

Appendix to Resolution no. 320/2023  
of the Management Board of PKP CARGO S.A. of 06 september 2023

# CODE OF ETHICS OF THE PKP CARGO GROUP



PKPCARGO

ADOPTED BY THE MANAGEMENT BOARD OF PKP CARGO S.A.  
BY RESOLUTION NO. 320/2023 OF 06 september 2023

## Foreword by the Management Board of PKP CARGO S.A.

PKP CARGO S.A. is the leader of the Polish rail freight market and one of the leading companies in this sector in the EU. The company employs 15 thousand people and, together with its subsidiaries, the PKP CARGO Capital Group employs 20 thousand people. Apart from Poland, PKP CARGO S.A. operates also on the markets of: Germany, Austria, the Czech Republic, Slovakia, Hungary, the Netherlands, Slovenia and Lithuania. PKP CARGO S.A. is a carrier serving mainly industry, energy and infrastructure investments, hence the majority of the transport consists of bulk goods [coal, aggregates]; however, the Group is preparing for structural changes that are already affecting the Polish economy. It is primarily about progressive decarbonisation, therefore one of the strategic priorities for PKP CARGO S.A. is to develop operations in the intermodal transport segment, which is the most promising direction for rail freight.

Related to this is another strategic goal of PKP CARGO S.A. - the development of operations in the Three Seas region. The Group's ambition is to become the leader in rail freight in the countries of the Three Seas region, striving to handle the largest possible stream of cargo transported to and from ports located on the Baltic, Adriatic and Black Seas.

An important element in the implementation of the above tasks is the Code of Ethics of the PKP CARGO Group, hereinafter referred to as the „Code of Ethics”, which is one of the basic elements supporting the process of building and developing the organisational culture in the Group. The values and standards of conduct contained therein are the principles desired by every organisation.

The Code of Ethics contains basic rules of conduct developed by the representatives of the companies from the PKP CARGO Group with the participation of its Employees and Customers, such as reliability, cooperation, good management, safety, professionalism, modernity, transparency, responsibility and respect for the principles that should guide everyone in their everyday

professional work. At the same time, we undertake to comply with the above while interacting with Customers and Employees. The Code of Ethics is an expression of the conviction that a coherent and common system of values should be referred to in daily work.

The main purpose of the Code of Ethics is to recommend attitudes and rules of conduct to follow while performing work. We want the Code of Ethics to be the point of reference for the activities undertaken in the PKP CARGO Group during the interaction with Employees, Customers, Suppliers, Competition and the social and natural environments. The condition for the successful implementation of the Code of Ethics is the compliance of all Employees with the adopted principles, regardless of their position or scope of responsibilities.

We hope that the implementation of the Code of Ethics will contribute to improving the quality of provided services and increase job satisfaction, both in the case of Employees and Customers. As a result, this will develop the organisational culture and the image and will strengthen the position of the PKP CARGO Group in the Polish and foreign markets.

By creating the Code of Ethics we wish to emphasise the values and standards required at PKP CARGO Group. At the same time, we undertake to respect the dignity of our Employees and promote the attitudes consistent with the Code of Ethics.

## DEFINITIONS:

Group / PKP CARGO Group of Companies – PKP CARGO S.A. with its subsidiaries [PKP CARGO SERVICE sp. z o.o., PKP CARGOTABOR sp. z o.o., CARGOTOR sp. z o.o., PKP CARGO CONNECT sp. z o.o., PKP CARGO TERMINALE sp. z o.o., PKP CARGO INTERNATIONAL a.s.]

**Company** – PKP CARGO S.A.,

**Subsidiary** - a company directly or indirectly dependent on PKP CARGO S.A.,

**Code of Ethics** - the Code of Ethics of the PKP CARGO Group of Companies,

**Ethics Officer** - a position for ethics, anti-fraud and corruption in the Compliance Department at the Headquarters of PKP CARGO S.A.

**Compliance Coordinator** - a position for ethics, anti-fraud and corruption position in the Subsidiary,

**Compliance Officer** – Head of the Compliance Department at the Headquarters of PKP CARGO S.A. monitoring the activities of Subsidiaries related to ethics, counteracting abuse and corruption,

**Compliance Department** – the organisational unit at the Headquarters of PKP CARGO S.A. responsible for the coordination of the compliance policy at PKP CARGO S.A. and managing the areas of ethics and anti-corruption,

**Stakeholder** - a person or groups whose interests are or can be influenced by the Company, e.g.: employees, business partners, community organisations, customers, local communities, shareholders, competitors, NGOs,

**Employee** - a natural person performing work under a contract of employment or a natural person not conducting business activity, providing services under a civil law contract to the Company or Subsidiary, including Members of the Management Board,

**Customer** – an entity purchasing goods or services from companies of the PKP CARGO Group for its own use or further distribution to achieve specific benefits,

**Supplier** - an entity responsible for providing goods, materials or services to companies from the PKP CARGO Group in due time, based on a concluded contract, order, etc.,

**Business Partner** - a natural or legal person who cooperates with the PKP CARGO Group to achieve mutual benefits, the main goal of the cooperation is to expand the business activity,

**Competition** - an entity offering the same services as companies from the PKP CARGO Group, to a greater or lesser extent - both on the Polish and foreign markets.

