

# Code of Conduct for Business Partners of the PKP CARGO S.A. Group

ADOPTED BY THE MANAGEMENT BOARD OF PKP CARGO S.A. IN RESTRUCTURING PURSUANT TO  
RESOLUTION NO.... OF .....

# Introduction

The PKP CARGO S.A. Group (hereinafter also referred to as: "PKP CARGO Group" or "GK PKP CARGO") is the leader of the Polish rail freight market and one of the leading companies in this sector in the European Union. The PKP CARGO Group operates in accordance with the applicable laws, internally adopted regulations and ethical principles set out in the *PKP CARGO Group Code of Ethics* and *PKP CARGO Group Anti-Corruption Policy*. The PKP CARGO Group pursues its business in a transparent, responsible and professional manner, laying the foundations for good governance. Acting in the interests of shareholders, customers and employees,

Business Partners, the PKP CARGO Group endeavours to be a reliable partner. In all aspects of its business activities, the PKP CARGO Group is committed to development and value growth, in line with accepted ethical standards. In this context, it is important for the PKP CARGO Group to define its cooperation with Business Partners along the entire value chain, based on common values and principles.

The aforementioned regulations became the foundation for the creation of the Code of Conduct for Business Partners of PKP CARGO S.A. Group Companies, which constitutes a set of minimum standards which the PKP CARGO Group requires its partners to observe.

Natural persons, legal persons or organisational units without legal personality operating in the public or private sector are considered as Business Partners of PKP CARGO Group companies.

The PKP CARGO Group's Business Partners include suppliers, contractors, subcontractors and customers who cooperate with the PKP CARGO Group to achieve mutual economic benefits. The PKP CARGO Group is guided by values such as respect, reliability, cooperation, good management, safety, professionalism, modernity, transparency and responsibility. Adherence to these values in relations with Business Partners is paramount for PKP CARGO Group Companies. Business Partners play a very important role for the PKP CARGO Group, supporting its operations by building a responsible and ethical supply chain based on jointly adopted values and principles.

This Code is applicable to all Business Partners of the PKP CARGO Group. Thus, the acceptance of the Code of Conduct for Business Partners of the PKP CARGO Group is one of the conditions for the establishment of cooperation between the PKP CARGO Group companies and their Business Partners.

The constructive and honest cooperation is the foundation of business relations between the PKP CARGO Group and its Business Partners, which includes standards related to:

- > business ethics,
- > labour and human rights,
- > respect for the environment.

The PKP CARGO Group expects its Business Partners to comply with the indicated standards and to assume special responsibility towards their own company, customers and suppliers, as well as towards the environment and society.

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## Expectations of PKP CARGO Group Companies and whistleblowing

The Code aims to build a sustainable value chain based on the idea of partnership and mutual responsibility. The GK PKP CARGO Companies, as well as their Business Partners, are committed to respecting the values set out in this Code, as well as have appropriate tools in place to monitor their respecting. In the PKP CARGO Group, such a tool is primarily the whistleblowing system available to the Whistleblowers. Thus, a person wishing to report a breach in a given area may submit an anonymous notification of a breach of the Code, through an external entity or personally, to the PKP CARGO S.A. Ethics Ombudsman or the Compliance Coordinator of the subsidiary concerned. Contact details for notifications can be found on each company's website. By choosing the anonymous reporting channel, a whistleblower has a guarantee of full anonymity, as the channel is operated by an external entity, where the dialogue is conducted using a PIN code. The person representing the external body shall inform the whistleblower of the stages of the procedure and of its completion. The Ethics Ombudsman, the Compliance Coordinator, receives the content of the notification from the external entity and subsequently takes further steps to clarify matters related to the reported irregularities. Notifications concerning PKP CARGO S.A.<sup>1</sup> should be addressed to:

- > telephone number - 22 290 69 13
- > e-mail address - [cargo@liniaetyki.pl](mailto:cargo@liniaetyki.pl), [ombudsman.ethics\(5\)pkpcargo.com](mailto:ombudsman.ethics(5)pkpcargo.com)
- > web platform - <https://pkpcarRo.liniaetyki.com/>
- > the mailing address of the Ethics Ombudsman of PKP CARGO S.A., 02-021 Warsaw, ul. Grójecka 17 - with an annotation: "personal delivery".

