

# Polenergia Group's anti-corruption policy

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## 1. POLICY PURPOSE AND SCOPE

1.1 The purpose of the Policy is to:

- (a) identify risk areas,
- (b) define the rules of preventing corruption,
- (c) implement and supplement the Code of Ethics.

1.2 The Policy is applicable within the Polenergia Group and applies to all Employees. In addition, it should be ensured that the Policy is implemented by all subsidiaries and that contractors and business partners are obliged to comply with its provisions or implement equivalent anti-corruption measures.

1.3 When referring to Employees, we also address them directly using the words: “**you**” and “**your**”. When we refer to the entire Polenergia organisation, we sometimes use the form: “**we**”.

## 2. WHAT WILL YOU LEARN FROM THE POLICY?



## 3. DEFINITIONS

**Polenergia, Company** - Polenergia S.A. with its registered office in Warsaw.

**Group** - Polenergia S.A. with its subsidiaries.

**Compliance Officer** - the function assigned to the person responsible for overseeing the compliance area in the Group.

**Policy** - this document, i.e. the Anti-Corruption Policy.

**Corruption** - offering or promising someone an undeserved Advantage in exchange for that person to do something favourable for us; a very important element of it is the intention of the transferor - he or she must expect something in return (e.g. preferential treatment).

**Benefit** - the "currency" of Corruption - it is its transfer that is the necessary condition for its occurrence; it can be material or personal.

**Counterparty** - an external entity, other than a Polenergia Employee, with which Polenergia conducts or plans to conduct business (e.g., a supplier of goods and services).

**Business Partner** - an external entity with which Polenergia conducts or plans to conduct a joint venture, e.g. a joint investment.

**Person performing a public function** - a public officer or a person employed in an organizational unit disposing of public funds and other person authorized or obliged to carry out a certain public activity on the basis of applicable laws (including representatives of state-owned enterprises, representatives of public international organizations).

**Employee** - a person employed by Polenergia.

**Contractor** - a natural person permanently cooperating with Polenergia on the basis of a civil law contract, cooperation agreement or on any other legal basis.

## 4. CORRUPTION

### 4.1 What is Corruption?

**Corruption** is the promising, offering, giving, demanding, or accepting, directly or indirectly, of any undue financial or personal **Advantage**.

An Advantage may be accepted by a person directly or for any other person (indirectly). The acceptance of an offer or promise of such Advantage in exchange for a specific act or omission **in the exercise of a public function or in the course of business** is also Corruption.

In short: **Corruption is the offering of an undeserved (financial or personal) Advantage to someone in exchange for that person doing something beneficial for us. The intention of the transferor is its very important element – he or she must expect something in return.**



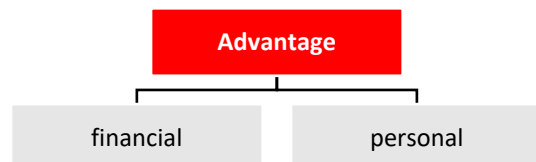
Corruption does not always take the form of illegal behaviour (e.g. handing over an envelope of cash). An Advantage can sometimes be transferred **through legitimate mechanisms. They can be used as a tool of Corruption if an Advantage is provided to the other party with such intention.**

#### Example

**Situation:** We will employ a partner or relative of a developer (legitimate behaviour) if the developer gives preferential treatment to Polenergia in its relationship with its customers (a corrupting tool).

### 4.2 What is an Advantage?

In practical terms, Advantage constitutes the “currency” of Corruption – it must be provided for Corruption to occur. **The Advantage itself can take various forms and can be financial or personal.** The Advantage provided must be **undue**.



