

CODE OF CONDUCT

FOR BUSINESS PARTNERS
OF THE PKP CARGO
CAPITAL GROUP



PKPCARGO



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INTRODUCTION

PKP CARGO S.A. Capital Group (hereinafter also: „PKP CARGO Capital 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 Capital Group operates in accordance with applicable law, internally adopted regulations and ethical principles, which are included in the PKP CARGO Capital Group Code of Ethics and the PKP CARGO Capital Group Anti-Corruption Policy. The PKP CARGO Capital Group conducts its business in a transparent, responsible and professional manner, creating the foundations of good management. Acting in the interest of shareholders, customers and employees, Business Partners - the PKP CARGO Capital Group makes every effort to be a reliable partner. In all aspects of its business activity, the PKP CARGO Capital Group focuses on the development and growth of value, in accordance with accepted ethical standards. In this context, it is important for the PKP CARGO Capital Group to define cooperation with Business Partners throughout the value chain, based on common values and principles.

The above-mentioned regulations became the basis for the creation of the Code of Conduct for Business Partners of the PKP CARGO S.A. Capital Group, which is a set of minimum standards that the PKP CARGO Capital Group requires its partners to comply with.

ZPKP CARGO Capital Group Companies Business Partners are natural persons, legal persons or organizational units without legal personality, operating in the public or private sector.

The PKP CARGO Capital Group’s Business Partners include suppliers, contractors, subcontractors and Customers who cooperate with GK PKP CARGO in order to achieve mutual economic benefits. The PKP CARGO Capital Group is guided by such values as: respect, reliability, cooperation, good management, safety, professionalism, modernity, transparency and responsibility. Compliance with these values in relations with Business Partners is the most important for the PKP CARGO Capital Group Companies. Business Partners play a very important role for the PKP CARGO Capital Group, supporting its activities by building a responsible and ethical supply chain, which is based on jointly accepted values and principles.

This Code applies to all Business Partners of the PKP CARGO Capital Group. Thus, the acceptance of the Code of Conduct for Business Partners of the PKP CARGO Capital Group is one of the conditions

for establishing cooperation between the Companies of the PKP CARGO Capital Group and their Business Partners.

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

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

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

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EXPECTATIONS OF COMPANIES FROM THE PKP CARGO CAPITAL GROUP AND REPORTING IRREGULARITIES



The aim of the Code is to build a sustainable value chain based on the idea of partnership and mutual responsibility. GK PKP CARGO companies, as well as their Business Partners, are committed to complying with the values set out in this Code, as well as have appropriate tools to monitor their compliance. In the PKP CARGO Capital Group, such a tool is primarily the whistleblower reporting system. Thus, a person who wants to report a violation in a given area may submit anonymously, through an external entity or by name, a notification of a violation of the Code to the Ethics Ombudsman of PKP CARGO S.A. or the Coordinator for Compliance of the subsidiary to which the report relates. Contact details for applications can be found on the website of each company. By selecting an anonymous reporting channel, the Whistleblower is guaranteed complete anonymity, as this channel is operated by an external entity, where the dialogue is conducted using a PIN code. The person representing the external entity shall inform the notifier about the stages of the procedure and its completion. Ethics Ombudsman, Coordinator for Compliance, receives the content of the notification from the external entity, and then takes further steps to explain matters related to the reported irregularities. Notifications regarding PKP CARGO INTERNATIONAL Group companies should be addressed to:

- helpline: +420 596 166 209, +420 596 166 425
- e-mail address: etika@pkpcargointernational.com
- correspondence address:
PKP CARGO INTERNATIONAL a.s.
Ethics Committee
Betonářská 580/14
Muglinov, 712 00 Ostrava
with a note: „private & confidential“.

During the reviewing of the notice, the Ethics Ombudsman, Compliance Coordinator, has the right to access the information and documents of the company, necessary to explain the matter. Ethics Ombudsman, Coordinator for Compliance, is also entitled to enter the real estate of a given company. Action of the Ethics Ombudsman, Coordinator for Compliance is carried out in each case in compliance with the rules of access to legally protected information.

Whistleblowers who report a reasonable suspicion of irregularities who make a disclosure in good faith will not be retaliated against.

Reporting violations of the Code allows for corrective actions to be taken by the Business Partner who committed the violation - at the same time obliging the entity to immediately inform about the effects of the mitigating actions taken. Business Partners are required to immediately take verification and corrective action in response to reports of non-compliance with the principles set out in the Code. In the absence of explanatory and corrective actions, insufficient actions or significant violations of the Code by the conduct of a given Business Partner, which may result in image or financial losses for the PKP CARGO Capital Group - PKP CARGO Capital Group companies reserve the right to take appropriate actions directed at such a Business Partner, which may end in cooperation with such an entity.