When investigating a notification, the Ethics Ombudsman, the Compliance Coordinator, has the right to access information and company documents necessary to clarify the case. In addition, the Ethics Ombudsman, the Compliance Coordinator, is authorised to enter the premises of the company concerned. The action of the Ethics Ombudsman, the Compliance Coordinator, is carried out, on a case by case basis, in compliance with the rules on access to legally protected information.

<sup>1</sup> Name of the subsidiary concerned and its whistleblower contacts

No retaliatory action will be taken against Whistle blowers reporting a reasonable suspicion of irregularities who make a disclosure in good faith.

Reporting violations of the Code enables taking remedying measures by the offending Business Partner - committing the entity concerned to promptly report the effects of the remedying measures taken. Business Partners are obliged to take immediate follow-up and remedying measures in response to reports of non-compliance with the principles set out in the Code. In case of lack of explanatory and remedying measures, insufficient activities or significant violations of the Code by the conduct of a given Business Partner, which may result in reputation or financial loss for the PKP CARGO Group, GK PKP CARGO Companies reserve the right to take appropriate measures targeted at such a Business Partner, which may terminate the cooperation with such an entity.

## Business ethics

Business ethics is a set of principles and norms related to the conduct of an entrepreneur in his or her relationships with customers, employees, suppliers, business partners and competitors. Ethical business should be compliant with both legal regulations and the society's moral norms. An entrepreneur guided by ethical values can gain many business benefits, especially in terms of image, consequently, business ethics does not need to be an obstacle to earning profits. In connection with the foregoing, the Business Partner undertakes to observe the commonly binding legal acts of the country in which it operates in the cooperation with GK PKP CARGO as well as beyond this cooperation. The concept of an act of law, although not regulated by statutes, is present in the content of many acts, starting with the title of the Act of 20 July 2000 on the promulgation of normative acts and certain other legal acts (Journal of Laws 2019, item 1461, as amended). Acts of law are assumed to be acts issued by public authorities authorised to do so in a specific form on the basis of powers conferred on them by statutes. Acts of universally binding law are enumerated in accordance with the *numerus clausus* principle in Article 87 of the Constitution of the Republic of Poland in the following hierarchical order:

- > the Constitution,
- > ratified international treaties,
- > Acts of Law,
- > regulations.

In addition, the sources of universally binding law of the Republic of Poland include acts of local law, in the area of activity of the bodies that established them.

Business ethics generates particularly reputation benefits for the company. A company's ethical actions make it perceived as trustworthy by employees, customers or clients. This increases their willingness to cooperate and translates into increased loyalty.

**Fair competition** - in accordance with Article 9 of the Entrepreneurs' Law, an entrepreneur shall carry out business activities in accordance with the principles of fair competition and respect for good morals and the legitimate interests of other entrepreneurs and consumers, as well as with respect for and protection of human rights and freedoms. The business partner undertakes to conduct its business with respect for the principles of free and fair competition. The business partner undertakes to comply with applicable antitrust and competition regulations. The business partner may not act in a manner that is or could be construed as unfair, restrictive of free competition or abusive.

