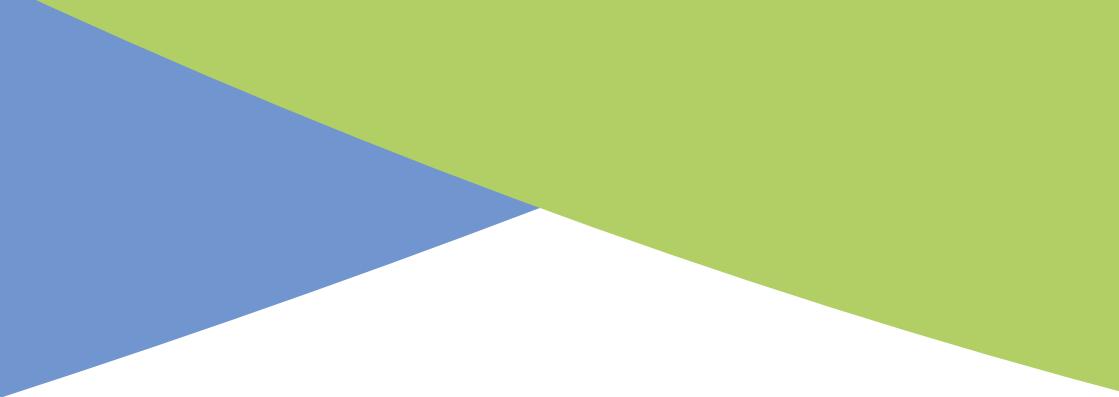


PGE Group Code of Conduct for Business Partners



Prowadzimy w zielonej zmianie





PGE Group operates in accordance with legislation in force, internal regulations and adopted ethical standards, contained especially in PGE Group's Code of Ethics and Anti-Corruption Policy. These regulations are the foundation for PGE Group's Code of Conduct for Business Partners (hereinafter Code of Conduct for Business Partners), which governs our every-day cooperation with our Business Partners.

PGE Group's core values (Partnership - Development – Responsibility) are equally important to us in working with our Business Partners. Our priority in business relations is transparency along with the development of relations that are based on mutual trust, respect and professionalism. We do business in a responsible manner.

For the sake of maintaining and promoting the highest standards of ethical conduct, we want to work with Business Partners that do business fairly. We have formulated our expectations in this Code of Conduct for Business Partners.

The Code of Conduct for Business Partners sets out requirements for PGE Group Companies' Business Partners in the areas of respect for human rights, working conditions, environmental protection and fairness in doing business.

Partnership - Development - Responsibility

The common denominator for PGE Group Companies and their Business Partners



As PGE Group, we provide our clients with secure and stable supplies of electricity, gas and heat. Our priorities are: product supply reliability, technical excellence, modern services, efficient and effective organisation and partnership with our stakeholders.

We are contributing to the country's energy security and the development of the Polish economy, and we take every effort to live up to this responsibility. At the same time, we care about continuously growing the Group's value for our shareholders.

We act in accordance with our values and rules, as formulated in PGE Group's Code of Ethics and Anti-Corruption Policy. We conduct our business transparently, while complying with legislation in force and our internal regulations. We are a partner for local communities, and we

continually minimise our negative impact on the natural environment throughout our entire value chain. We also promote consumer patriotism.

We are aligned with initiatives intended to effectively counteract discrimination in employment, eliminate all cases of human rights abuses and apply a precautionary approach to environmental challenges and work against corruption. In this respect, we take responsible action and expect our Business Partners to operate in accordance with these directions.

At PGE Group, we are certain that ethics is a key factor of long-term success for our organisation and thus an essential element of value-based management. PGE Group's values (Partnership - Development - Responsibility) and principles are described in PGE Group's Code of Ethics and Anti-Corruption Policy, which are binding for:

PGE Group's managers, employees and any other persons acting on behalf of PGE Group.