BUSINESS ETHICS



Business ethics is a set of rules and standards regarding the conduct of an entrepreneur in relations with customers, employees, suppliers, business partners and competitors. Ethical business should comply with both legal regulations and social norms. An entrepreneur guided by ethical values can have many business benefits, especially image benefits, thus ethics in business does not have to be an obstacle to achieving profits. In connection with the above, the Business Partner undertakes, in cooperation with the GK PKP CARGO and beyond, to comply with generally applicable legal acts of the country in which it operates. The concept of a legal act, although not regulated by law, appears in the content of many acts, starting with the title of the Act of 20 July 2000 on the publication of normative acts and certain other legal acts (Journal of Laws of 2019, item 1461, as amended) It is assumed that legal acts are acts issued by authorized public authorities in a specific form on the basis of the powers conferred on them by law. Acts of law generally applicable were enumerated in accordance with the numerus clausus principle in art. 87 of the Constitution of the Republic of Poland in the following hierarchical order:

- constitution,
- ratified international agreements,
- acts,
- regulation.

In addition, the sources of generally applicable law of the Republic of Poland in the area of operation of the bodies that established them are acts of local law.

Ethics in business generates especially image benefits for the company. Ethical activities of the company make it perceived by employees, customers or contractors as trustworthy. This increases their willingness to cooperate and translates into increased loyalty.

Fair competition - in accordance with art. 9 of the Entrepreneurs' Law, the entrepreneur carries out business activity 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 in accordance with the principles of free and fair competition. The Business Partner undertakes to comply with applicable antitrust and competition laws. The business partner must not act in a way that is or may be interpreted as unfair, restrictive of free competition or abusive.

Zero tolerance for corruption - Pursuant to art. 1 clause 3a of the Act of 9 June 2006 on the Central Anti-Corruption Bureau, hereinafter referred to as the „CBA Act“ (consolidated text, Journal of Laws of 2024, item 184, as amended), corruption is the act (of):

- promise, offer or give by any person, directly or indirectly, any undue benefits to a person performing a public function for himself or herself or for any other person, in exchange for an act or omission in the performance of his or her function;
- consisting in the demand or acceptance by a person performing a public function, directly or indirectly, of any undue benefits, for himself or for any other person, or the acceptance of a proposal or promise of such benefits, in exchange for an act or omission in the performance of his function;
- committed in the course of business activity, including the performance of obligations towards a public authority (institution), consisting in promising, proposing or giving, directly or indirectly, to a person managing an entity not included in the public finance sector or working in any capacity for such an entity, any undue benefits, for himself or for any other person, in exchange for an act or omission that violates his obligations and constitutes a socially harmful reciprocity;
- committed in the course of an business activity involving the performance of obligations towards a public authority (institution), consisting in requesting or accepting, directly or indirectly, by a person managing an entity not included in the public finance sector or working in any capacity for such an entity, any undue benefits or accepting a proposal or promise of such benefits for himself or for any other person, in exchange for an act or omission that violates his obligations and constitutes a socially harmful reciprocity.

The Business Partner undertakes to observe the principle of „zero tolerance“ towards those behaviours that bear the signs of corruption. The Business Partner may not directly or indirectly offer or accept any undue financial and personal benefits in exchange for a specific action or omission.

Corruption is the acceptance of:

- financial benefit or its promise - the subject of a bribe may be any good satisfying a specific need, the value of which can be expressed in money. It can be an increase in assets, as well as favorable contracts, e.g. a loan granted on preferential terms, a donation, assignment of receivables, debt relief, winning a tender.
- personal benefit - is a non-pecuniary benefit that improves the situation of the person who obtains it (e.g. a promise of promotion, getting a job, being awarded an order, learning a profession, limiting professional duties, as well as admission to internship, sending to a foreign scholarship, creating a favorable image in the media, etc.).

It should be remembered that very often personal benefit is combined with financial benefit, e.g. through promotion at work (personal benefit), which is usually associated with a raise, which is already understood as a financial benefit.

Business Gifts - The Business Partner does not consent to behaviors consisting in giving and accepting gifts or making promises to give gifts in exchange for preferential treatment or encouragement of such behavior. The Business Partner undertakes that the sole basis for the purchase of goods and services are internal purchasing procedures, the purpose of which is to select the best offer. The Business Partner shall not offer, promise or give gifts to employees or representatives of the PKP CARGO Capital Group or anyone else, unless the gift is permitted by local law, its value is reasonable, the context of the gift is transparent and only if its giving in the given circumstances is customary.

