Dear Partners,

At PGE Group, we operate in accordance with legislation in force and our internal ethical standards. PGE Group’s Code of Ethics, Code of Conduct for Business Partners and guidelines issued on their basis constitute the foundation for our every-day cooperation with all of our Business Partners.

PGE Group’s core values (Partnership - Development – Responsibility) are equally important to us in working with our Business Partners. We do business in a responsible and reliable manner. Developing transparent business relations and cooperation that are based on partnership, respect and trust is our priority.

For the sake of maintaining the highest standards of conduct, we want to work with Business Partners which comply with the law, share our rules and apply them in their every-day business. This is why we have imprinted our expectations in the PGE Group Code of Conduct for Business Partners, which I kindly present to you.

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

Sincerely,

Henryk Baranowski
President of the Management Board
PGE Polska Grupa Energetyczna S.A.
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 and partnership with our stakeholders.

We are aware of our contribution to the country’s energy security 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, we conducting our business in full compliance 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 have been participating in the UN Secretary General’s Global Compact initiative for corporate responsibility and human rights since 2008. Our involvement in Global Compact means that PGE Group companies have to apply its 10 principles, including the elimination of discrimination in respect to employment and occupation, the elimination of all cases of human rights abuses, 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 guidelines.

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 the PGE Group Code of Ethics, which is binding for: PGE Group’s Management and all Employees.

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 any sort of 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 relations between PGE Group entities.

In working with Business Partners, we seek a common denominator - similar values and compliance with the principle of legality. Therefore, we expect our Business Partners to introduce and apply in their activities ethical on par with this Code or equivalent. 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.

PGE Group Companies intend to monitor compliance with the standards set out in this Code of Conduct for Business Partners, in particular by requesting relevant and credible information on compliance with this Code.
PGE Group Companies reserve the right to carry out audits and inspections of Business Partners concerning compliance with this Code.

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 a Business Partner must be treated fairly, respectfully and with respect for their dignity.

Health and safety of workers
Business Partners ensure a safe workplace for their employees, observing the relevant workplace health and safety standards and regulations. All employees must receive proper workplace instructions, containing information on workplace health and safety conditions and requirements and protective equipment as well as undergo appropriate training.

Prohibition of discrimination
PGE Group Companies expect their Business Partners to not apply or tolerate any form of discrimination based on sex, race, ethnic background, nationality, religion, faith, world-view, disability, age, sexual orientation, health, political beliefs, marital status or membership in organisations. This applies to recruiting and hiring employees, their employment (limited access to promotions, bonuses, training, etc.) and the termination of employment.

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 observe employment conditions in respect to their employees, as well as 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’s employees is voluntary and may be voluntarily ended by employees. This also applies to overtime and public holidays if employees are not subject to specific legal regulations in this area.

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, these employees should be hired for 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 their employees’ right to assemble and organise.
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's Business Partners are obligated to comply with environmental regulations, in particular by obtaining all legally required permits and licences 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.
Compliance and fairness in business
PGE Group Companies expect their Business Partners to conduct their activities in compliance with the law and in an ethical and fair manner.

Fair competition and antitrust rules
PGE Group Companies expect their Business Partners to operate in compliance with all competition protection laws in force, including for example refraining from dumping and price fixing.

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

Zero tolerance for corruption and fraud
PGE Group’s Business Partners may not in any way be involved in corruption, fraud, bribery, extortion, embezzlement, defraudation or any other activities of such type. Business Partners may not directly or indirectly offer or accept any undue considerations or promises thereof, including tangible, financial, personnel considerations or inappropriate gifts, etc. in exchange for specific actions or omissions.

Remuneration for Business Partners
Remuneration paid to PGE Group’s Business Partners may not be used to provide undue considerations to themselves, their clients or third parties.

Conflict of interest
PGE Group’s Business Partners avoid conflicts of interest that might impair their credibility or erode PGE Group’s trust in them or the trust of third parties towards PGE Group Companies.