PGE Group's Business Partners include natural and legal persons and unincorporated organisational units in the public and private sector with which PGE Group has a business relation. In particular, this includes contractors, subcontractors, suppliers, consultants, counterparties in wholesale trading, agents, financial institutions, industry organisations and other similar entities with which PGE Group Companies do business, excluding the customers of PGE Group companies (i.e. recipients of electricity and heat supplied by PGE Group companies and other customers) and mutual relations between PGE Group entities.

In working with Business Partners, we seek a common denominator - similar values and compliance with the principle of legality. In contacts with PGE Group's Business Partners, we care about the integrity and transparency of these relations and about maintaining their formal nature. This is why we expect our Business

Partners to introduce and apply in their business ethical standards on par with the Code of Conduct for Business Partners. Moreover, Business Partners participating in procurement procedures organised by PGE Group Companies are obligated to read and comply with PGE Group's Good Procurement Practices. We aim to contribute to the development of the Polish society and business. We care about our own development as well as that of our Business Partners.

PGE Group Companies may monitor their business partners' compliance with the standards set out in the Code of Conduct for Business Partners therefore they request relevant and credible information on compliance with the Code of Conduct for Business Partners.

In light of the above, PGE Group Companies expect their Business Partners to comply with the following principles.



Human rights and labour standards

PGE Group Companies expect their Business Partners to respect human rights in the context of both labour standards for their employees and their business activities. All employees and other persons working for and on behalf of a Business Partner must be treated fairly, respectfully and with respect for their dignity.

Health and safety of workers

Business Partners provide a safe workplace, observing the relevant occupational health and safety standards and regulations. In particular, they respect regulations pertaining to job-specific instructions, taking into account information on occupational health and safety conditions, and provide appropriate protective equipment and relevant occupational health and safety training.

Prohibition of harassment and discrimination

PGE Group Companies expect their Business Partners to not apply or tolerate any form of harassment or discrimination, in particular based on sex, age, disability, race, religion, nationality, political views, membership in organisations, ethnic background, faith, sexual orientation, employment for a specified or indefinite period or on a full-time or part-time basis. This applies to decisions concerning the recruiting and hiring of employees, their employment (limited access to promotions, bonuses, training, etc.) and the termination of employment, which should result from objective and substantive criteria.

Pay and working conditions

Business Partners pay their employees on time, at least the legally required minimum wages, and are responsible for all legally required labour costs, in particular those concerning social security insurance and taxes. PGE Group's Business Partners also observe regulations pertaining to employment conditions concerning

work time, annual leave, absences related to child care, sick leave and all other issues regulated by labour laws.

Prohibition of forced labour

PGE Group's Business Partners do not engage in any form of forced labour, in Poland and abroad. Work being performed by a Business Partner or its subcontracts and suppliers is voluntary. PGE Group's Business Partners will not tolerate any form of work for them or their subcontractors if the region's difficult economic or political situation is taken advantage of in this work by forcing people to work in conditions that threaten their health or violate their dignity, including as regards remuneration levels. Work for a Business Partner and its subcontractors must always be performed voluntarily and may not breach basic employee rights. This also applies to work in overtime and on public holidays.

Prohibition of child labour

PGE Group's Business Partners do not engage in any form of child labour. If under-age persons are employed in accordance with the law, they only perform light work. Light work may not endanger the under-age employees' life, health or psychophysical development and it may not collide with school work.

Freedom of assembly

PGE Group's Business Partners acknowledge and respect the right to assemble freely.

Care for the natural environment

PGE Group Companies expect their Business Partners to conduct business activities in a responsible manner, prevent environmental risks and reduce the negative impact of their activities on the natural environment. Business Partners should also make effective use of resources such as water or energy.

Compliance with environmental law

PGE Group companies expect their Business Partners to comply with commonly applicable environmental regulations, in particular by obtaining all legally required permits and concessions that are essential for their business and complying with all associated operating and reporting requirements.