**Zero tolerance for corruption** - Pursuant to Article 1(3a) of the Act of 9 June 2006 on the Central Anti-Corruption Bureau, hereinafter the "CBA Act" (consolidated text, Journal of Laws of 2024, item 184 as amended), **corruption** is an act:

- > involving the promising, offering or giving by any person, directly or indirectly, of any undue advantage to a person exercising a public function for himself or herself or for any other person, in return for acting or failing to act in the exercise of his or her function;
- > involving the request or acceptance by a person exercising a public function, directly or indirectly, of any undue advantage, for himself or herself or for any other person, or the acceptance of an offer or promise of such an advantage, in return for acting or failing to act in the exercise of his or her function;
- > committed in the course of a business activity involving the performance of the obligations towards a public authority (institution), which consists in promising, offering or giving, directly or indirectly, to a person in charge of an entity not included in the public finance sector or working in any capacity for such an entity, any undue advantage, for himself or herself or for any other person, in return for acting or failing to act which violates his or her obligations and constitutes socially harmful reciprocity;
- > committed in the course of a business activity involving the performance of obligations towards a public authority (institution), consisting of requesting or accepting, directly or indirectly, by a person in charge of an entity not included in the public finance sector or working in any capacity for such an entity, any undue advantage or

accepting the offer or promise of such an advantage to himself or herself or to any other person, in return for acting or failing to act which violates his or her obligations and constitutes socially harmful reciprocity.

The Business Partner undertakes to adhere to a "zero tolerance" policy towards those behaviours that bear hallmarks of corruption. The Business Partner may not directly or indirectly offer or accept any undue financial or personal benefit in return for a specific action or omission. Corruption means acceptance of:

- > **financial gain or a promise thereof** - the object of a bribe can be any goods satisfying a specific need, the value of which can be expressed in money. It can include an increase in assets, as well as favourable contracts, e.g. a loan granted on preferential terms, a donation, an assignment of receivables, a discharge of debt, winning of a tender.
- > **personal benefit** - a benefit of a non-pecuniary nature that improves the situation of the person who receives it (e.g. a promise of promotion, receiving a job, being decorated with a medal, learning a profession, limiting professional duties, as well as admission to an apprenticeship, secondment to a foreign scholarship, creating a favourable image in the media, etc.).

It should be borne in mind that a personal benefit is very often accompanied by a pecuniary benefit, e.g. through a promotion at work (personal benefit), which usually involves a raise, which is already understood as a pecuniary benefit.

**Business gifts** - the Business Partner does not accept the behaviour involving handing over or receiving of gifts or promises to hand over gifts in return for preferential treatment or encouragement of such behaviour. The Business Partner undertakes that the exclusive basis for the purchase of goods and services is the internal purchasing procedure aimed at selecting the most advantageous offer. The Business Partner will not offer, promise or hand over gifts to employees or representatives of the PKP CARGO Group or anyone else unless the gift is permitted by local law, its value is reasonable, the context of the gift giving is transparent and only if it is customary to hand over the gift under specific circumstances.

**Conflict of interest** - in economics, it means the intersection of self-interest and business interest, the conflict between the employee's obligations and the private interest. The most common reference is to what is known as **dual loyalty**, a situation where an individual or an entity is unable to maintain the necessary objectivity as their own interest is in conflict with the interests of others with whom they are also somehow connected. Thus, partiality and conflict of interest also means acting in one's own interest, the interest of a close relative or a third party, which are in principle in opposition to the public interest or the interest of the operator concerned. A conflict of interest also occurs when there is even a theoretical possibility that the employee's personal interest may outweigh a public duty or an employee obligation. The Business Partner is obliged to prevent the occurrence of conflicts of interest and, in the event of occurrence of a conflict of interest, to inform immediately if its employees or associates have such a conflict. The Business Partner should refrain from any activity that may give rise to a potential conflict of interest.

**Compliance with international sanctions** - otherwise known as restrictive measures - is one of instruments of influence against actors whose activities violate the principles and norms of international law, including international human rights law and pose threat to global or regional peace and security. The Business Partner is obliged to avoid the use of raw materials, products and materials from sanctioned areas, and thus to comply with international sanctions imposed on countries, businesses or individuals, and to refrain from conducting any business activity that violates international restrictions.