Conflict of interest - in economics it is the interpenetration of own and official interests, it is a conflict between the employee's obligation and the employee's private interest. Most often, it refers to the so-called double loyalty, that is, a situation in which a given individual or entity is unable to maintain the necessary objectivity, because their own interest conflicts with the interest of others with whom they are also connected in some way. Therefore, bias and conflict of interest also means acting in one's own interest, in the interest of a close relative or a third party, which in principle are in opposition to the public interest or the interest of a given economic entity. A conflict of interest also occurs when there is even a theoretical possibility that the concern for the personal interest of an employee may prevail over a public duty or an employee's duty. The business partner is obliged to prevent the occurrence of a conflict of interest, and in the event of its occurrence, immediately inform if its employees or associates remain in such a conflict. The Business Partner should refrain from any actions that may cause a potential conflict of interest.

Compliance with international sanctions - otherwise known as restrictive measures, are one of the instruments of influence against entities whose activities violate the principles and norms of international law, including international human rights law, and pose a threat to global or regional peace and security. The Business Partner is obliged to avoid the use of raw materials, products and materials from areas subject to sanctions, and thus to comply with international sanctions imposed on countries, entrepreneurs or natural persons, and not to conduct any business activity violating international restrictions.

Personal data protection is the protection of information concerning natural persons by entities that have them. This applies both to individual information constituting personal data, as well as to entire data sets. This obligation arises from the provisions, as every person has the right to the protection of their personal data. Protection of personal data is the protection of these data against their loss, leakage or unauthorized access - preventing these data from being processed by persons who do not have the authorization to do so. The Business Partner is obliged to comply with all applicable rules on the protection of personal data and the use of personal data only if it is lawful and necessary to achieve legitimate business purposes.



EMPLOYEE RIGHTS AND HUMAN RIGHTS



Companies from the PKP CARGO Capital Group expect Business Partners to respect human rights, both in the context of the working conditions of their employees and in business activity, that is, all employees and associates of Business Partners should be treated fairly, with due respect and respect for their rights.

Human Rights - The Business Partner undertakes to observe the human rights adopted by the international community, included in the Universal Declaration of Human Rights, taking into account the rights contained in the International Charter of Human Rights and the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work issued in 1998.

Health and safety of employees - The Business Partner is obliged to take appropriate measures to prevent accidents and ensure a safe workplace for all employees, at least in accordance with applicable laws and applicable industry standards. Employees should undergo appropriate on-the-job training, which will take into account the necessary information on 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 does not use any forms of mobbing that are understood as actions or behaviors related to the employee or directed against the employee, consisting in persistent and long-term harassment or intimidation of the employee, causing him/her to underestimate his/her professional suitability, causing or aimed at humiliating or ridiculing the employee, isolating him/her or eliminating him/ her from the team of colleagues. The Business Partner does not use any forms of discrimination, understood as a phenomenon consisting in unfair and biased differentiation of people, due to their personal characteristics, such as:

- sex,
- age,
- disability,
- sexual preference,
- nationality,
- ethnic origin,
- religion.

Fair working conditions and wages - The Business Partner undertakes that both the wages and benefits of their employees and subcontractors will be fair and in accordance with applicable national law, including regulations regarding the minimum wage, working hours and overtime, sufficient breaks and rest periods, sick leave and annual leave, as well as mandatory benefits resulting from the law.

Prohibition of the use of child labour - the Business Partner undertakes not to use the work of children during the performance of their duties and tasks. A child is considered to be any person who has not exceeded the minimum age considered permissible in the place of work, in accordance with the law, in connection with the provision of work.

Prohibition of forced labour - PKP CARGO Group companies do not tolerate any type of forced labour. The Business Partner undertakes not to engage in any form of modern slavery or forced labour, including practices such as human trafficking, forced prison labour, illegal work or other types of labour exploitation. Work performed at the Business Partner or its subcontractors and suppliers is always undertaken voluntarily.

Freedom of Association - The Business Partner undertakes to respect the right of its employees to associate within the limits of applicable law. The Business Partner is obliged to maintain open and constructive communication with employees and their representatives. According to local law, partners should respect the right of their employees to freely associate, appoint employee representatives, join trade unions and engage in collective negotiations and the creation of works councils. All employees should be provided with the opportunity to communicate openly with management regarding working conditions.



RESPECT FOR THE ENVIRONMENT

PKP CARGO Capital Group conducts business in a responsive manner, guided by concern for environmental safety, by preventing or minimizing the effects of its activity.

Waste management and emissions - The Business Partner is obliged to handle waste in accordance with national regulations and environmental protection standards, as well as with general respect for human health. The Business Partner should have all legally required permits and environmental licenses that apply to its type of activity. The Business Partner should always choose the technology in its activity that will lead to the reduction of greenhouse gas emission.

Environmental management system - the PKP CARGO Capital Group also expects that in its activity the Business Partner will show great interest in identifying environmental threats by development of preventive measures. PKP CARGO Capital Group expects that the Business Partner acts responsibly, taking into account the natural environment and adopting a structured and systemic approach to its protection.





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