#### 4.2.1 Financial Advantage

**We commonly associate a financial Advantage with money, but is it right?** An Advantage can be not only cash handed over in an envelope, but also:

- a credit card,
- vouchers/coupons,
- the payment/wire transfer of a specific amount,
- **sponsorship**, if it goes beyond certain rules (e.g. sponsoring a trip for our contractor's partner or a stay in a luxury hotel),
- **inappropriate gifts** (e.g. perfume, expensive alcohol),
- **donation**, if made without following internal procedures,
- **financial support for the election campaign of a selected politician or political party (e.g. support conducive to the re-election of a head of a specific municipality).**

#### 4.2.2 Personal Advantage

**A personal Advantage** is **non-financial** and is intended to make a positive difference to the situation of the person who receives it. It may be, for example, the promise of a promotion or "procuring" a job for that person or that person's relatives.

### 4.3 Corruption in the private sector vs. Corruption in the public sector

#### 4.3.1 Private sector

Corruption in the private sector may involve providing financial or personal Advantages to **Contractors in return for making a certain decision, not fulfilling their duties or taking certain actions (e.g. influencing the selection of our offer)**. An Advantage may be accepted by any Employee or person acting on behalf of the Contractor who can influence the achievement of our desired goal, such as an agent.



#### 4.3.2 Public sector

For Corruption to occur in the public sector, those with influence over the spending of public money must be involved. This occurs when an Advantage is directed to a **Public Official**.



## 5. CORRUPTION IN LAW

Corruption can take many forms and manifest itself in many situations, and the related regulations are scattered. Accordingly, the following is a summary of the most important Criminal Code regulations that affect our business.

WHAT?	WHO?	HOW?	PENALTY
Article 229 <b>Bribery</b>	Each Employee, especially one responsible for relationships with Public Officials	<p>This regulation prohibits the payment of a bribe to Public Officials (e.g. officials) in connection with their duties (e.g. the issuing of an administrative decision).</p> <p><b>Example:</b> offering tickets to attend a sporting event to an official in exchange for a favourable outcome of an administrative process.</p>	The penalty for this act is imprisonment for between six months and eight years.
Article 230a <b>Paid protection</b>	Each Employee, especially one responsible for relationships with Public Officials	<p>The law prohibits offering Advantages to Public Officials in exchange for assistance in “facilitating” matters within a person’s competence, which would involve unlawfully influencing a decision, act or omission of a Public Official, in connection with the performance of his or her function.</p> <p><b>Example:</b> handing in 26-year-old whisky to an official of the State Labour Inspectorate in exchange for a favourable follow-up opinion or for not initiating an inspection.</p>	The penalty for this act is imprisonment for between six months and eight years.
Article 296 <b>Abuse of trust</b>	Management Board, managers, directors	<p>A person who, e.g. under a contract, is obliged to manage financial affairs or the Company’s business, causes damage to the Company by failing to fulfil or abusing his or her duties is liable to punishment.</p> <p><b>Example:</b> a manager chooses to cooperate with a Contractor whose services are more expensive than those of other offerors in exchange for a personal Advantage.</p>	The act is punishable by imprisonment for between three months and five years.

<p>Article 296a</p> <p><b>Corruption of managers</b></p>	<p>Management Board, managers, directors</p>	<p>The offence involves a person holding a managerial position accepting or demanding a financial or personal Advantage, or a promise thereof, in return for an abuse or failure to exercise his or her powers. Such act must cause financial damage to the Company.</p>	<p>The act is punishable by imprisonment for between three months and five years.</p>
<p>Article 305</p> <p><b>Distorting a public tender</b></p>	<p>Each Employee, especially members of departments responsible for public tenders</p>	<p>The act consists in distorting a tender, i.e. hindering or preventing it. Entering into an agreement with another person in order to cause damage to the institution for which the tender is held is also distorting a tender.</p>	<p>The act is punishable by imprisonment for up to three years.</p>
		<p><b>Example:</b> A manager of our Contractor takes a bribe from our supervisor in exchange for actively promoting our products while intentionally disregarding the competition.</p>	<p><b>Example:</b> An Employee contacts the Head of the Public Procurement Department of the local Town Hall where a tender was launched and offers him invitations to a concert held in the town of the tender in exchange for the selection of his tender.</p>

## 6. HOW TO PREVENT CORRUPTION?

### 6.1 General Corruption prevention principles



Polenergia **identifies risks** of corruptive behaviour. This is especially the responsibility of the directors and supervisors in the areas they supervise. They are alert and respond to any situation that may give rise to corrupt behaviour.