**Personal data protection** - is the protection of information relating to individuals by entities who hold it. This includes both individual information that constitutes personal data and entire data sets. This obligation stems from the law, as every person has the right to protect his or her personal data. Protecting personal data means securing that data against loss, leakage or unauthorised access - not allowing that data to be processed by people who are not authorised to do so. The Business Partner shall be bound to comply with all applicable data protection rules and use personal data only when it is lawful and necessary for legitimate business purposes.

## Employee's rights and human rights

PKP CARGO Group companies expect Business Partners to adhere to human rights, both in the context of working conditions of their employees and in their business activities, i.e. all employees and associates of Business Partners should be treated fairly, with due respect and consideration for their rights.

**Human Rights** - The Business Partner is committed to respecting internationally accepted human rights as enshrined in the Universal Declaration of Human Rights, taking into account the rights contained in the International Bill of Human Rights and the 1998 International Labour Organisation Declaration on Fundamental Principles and Rights at Work.

**Health and safety of employees** - The Business Partner is obliged to take appropriate measures to prevent accidents and to provide a safe workplace for all employees, at least in accordance with applicable laws and applicable industry standards.

Workers should receive appropriate job instruction that includes the necessary information on occupational health and safety conditions and requirements.

**Prohibition of mobbing and discrimination** - The Business Partner is obliged to treat all employees with equal respect. The Business Partner shall not use any form of mobbing which means actions or behaviour concerning an employee or directed against an employee, consisting of persistent and long-term harassment or intimidation of an employee, causing an employee's appraisal of his/her professional usefulness to be lowered, causing or intended to cause humiliation or ridicule of an employee, isolating him/her or eliminating him/her from the team of co-workers. The Business Partner shall not engage in any form of discrimination, understood as a practice whereby people are unfairly and unobjectively differentiated on the basis of a personal characteristic, such as, but not limited to:

- > gender,
- > age,
- > disability,
- > sexual orientation,
- > nationality,
- > ethnic origin,
- > religion.

**Fair working conditions and remuneration** - The Business Partner agrees that both the pay and the benefits of their employees and subcontractors will be fair and compliant with the applicable national law, including regulations on minimum wage, working hours and overtime, sufficient breaks and rest time, sick leave and annual leave, as well as mandatory benefits arising from the law.

**Prohibition of use of child labour** - The Business Partner undertakes that it shall not use child labour when performing its duties and tasks. A child is considered as any person who has not exceeded the minimum age considered acceptable by law at the place of work in relation to the provision of work.

**Prohibition of forced labour** - PKP CARGO Group companies do not tolerate any type of forced labour. The Business Partner undertakes that it shall not engage in any form of modern slavery or forced labour, including practices such as human trafficking, forced prison labour, illegal labour or other types of labour exploitation. Work performed for the Business Partner or its subcontractors and suppliers is always undertaken on a voluntary basis.

**Freedom of association** - The Business Partner undertakes to respect the right of its employees to associate within the limits of the applicable legislation. The Business Partner is committed to maintaining open and constructive communication with employees and their representatives. In accordance with the local law, partners should respect the right of their employees to associate freely, appoint employee representatives, join trade unions and engage in collective bargaining and the establishment of works councils. All employees should be provided with a possibility of open communication with the management regarding working conditions.

## Respect for the environment

The PKP CARGO Group pursues its operations in a responsible manner, guided by concern for environmental safety, by preventing or mitigating the effects of its activities.

**Waste management and emissions** - The Business Partner is obliged to manage waste in accordance with the national environmental regulations and standards, as well as with the general respect for human health. The Business Partner should hold all legally required environmental permits and licences applicable to its type of business. The Business Partner should always choose a technology in its operations that will lead to a reduction in greenhouse gas emissions.

**Environmental Management System** - Moreover, the PKP CARGO Group expects its Business Partners to demonstrate strong interest in identifying environmental risks in its operations and developing preventive measures. The PKP CARGO Group expects its Business Partners to act responsibly, taking the environment into account when making decisions and adopting a structured and systemic approach to its protection.