## KEY VALUES:

As Employees of the PKP CARGO Group, we jointly create an environment that helps to build the best possible atmosphere at work and act in an active and creative manner following the below values:

### RESPECT

The relations with Customers and Suppliers and the relations between the Employee and the employer are based on mutual respect. Regardless of personal beliefs, we value sincerity and freedom of expression. We care for the property and information that belongs to the PKP CARGO Group, as well as the tradition and image of the Group.

### RELIABILITY

The foundation of our business is a long-standing tradition. We strive to stay reliable and understand the needs of our Customers. We take care of the assets entrusted to us and fulfil our obligations towards the purchasers of our services and our Business Partners.

### COOPERATION

The need for cooperation characterises our mutual relations, which guarantee the maximisation of benefits for the PKP CARGO Group while respecting and taking into account the interests of the other party. Cooperation is the ability to create bonds and work together with others, the ability to work in a team to achieve common goals, the ability to perform tasks as a team and solve problems together. Moreover, the basis of cooperation is communication and trust, which contribute to the creation of the right atmosphere in the work environment.

### GOOD MANAGEMENT

We employ specialists and enable Employees to develop professionally. Thanks to this, we are able to cope with any difficult situations. We build the organisational culture based on mutual trust, exchange of experience and meeting the expectations of superiors and Employees.

### SAFETY

Our priority is the comfort of our Customers and Employees. By taking care of the workplaces and organising safety programmes and training, we systematically improve the safety of railway users and Employees.

### PROFESSIONALISM

Our daily work is characterised by a high standard of performance of the tasks entrusted to us. By using our knowledge and competence to the full, we build the value of the Group, which increases with our professionalism. We also constantly develop our professional qualifications and skills. We are professionals in our industry because each of us sets the goal for themselves to become a specialist in their field.

### MODERNITY

In our daily activities, we combine tradition with modernity. We draw on the best of our history and follow the examples of good and proven market practices. In response to Customer expectations, we modernise our services and facilities, giving them a multifunctional character.



## TRANSPARENCY

We believe that transparent and detailed procedures not only contribute to a higher level of provided services but also to higher standards. We operate transparently in two dimensions. The first dimension is dedicated to the external environment, to which we communicate our decisions, actions and rationale, which improves the cooperation with Customers, Suppliers and public administration. The second dimension is to act transparently towards Employees. Following that value, we make sure that Employees have access to the information they need to perform their tasks properly and justify the decisions taken involving them.

## RESPONSIBILITY

We care about the health and safety of our Employees and Customers. We are aware of the impact of the PKP CARGO Group on the external environment, which is why we support activities for socially sensitive groups.

In our operation, we take into account the needs and values of our Stakeholders.



## INTERPERSONAL RELATIONS IN THE COMPANY

This Code reinforces our values, existing principles and practices and is an acknowledgement of internationally accepted human rights. The provisions of the Code of Ethics are based on the human rights included in the Universal Declaration of Human Rights, taking into account the rights referred to in the International Bill of Human Rights and the 1998 ILO Declaration on Fundamental Principles and Rights at Work. Forced labour and modern slavery in any form, including child labour and human trafficking, are unacceptable when it comes to the PKP CARGO Group's operations. We consider child exploitation to be the employment of people below the minimum age for employment as set out in the law in the country where the work is performed. Those cannot be persons under the age of 15, unless the case is an exception expressly provided for by international conventions, including regulations related to training or apprenticeship programmes for students under the age of 15. Juvenile workers who are under 18 years of age and whose employment is permitted by applicable law cannot perform hazardous work, work overtime or work night shifts.

Our relations are based on openness, honesty and mutual trust. We are able to work in a team and we respect the diversity of Employees. We contribute to the creation of a friendly working environment, conducive not only to professional development but also to improving qualifications. We treat each other with respect. We offer equal and fair access to employment and promotion. We try to resolve conflicts in an atmosphere of substantive conversation.

We take our decisions responsibly and we are aware of their consequences. We remember that everyone has the right to make mistakes. We are able to admit our mistakes and learn lessons for the future. We strive to constantly deepen our knowledge and improve our skills, and we fulfil our obligations reliably and on time. We respect the results of the work of others.

We do not discriminate and do not accept any form of discrimination against Employees, Customers and Suppliers related to age, gender, disability, race, religion, sexual orientation, nationality, origin, their political or trade union activity. We do not tolerate any forms of harassment and abuse, both physical and mental.



We do not accept the abuse of one's position and special treatment of relatives. Favouritism towards one's family members and relatives is unacceptable as it leads to family connections being more important than competence and skills. We do not accept nepotism, which we understand as an abuse and pathology of public life.