Business gifts and invitations
Over the course of cooperation between PGE Group Companies and Business Partners, it is acceptable to receive and give business gifts only if they are in compliance with the law and this document, they are appropriate and of a small value, not exceeding PLN 200 (including VAT) each, received and given infrequently (no more than 3 times a calendar year), and their receiving or giving has no impact on tasks being performed or decisions being made and therefore they do not require reciprocity and are not related to any expectations of considerations or preferential treatment. This includes tangible objects, invitations to events, outside meetings as well as food services up to PLN 200 (including VAT) per person.

Certain PGE Group employees are subject to a zero-gifts policy. The zero-gifts policy prohibits receiving and giving business gifts other than symbolic gifts (up to PLN 50 including VAT, with a permanent company logotype). Acceptance by employees encompassed by the zero-gifts policy of a Business Partner’s invitation to take part in events, such as workshops, conferences, reference...
visits, technology presentations, industry-specific and anniversary celebrations permissible 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 zero-gifts policy particularly applies to Management and Employees / Other persons who directly supervise or take part in selecting suppliers, advisers or service providers, all persons directly involved in or having an impact on procurement procedures, especially members of tender committees, persons preparing tenders and making tender decisions, as well as persons supervising contract performance, carrying out handovers and providing testimonials, Employees and Other persons employed in the Retail Area, Wholesale Area and Procurement Area.

PGE Group Companies expect their Business Partners to respect the zero-gifts policy in contacts 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.

The aforementioned principles concerning giving and receiving business gifts and invitations also apply to the PGE CG entities.

**Treatment of holders of public office**
PGE Group Companies expect their Business Partners to not tolerate and not engage in the giving, offering or promising of any illegal and undue considerations to holders of public office, regardless of whether such considerations are being given or offered directly or through third parties.

**Political parties**
PGE Group Companies expect their Business Partners not to tolerate or engage in the giving of any illegal tangible and intangible considerations to political parties, their representatives and candidates for political positions.

**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.
Cooperation

Fairness  Trust  Support
Communication  Responsibility
BUSINESS PARTNERS’ COMMITMENT TO COMPLIANCE WITH THIS CODE OF CONDUCT

PGE Group Companies expect their Business Partners to be committed to respecting ethical standards in a scope on par with that described in this Code and to have in place, or have within a deadline agreed upon with the relevant PGE Group Company, 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 require at least the same of their Contractors, Subcontractors and Suppliers as regards services and supplies 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, subcontractors and suppliers. This is a person reporting irregularities and information on suspected and/or actual non-compliance the effects of which may be damaging to PGE Group Companies. 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 or by telephone to +48 22 340 12 02.

Persons reporting irregularities are subject to protection.
PGE Group Companies place a strong emphasis on good cooperation with their Business Partners. This is why in cases where this Code of Conduct is not being observed, appropriate corrective actions may be permitted within reasonable deadlines, provided that the Business Partners 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 severe cases, PGE Group Companies reserve the right to impose appropriate sanctions on Business Partners. Adequately to the type and scale of breach of this Code and the resulting risks, PGE Group Companies reserve the right to take appropriate action, including terminating cooperation with Business Partners engaging in unacceptable practices.

More information can be found at the following website: http://www.gkpge.pl/compliance

In case of doubts or questions, please contact PGE S.A.’s Compliance Department.
Initiative for corporate responsibility and human rights
UN Global Compact’s 10 principles

**Human rights**
Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2. make sure that they are not complicit in human rights abuses.

**Labour**
Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4. the elimination of all forms of forced and compulsory labour;
Principle 5. the effective abolition of child labour; and
Principle 6. the elimination of discrimination in respect to employment and occupation.

**Environment**
Principle 7. Businesses should support a precautionary approach to environmental challenges;
Principle 8. undertake initiatives to promote greater environmental responsibility; and
Principle 9. encourage the development and diffusion of environmentally friendly technologies.

**Countering corruption and fraud**
Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.

UN Secretary General’s Global Compact Initiative
www.unglobalcompact.com

PGE in Global Compact
www.unglobalcompact.org/what-is-gc/participants/7386-PGE-Polska-Grupa-Energetyczna-S-A-

Universal Declaration of Human Rights (1948)

International Labour Organization
www.ilo.org

Information on PGE Group’s CSR efforts
https://www.gkpge.pl/csr