Waste management and pollution prevention

PGE Group Companies expect their Business Partners to minimise the quantity of waste produced and limit emissions as part of their business activities. Business Partners should be committed to selecting effective technologies aimed at reducing the negative impact on the natural environment.

Environment Management System

PGE Group Companies expect their Business Partners that have a sizeable environmental footprint to adopt a structured and systemic approach to environmental protection in their business activities, especially when it comes to their negative impact on specific elements of the natural environment.



Countering corruption and fraud

Compliance and fairness in business

PGE Group Companies expect their Business Partners to conduct their activities in compliance with commonly applicable laws, including anti-corruption, and in an ethical, transparent and fair manner.

Compliance with tax laws

PGE Group Companies expect their Business Partners to conduct their business in compliance with commonly applicable tax laws, in particular by refraining from applying illicit tax optimisation measures and by observing transfer pricing regulations.

Fair competition and antitrust rules

PGE Group Companies expect their Business Partners to operate in accordance with fair competition rules, including, for example, refraining from engaging in competition-restricting schemes or abusing their dominant position on the market.

Prevention of money laundering and financing of terrorism

PGE Group Companies expect their Business Partners to take actions in the course of their business aimed at ensuring compliance with commonly applicable laws on counteracting money laundering and funding terrorism as well as limiting the related risk.

Protection of information

PGE Group Companies expect their Business Partners to ensure the security of data, especially

data that is made available to them by PGE Group companies in the course of doing business, and that the information they use is obtained and processed in accordance with the law.

Zero tolerance for corruption and fraud

PGE Group's Business Partners have a zero-tolerance policy with regard to conduct bearing the hallmark of corruption, bribery, fraud, paid protection, disruption of a public tender, unlawful exertion of influence, causing damages in economic trade or other abuse. Business Partners may not directly or indirectly offer or accept any undue consideration or promise thereof, including material or personal gains, in exchange for a specific act or failure to act.

Remuneration for Business Partners

Remuneration paid to PGE Group's Business Partners should not be used to finance improper gains for themselves, their customers or third parties.

Conflict of interest

PGE Group's Business Partners avoid conflicts of interest, understood as a situation where a Business Partner, its employees or partners have an actual or legal relation with other entities that could give rise to justified concern on the part of a PGE Group company as to the impartiality of this Business Partner in connection with products, services or construction works. Business Partners are required to inform PGE Group in advance about each case (which applies to both PGE Group's Business Partners and entities with capital, personal or organisational ties to them) where an order is accepted or involving participation in a court or administrative proceeding where the interests of PGE Group's Business Partners and PGE Group companies are conflicting (e.g. filing a lawsuit against a PGE Group company, accepting an order to conduct a case against a PGE Group

company, a Business Partner acting as court expert or expert appointed by the opponent of a PGE Group company).

Business gifts, including invitations

Over the course of cooperation and in order to build relations between PGE Group Companies and Business Partners, it is acceptable to receive and give business gifts, including invitations. The following rules for exchanging business gifts are in place at PGE Group:

- business gifts are given for a legal purpose,
- accepting or giving a business gift does not affect tasks being performed, decisions being made, gaining unfair advantage, preferential treatment or giving such an impression,
- a business gift does not require reciprocity, and can only be a courtesy expression of thanks,
- its value does not exceed PLN 200 at a time (including VAT),
- a business gift is given rarely (no more than 3 times in a calendar year),
- it is not in the form of cash or its equivalent, or a luxury invitation,
- it is not given or accepted by a person who is bound by the "zero-gifts" policy.

Certain people at PGE Group Companies are subject to a zero-gifts policy, which prohibits receiving and giving business gifts other than symbolic gifts (up to PLN 50 including VAT and with a permanent company logotype). A person bound by the zero-gifts policy may accept an invitation from a Business Partner to take part in events, such as workshops, conferences, reference visits, technology presentations, industry-specific and anniversary celebrations, etc., only on the condition that internal regulation criteria are met, e.g. direct relation with the conducted business activity, agenda and cost adequacy, etc.

