as preventing pollution by implementing high and economically viable technological standards.

Recognising our environmental impact in every aspect of PGE CG's operations, including office activities, we attach particular importance to using resources in a rational and sustainable manner.

## HUMAN RIGHTS IN THE VALUE CHAIN, INCLUDING COOPERATION WITH BUSINESS PARTNERS

We declare that respecting human rights by other entities we collaborate with is a significant factor for establishing mutual relationships.

With the procedures we have adopted, we seek to cooperate with entities that are not only aware of the values and principles we follow, but also understand them and conduct their own business in a legal and ethical manner. This is why the Code of Conduct for Business Partners has come into being – it includes minimum expectations for PGE CG Business Partners and is of great importance to us, as any unethical or unlawful actions by them could harm the PGE CG. The Code also sets out our expectation for Business Partners to respect human rights, which the International Labour Organization has recognised as fundamental labour rights. It was established to support the practical implementation of the principle “We care for good relations with our business partners”, particularly in terms of selecting companies to work with that share our commitment to compliance with the law and the principle of integrity in business activities.

We recognise that the choice of companies for our supply chain and how our partners and suppliers operate, including in the area of human rights, affects our reputation and operations. When selecting a new contractor or re-evaluating an existing one, we make sure they understand the principles we follow. We pay close attention to anything that could breach our standards. When selecting and cooperating with suppliers, we follow internal regulations, in particular the PGE CG's Procurement Procedure, the PGE CG's Anti-Corruption Policy, and the General Procedure – Anti-Corruption Activities in the PGE CG. We carry out an appropriate analysis to assess whether a business partner acts lawfully and whether it has a reputation of an ethical and fair company. We also avoid any potential or actual conflicts of interest with suppliers. In addition, we pay attention to the issue of abuse in hiring sub-contractors and suppliers and in selecting business partners. We expect our current and future contractors to demonstrate attitudes and actions that are consistent with the Code of Conduct for Business Partners of the PGE Capital Group companies. The purpose of the Code is to foster, develop, and improve responsible business practices among our business partners and to prevent negative impacts on human rights in the value chain.

By doing so, the PGE CG endeavours to raise awareness among its business partners of the respect for human rights in their operations. We have developed a set of boilerplate clauses used in contracts with Business Partners, related to the requirements of human rights, occupational safety, fire safety, waste management, asset protection, climate and environmental protection, etc., which we incorporate into every contract.

In case of doubt or non-compliance with these provisions, we undertake to engage in discussions to clarify the doubts, or to take corrective action to remedy or eliminate the effects of the non-compliance.

The PGE CG takes action in order to balance the impact of business activity on local communities, respecting their rights. Accordingly, the PGE Capital Group runs projects to support and develop these communities in accordance with the PGE CG's General Procedure for Corporate Community Involvement (CCI).

## REPORTING OF IRREGULARITIES

We strive to create a workplace where open and honest communication between all Employees is appreciated and honoured.

We see to it that both our Employees and any of the organisation's stakeholders (Customer, Business Partner, representatives of local communities, Employees of entities participating in the supply chain, or other external stakeholders, etc.), whenever they become aware of irregularities, have the possibility of reporting them, including the risk of irregularities or fraud within the PGE CG's operations, in the system put in place by the PGE CG. As part of the non-compliance management system in place, the PGE CG operates several reporting channels and a Whistleblower function. We duly protect the identity of Whistleblowers and assure that they are protected from the negative consequences of any justified report.

In the event of a suspected violation of the law or the values and principles of the PGE Capital Group, a report can be made in any of the following ways: by an online form, an e-mail, or correspondence by post, or a phone call to a designated telephone number.

We follow the principles embodied in the Whistleblower Protection Directive.