

PGL S.A.  
ANTI-CORRUPTION AND CONFLICTS  
OF INTERESTS CODE

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## Definitions

**BCO** – PGL S.A. Compliance and Regulations Office;

**Retaliatory Action** – it should be construed as a direct or indirect action/omission on the part of the Company related to employment or a form of civil law relationship regulating the provision of services to the Company by a Co-worker who has reported an incident/suspicion of an Infringement and which is or may be unduly detrimental to the Company;

**Code** – this PGL S.A. Anti-Corruption and Anti-Conflicts of Interests Code;

**Conflict of Interests** – it should be construed as all circumstances relating to the Interests of the Company's Co-workers and Third Parties acting for or on behalf of PGL S.A. which are contrary to the Company's Interests or may undermine the integrity or transparency of such persons in providing employment or other services on its behalf;

**Corruption** – all actions consisting of demanding or accepting a material or personal benefit, granting such a benefit or the promise thereof to public servants and/or officials and in cooperation relationships between business entities; which may cause financial or reputational damage to the Company; constitute an act of unfair competition or an unacceptable preferential action on behalf of a supplier/proposer or recipient of goods or services;

**Cronyism** – favouritism not based on kinship, but on social ties, in the area of relationships between Co-workers;

**Infringement** – an action or omission of a PGL S.A. Co-worker or a Third Party which violates the rules set out in this Code;

**Nepotism** – abuse of one's position by recommending and favouring blood relations;

**Co-worker's Closely Related Person** – a spouse, ascendants, descendants, persons in a common household, persons related to the Co-worker due to adoption, under the care or guardianship of the Co-worker, other relatives or in-laws of the Co-worker;

**Third Parties** – customers, suppliers and/or other business partners of PGL S.A., other individuals or legal persons, public or private, acting under a contract or otherwise, which are external entities;

**PGL S.A.'s Compliance Policy** – PGL S.A.'s Compliance Policy which defines the basic rules and values within the compliance system, published on the site [www.pgl.pl](http://www.pgl.pl);

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**Gifts** – any form of benefit with financial value, justified in legal circumstances or according to universally accepted socio-cultural norms, given or received free-of-charge, in particular: discounts, rebates, gift vouchers, donations, preferential terms of sales of goods or services, prizes, making available certain resources, vehicles or spas free-of-charge, shares and other securities, jewellery, watches, alcohol, perfumes, tickets, entrance tickets, food hampers, flowers, invitations to entertainment events;

**Company** – PGL S.A.;

**Co-worker** – shall be construed as a person employed under an employment contract in the Company or a person (including an entrepreneur) cooperating with the Company based on a civil law contract, irrespective of the position held;

**Ethical Principles** – standards of conduct following from the PGL S.A. Compliance Policy and the Code, which are a reference point for assessing the behaviour in question.

## Introduction

With regard to the need to act in the best Interests of PGL S.A. as well as the obligation to act with integrity, fair and professional conduct, the PGL S.A. Anti-Corruption and Anti-Conflicts of Interests Code is hereby adopted.

The Code describes the methods used to combat all forms of Corruption and Conflicts of Interests and accordingly applies to the Company's Co-workers, including key management.

BCO is the entity that coordinates the tasks performed with respect to Infringements, in particular receiving reports, ensuring support in identifying the circumstances or situations constituting a Conflict of Interests, as well as corrupt and quasi-corrupt behaviours, consultation, advice and analyses regarding respective incidents, and interpreting the provisions of the Code.

Each of the Company's Co-workers is obliged to read this document and apply it during the term of his/her contract concluded with the Company.

## Purpose and subject matter of the Code

The purpose of the Code is to define the principles and framework of the process of counteracting incidents of Infringement relating to Corruption and Conflicts of Interests in PGL S.A., to identify the participants and

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define the basic concepts for counteracting Infringements. The Code specifies the principles and mechanisms necessary to:

- 1) ensure compliance of actions taken by the Company with the law, internal regulations and adopted ethical principles in the field of Corruption and Conflicts of Interest;
- 2) detect and report actions or omissions in the Company's organizational structure which bear the hallmarks of Corruption, conflicts of Interest or other similar Infringements;
- 3) take corrective actions with respect to the identified irregularities related to PGL S.A.'s operations;
- 4) monitor, develop and improve the mechanisms for counteracting Corruption and Conflicts of Interest, and ensure their effectiveness by using the necessary corrective measures.

