

# Prevention of corruption and bribery

205-1

Since 2018, the Decision of President of the PKP CARGO S.A. Management Board of 31 October 2017 entitled "Procedure of Dealing with Corruption Risks in PKP CARGO S.A." came into effect. The procedure regulates:

- the manner of reporting cases of corruption or suspected corruption;
- registration of corruption events;
- dealing with identified cases of corruption;
- dealing with persons reporting cases of corruption;
- informing the Management Board about cases of corruption;
- reporting cases of corruption to law enforcement agencies and cooperation with such agencies;
- analyzing cases of corruption;
- preventing the recurrence of cases of corruption;
- cooperation with stakeholders, partners, business partners and administration institutions;
- cooperation with PKP CARGO S.A.'s internal units.

The procedure applies to all PKP CARGO S.A. employees and persons sitting on the Management Board. In addition, the procedure regulates the **whistleblower status**, as well as the gift acceptance and offering policy.

The anti-corruption policy is implemented via the Procedure for Dealing with Corruption Risks at PKP CARGO S.A.

PKP CARGO S.A. appreciates the positive effects of whistleblowers. Consequently, the Company's governing bodies have decided to introduce organizational solutions for the needs of whistleblowing, giving employees the possibility to decide how to report a corruptive incident. It is the employee who makes the decision whether this report should be made anonymously or not, and should consider the benefits of both methods before they make the decision. For the employer, each report is important as it draws attention to the possibility of occurrence of irregularities which should be corrected as soon as practicable using appropriate tools.

The subsidiaries of PKP CARGO S.A. have implemented documents and rules containing regulations on prevention of corruption and bribery. The Group plans to unify the internal documents and regulation within this area.

102-16

In February 2018, PKP CARGO S.A. adopted and implemented a Code of Ethics.

The Code of Ethics is one of the fundamental elements supporting the process of building and developing the organizational culture in the Company. The values and standards of conduct it contains are desirable in any organization.

The Code of Ethics sets out the fundamental rules of conduct developed by the representatives of PKP CARGO S.A., with the participation of its Employees and Clients, such as: reliability, cooperation, good management, safety, professionalism, modernity, transparency, responsibility and respect: these are the principles that employees should be guided by in their everyday work.

The main purpose of the Code of Ethics is to recommend attitudes and rules of conduct at the workplace. The Code serves as a road map for the actions undertaken in the Company in the relations with Employees, Clients, Suppliers, Competitors and with the social and natural environment. The implementation of the Code of Ethics will improve the quality of the Company's services and increase job satisfaction, both for Employees and Clients. It will also enhance the organizational culture, improve the image and strengthen PKP CARGO S.A.'s position in the Polish and international markets.

Since 2017, PKP CARGO S.A. has maintained anonymous reporting channels for PKP CARGO S.A.'s employees who would like to report an abuse/irregularity. The channels include: a dedicated hotline, an e-mail address and a traditional mail address. Selected PKP CARGO S.A. employees have been trained to act as Value Leaders and an Ethics Officer. The Code of Ethics, in its full scope, will be implemented across the PKP CARGO Group.