The following persons at PGE Group Companies are required to apply the zero-gifts policy:

- employees and other persons charged with oversight or directly involved in selecting suppliers, advisers or service providers; additionally, all persons directly involved in or having an impact on procurement procedures, in particular members of tender committees, persons preparing procurement

proceedings and taking decisions in them, as well as persons supervising the implementation of contracts, performing acceptances,

- management in a situation where its members exercise direct supervision over the selection of contractors and suppliers and make decisions as part of this selection,
- employees and other persons employed in the area of retail trade, wholesale trade and procurement.

PGE Group Companies expect their Business Partners to respect the zero-gifts policy in relations with PGE Group Companies' employees. Business Partners are asked to refrain from giving or sending business gifts, invitations or other benefits in discordance with these entries to PGE Group Companies' representatives, including persons encompassed by the zero-gifts policy.

Treatment of holders of public office

PGE Group Companies expect their Business Partners to not tolerate and not engage in the unlawful exertion of influence over official activities, giving, offering or promising of any illegal and undue considerations in connection with the performance of this function (bribery) or in exchange for intermediation in handling the matter (paid protection), regardless of whether such considerations are given or offered directly or through third parties.

Political parties

PGE Group Companies expect their Business Partners to observe commonly applicable laws on the financing of political parties.

Donations and sponsoring

PGE Group Companies expect their Business Partners to give donations in compliance with the law and exclusively on a voluntary basis, without expecting any undue considerations in exchange. Sponsoring individual persons, groups or organisations may not be intended to obtain illegal business considerations.



Business partners' commitment to compliance with the code of conduct for business partners

PGE Group Companies expect their Business Partners to be committed to respecting ethical standards in a scope on par with that described in the Code of Conduct for Business Partners and to have in place an appropriate system for monitoring compliance and resolving situations where such standards are not being observed. PGE Group Companies also expect their Business Partners to ensure that such standards are observed by their contractors, subcontractors and suppliers as regards the performance of contracts / goods and services for PGE Group Companies.

PGE Group has a whistleblower function in place, which is a system for reporting irregularities. Anyone may be a whistleblower, especially employees, consultants, contractors, suppliers and customers. This is a person reporting information on suspected and/or actual non-compliance the effects of which may be damaging to PGE Group, its employees or counterparties. Reports may, in particular, relate to criminal actions, corruption, abuse of employee rights, conflicts of interest.

Reports should be submitted:

- by e-mail to uczciwybiznespge@gkpge.pl
- by telephone to +48 22 340 12 02 (from 9:00 to 17:00 on business days)
- by letter, to the following address: PGE S.A., Compliance Department Director, ul. Mysia 2, 00-496 Warsaw.

Persons reporting irregularities are subject to protection.

A person who is assigned the whistleblower status has the following rights:

- to submit information in a confidential manner,
- to expect the confidentiality of personal data, function or position and the conduct of an explanatory proceeding in such manner as to prevent the unequivocal identification of the person reporting the information – at this person's explicit request,
- to receive protection against unjust treatment in connection with the report,
- to maintain anonymity, with the stipulation that an anonymous report does not offer the right to protection.

Consequences of failure to abide by the pge group code of conduct for business partners

PGE Group Companies place a strong emphasis on good cooperation with their Business Partners. This is why in cases where the Code of Conduct for Business Partners is not being observed, appropriate corrective actions may be permitted within reasonable deadlines, provided that the Business Partner intends to correct such violations. Business Partners should take immediate explanatory and corrective action when they become aware or suspicious of a breach of the rules laid down in this Code.

In the case of major breaches of the Code of Conduct for Business Partners - adequately to the type and scale of breach and the resulting risks - PGE Group Companies reserve the right to take appropriate action toward the Business Partner, including terminating cooperation with a Business Partner engaging in unacceptable practices.



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