## Preventing Corruption and Conflicts of Interest

The Company uses the following mechanisms to counteract Corruption and Conflicts of Interest:

- a. it has adopted and applies a list of basic values defined in PGL S.A.'s Compliance Policy;
- b. it has adopted and applies the internal processes and procedures, as well as organizational and technical solutions to counteract the flow of confidential information, which if violated could be detrimental to the Company and to the Interests of Third Parties;
- c. it applies whistleblowing tools to inform of irregularities or suspected Infringements;
- d. it conducts investigations on issues related to assessing the risk of Infringements on indicated projects/tasks/investments conducted by the Company;
- e. it conducts training sessions on the prevention of Corruption and Conflicts of Interest;
- f. it identifies and eliminates potential Conflicts of Interest by defining subordination at the level of the organizational structure and separation of competences and tasks within a single business entity and the scopes of responsibilities of those involved;
- g. it limits and prevents Conflicts of Interest arising from the personal relationships of persons whose scopes of responsibilities are crucial from the perspective of risk to the Company.
- h. it concludes contracts with Third Parties which are appropriately analysed by its internal business units, using all available knowledge, in terms of the risk of a Conflict of Interest arising.

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## Identifying and combating Corruption

### 1. Active Corruption and related behaviour

In connection with performing official tasks or performing work or services – with respect to public figures, representatives of offices and public or local government authorities and Third Parties, the Company prohibits any actions which could be interpreted as an attempt to grant or a promise to grant a financial or personal benefit in return for obtaining a benefit from or taking a specific action/omission by those public figures, representatives of offices and authorities or other Third Parties (so-called **active corruption**).

Co-workers and Third Parties acting for or on behalf of the Company are prohibited from engaging in **passive corruption**, i.e. accepting or seeking to obtain illegal or hidden financial or personal benefits for themselves or for Closely-Related Persons, irrespective of their nature and volume, in return for a favourable action (or omission) on the part of the Company.

The following are prohibited in particular:

- a) all gratuities, payments aimed at ensuring a positive outcome or accelerate a given administrative process or public tender, even if the aim of the process itself is legitimate;
- b) actions aimed at obtaining personal benefits by a Company Employee or obtaining such benefits by a Company Employee's Closely-Related Person, consisting of granting a favour to the Closely-Related Person or a Third Party, e.g.: concluding trade contracts for the delivery of goods or services without a business case or outside the frameworks of the binding purchasing regulations of the Company;
- c) offering, promising, demanding or giving financial or personal benefits of any value and form whatsoever;
- d) acting as an in-between in receiving or giving benefits in return for taking specific actions or failing to perform one's duties.

### 2. Purchasing procedures

The Company prohibits actions (or omissions) restricting free access of bidders in the context of on-going purchasing procedures, actions that lead to the unequal treatment of the bidders or obstructing free and fair terms of competition.

The following are prohibited in particular:

- a) taking action to obtain information from a bidder in an unauthorized manner or passing on information obtained from other bidders in the course of the purchasing procedure;

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- b) engaging in a dialogue/cooperation with one of the bidders participating in the tender which would lead to gaining unjustified advantage of the bidder(s) over other bidders in the tender;
  - c) determining or changing proposal selection criteria in such a way as to make the purchasing process a sham.

## Accepting and giving Gifts

Co-workers and Third Parties acting for or on behalf of the Company may accept Gifts from business partners by courtesy, subject to the following rules.

Co-workers and Third Parties acting for or on behalf of the Company are prohibited from:

- a. seeking Gifts or other forms of occasional gratuity;
- b. accepting Gifts given to them by unknown Third Parties with whom they are not in a business relationship;
- c. accepting cash or cash equivalents, such as vouchers/gift tokens;
- d. accepting Gifts which are against good practice, are illegal or could constitute the reason for violating binding laws or be considered an act of unfair competition, or be an unacceptable preferential action;
- e. giving and accepting any Gifts as awards or incentives to treat preferentially or to act in a reprehensible or unfair manner, in particular if it could be interpreted as corrupt behaviour.

Gifts may only be accepted if their value and nature are adequate and proportionate to the circumstances and customs of the business relationship and with respect to the donor and beneficiary. Their gifting and accepting was always overt.