We use the assets of the PKP CARGO Group entrusted to us in accordance with the needs and internal regulations. We do not use them for purposes unrelated to the performance of official duties. We do not use the Internet or e-mail for private purposes. We protect business property and confidential information.

We do not come to work under the influence of alcohol or drugs. We comply with the OHS and fire safety rules at all times.

We keep in mind that we are the best showcase of the place where we work. Therefore, we maintain a professional attitude at all times. We respect our Customers and their needs - we only provide true and reliable information. We conduct correspondence and external communication in a manner consistent with the standards of the PKP CARGO Group. We do not speak on behalf of the company and the PKP CARGO Group if we are not authorised to do so.

We respond politely but firmly to any cases of violation of the Code of Ethics.



## RELATIONS WITH CUSTOMERS

We keep our commitments to our Customers for their safety and comfort. By modernising our rolling stock, we meet the growing expectations. To improve the quality of our services, we pay attention to the needs and challenges of the market. When preparing our offer, we strive to provide Customers with high-quality services.

We do our best to provide professional and competent services, friendly and open to the needs of Customers, both in direct contact and correspondence.

We give Customers reliable information about products, services and activities of companies from the PKP CARGO Group, with the exception of information constituting business secrets.

We do not abuse trust or take advantage of a lack of knowledge or experience of our Customers.

We are fully responsible for the offered products and services. If they do not meet quality or safety standards, we investigate the reasons for complaints and implement corrective actions.

The comments related to our products and services are an encouragement for us to constantly improve and adapt to the needs and expectations of our Customers.





## RELATIONS WITH SUPPLIERS

We build relations with our Suppliers based on mutual trust, professionalism, respect and responsibility for own actions.

We are aware that the safety of Employees and Customers depends on the quality of the products and services we purchase. Therefore, we implement purchasing plans responsibly and based on objective criteria. We do not let our personal preferences and the will to gain benefits influence the decisions we make. The regulations in force in the PKP CARGO Group in the area of selection of Suppliers and services ensure full transparency of activities carried out in that field.

We do not tolerate corruption and dishonest behaviour.

We reliably prepare and implement all procurement procedures to select a Supplier in accordance with internal procedures and requirements. We make sure that everyone willing to cooperate has equal access to information.

We perform a thorough assessment of the Supplier before the contract is concluded and afterwards, which means checking the cooperation at every stage.

We maintain due diligence when concluding the contracts and ensure their proper implementation, in accordance with the schedule.

We do not accept or give gifts in exchange for preferential treatment or as an encouragement for such treatment; therefore we comply with the regulations on accepting and giving gifts contained in the Anti-corruption and Gift Policy of the PKP CARGO Group.

We avoid situations when private interests conflict with the interests of the company and the PKP CARGO Group. We discuss any doubts with our superior so that appropriate steps can be taken.

We make purchases for business purposes economically and in a thoughtful way. We remember that everyone is responsible for the entrusted budget in that respect and should spend the money wisely.

## RELATIONS WITH COMPETITION

We operate on the free market and compete with others based on the quality of our products and services while maintaining the principles of honest conduct. We try to constantly improve our offer by analysing market needs and observing the activities of the Competition.

With the Customer's good in mind, we treat our Competitors as Business Partners. We make sure that our mutual relations are dominated by respect and professionalism, we make certain that the good name of other entities is also respected. We are aware that - together with our Competition - we co-create the market where all entities have equal opportunities to attract Customers.

We do not talk about the Competition in a negative way or criticise their products and services.

We identify any events that may give rise to a conflict of interest and we try to resolve any disputes through dialogue.

As Employees, we cannot engage in competitive activities that could cause damage to our employer or create situations where there is a conflict of interest.





## APPROACH TOWARDS ENVIRONMENTAL PROTECTION

We strive to combine the professional pursuit of business goals with a responsible attitude towards the natural environment. We look for new solutions and improve the existing ones to minimise the negative impact on the condition of the environment.

We care for the natural environment while performing our daily duties.

When making investment decisions, we take into account the impact on the ecosystem.

We support innovations that contribute to reducing the negative impact of our activities on the environment.

We purchase equipment with the appropriate approvals and that meets environmental standards. We comply with the relevant environmental and OHS legislation governing our daily work, we also engage in education to support environmental awareness.





## SOCIAL COMMITMENT

To meet the expectations of Stakeholders, we develop new social programmes. We support initiatives such as the activation of the disabled, the poorest children, young people and other socially vulnerable groups.

We are open to dialogue and long-term cooperation with NGOs and local organisations.

Moreover, our activities are directed towards the protection of railway heritage, which is evidenced on the one hand by the care and restoration of historic rolling stock and, on the other hand, by the care for the promotion of educational culture associated with railway tradition.

We do not engage in political activities on behalf of the Company and PKP CARGO Group.

Our charity and sponsorship activities are based on applicable law and our internal regulations. We are not supporting financially any religious community or political organisation.