The Member of the Management Board responsible for a given field of operations approves granting Gifts to directors of respective business units.

Gifts to Third Parties may be given exclusively for advertising and promotional purposes.

The company maintains an electronic Register of Benefits serviced by BCO for Presents with a value exceeding PLN 200.00 (in words: two hundred zlotys) and all other notified Presents. BCO is responsible for maintaining the Register of Benefits. Notifications should be made directly to BCO, to the e-mail address:

[biurocompliance@pgl.pl](mailto:biurocompliance@pgl.pl).

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## Identifying and managing Conflicts of Interest

The company identifies areas of operations most exposed to the risk of Conflicts of Interest which include in particular:

- a) HR and personnel policy, personal relations and the related reporting lines;
- b) outsourcing;
- c) complaints procedures;
- d) engaging in additional professional activities by Co-workers and members of the Company's authorities.

Potential sources of Conflicts of Interest:

- A. the likelihood of the Company or a person related to the Company obtaining benefits or avoiding losses at the expense of a Customer;
- B. situations in which the tasks performed in the Company under employment/cooperation contracts by its Co-worker or a Third Party acting for or on behalf of the Company have or may have a potential or actual impact on the Interests of Closely-Related Persons or the persons referred to above have relationships with Third Parties which may raise suspicions as to their impartiality;
- C. Cronyism and Nepotism which mean that the position held is abused, or extensive mutual support of representatives of one group, e.g. due to their kinship, friendship or belonging to the same organization, etc. to gain financial or personal benefits based on the ties, rather than on substantive ground defined by law and applicable to the companies.

The measures taken by the Company to manage identified Conflicts of Interest are proportional and aligned with the risk of Conflicts of Interest.

Employees who are closely related should not be in positions within direct lines of reporting. Managers or persons responsible for the Company's business units should not allow situations in which Employees who are closely-related are in positions within direct lines of reporting.

In circumstances in which closely-related persons are in positions within direct lines of reporting, the Company shall use additional measures and mechanisms to fairly and impartially assess the work of the persons involved.

Should a potential or actual Conflict of Interest arise, solutions for its elimination should be implemented.

To counteract any Conflict of Interest, Co-workers:

- a) sign a contractual undertaking that no Conflicts of Interest exist upon commencing employment or



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cooperating with the Company;

- b) are obliged to refrain from taking actions that could lead to a Conflict of Interest arising between them and the Company;
- c) when performing tasks for or on behalf of the Company, they must not engage in activities that could generate personal benefits or gains for persons with whom they have a non-professional or business relationship;
- d) they must ensure that their own Interests do not interfere with their duties in the Company or with the Company's obligations to Third Parties.

A conflict that bears the features of a one-off, usually unexpected and difficult to predict event (e.g. selection of a supplier, provider, etc.), usually requires using a one-off measure to appropriately manage the identified conflict, assess it and correct actions so that it does not occur in the future.

Should a situation arise which could constitute a Conflict of Interest, or if there is any doubt as to whether a particular situation will give rise to a Conflict of Interest, the person involved is required to notify BCO of the situation in order to analyse the matter and determine a further course of action. The respective notifications relate to, among other things, persons close to the Company's Co-worker – spouses, descendants, ascendants, persons in a common household, persons related to the Co-worker due to adoption, under the care or guardianship of the Co-worker, other relatives or in-laws of the Co-worker.

## Infringements and notifications of infringements of the Code

Infringement of the principles set out in the Code or in the Company's other internal regulations relating to counteracting Corruption and Conflicts of Interest may constitute grounds for holding the person infringing the rules responsible and taking legal or disciplinary action against the said – this may include terminating the contract concluded with the Company.

Applying disciplinary or legal sanctions does not exclude the Company's right to claim compensation for any damages, including by recourse, with respect to any financial losses or loss of reputation as a result of infringement of the Code.

The Company maintains a Register of Actual Conflicts of Interest.

Cases of infringement or suspected infringement should be notified via an anonymous whistleblowing channel Whiblo, available on the site <https://pgl.whiblo.pl/> or directly to BCO to the email address: [biurocompliance@pgl.pl](mailto:biurocompliance@pgl.pl).

## Updating the Code

The Director of the Compliance and Regulations Office of PGL S.A. is responsible for updating this Code and organizing training sessions on how to counteract Corruption and Conflicts of Interest.