Polenergia ensures that records of all transactions are kept in a manner that is complete, accurate and enables the purpose and value of the Advantage provided as part of a relationship to any external party to be determined.



**Superiors** at Polenergia **educate** their subordinate Employees: they communicate disapproval of certain actions and indicate the right course of action.



**Reacting** to corrupt behaviour is the responsibility of every Employee – including you! It is imperative to report all potential or actual violations of the Policy or the law.



Every Employee and Contractor is obliged to **read** and comply with the Company's **anti-corruption principles**.

Each Employee is required to attend anti-corruption **training**. If you see a need for such training, report it to the Compliance Officer!

### 6.2 Relationships with third parties

#### 6.2.1 Decision to purchase goods and services

When deciding to purchase goods or services, we **do not favour** any Contractor. From among offers, we select the one that is most advantageous for Polenergia in terms of price, quality, capabilities and trust towards the Contractor in question, and we also analyse the Contractor's respect for our values. When assessing offers, we **only** take into account **Polenergia's interests** and not the interests of individual persons.

#### 6.2.2 Verification of Contractors

Before we start working with a Contractor, we carry out a thorough verification in accordance with the applicable procedure, to exclude the risk of Polenergia getting unknowingly involved in irregularities and the related liability.

Among other things:

- we verify the **need** for cooperation,
- **we assess Contractor's reliability** based on Polenergia's verification methods,
- **we analyse** the Contractor's values and compliance system,
- we obtain assurance that the Contractor will comply with Polenergia's internal rules or we include relevant **anti-corruption clauses** in contracts,
- **we assess the credibility of the persons** who represent the Contractor.

#### 6.2.3 Cooperation with Contractors

We treat Contractors of a similar category **equally**. We evaluate them based on **substantive criteria** and the quality of their services. **We do not engage in corrupt practices** in exchange for a favourable award, the execution of a contract, the purchase of our services or other activities.

We do not work with entities that, in our opinion, do not provide an appropriate standard of anti-corruption. If such activity has occurred in cooperation with Polenergia, **we take corrective action**, which may involve termination of cooperation with this Contractor.

We maintain **communication on business matters**. Employees inform their superiors immediately of any off-duty contacts with Contractors that may affect business relationships and constitute a conflict of interest.

We **require** all Contractors to:

- comply with ethical principles and laws, in particular anti-corruption laws, and we cooperate only with those Contractors who guarantee at least an equivalent level of preventing Corruption in their activities,
- comply with Polenergia’s rules, in particular the anti-corruption rules, and respect the anti-corruption rules adopted by both parties when carrying out joint ventures,
- perform their duties in a transparent, factual and honest manner,
- be guided by the interests of the organisation they represent and not by personal interests, and not to seek any Advantages for themselves, their relatives or friends,
- report promptly on any potential corruption risks that may affect the cooperation,
- have whistleblowing arrangements in place or use those provided by Polenergia.

### **6.3 Relationships with Employees**

We observe the following principles in our relationships with Employees:

- we respect and trust each other,
- we work together towards mutually agreed goals,
- we evaluate Employee performance with honesty and integrity,
- we expect effects in work performance achieved in an ethical way.



Polenergia accepts, promotes and rewards Employees, taking into account the **qualifications** required for the position, the Employee’s motivation to develop his/her qualifications and improve his/her skills, and **actual work performance**. Polenergia does not accept any behaviour that could indicate that such decisions have been made in exchange for any Advantages or other inappropriate acts.

**Example**

**Situation:** Promotion of an Employee in exchange for the promise of a financial Advantage.

**Situation:** Making the decision to grant an Employee an award or bonus conditional on its part being returned to the supervisor who decides about the award or bonus.

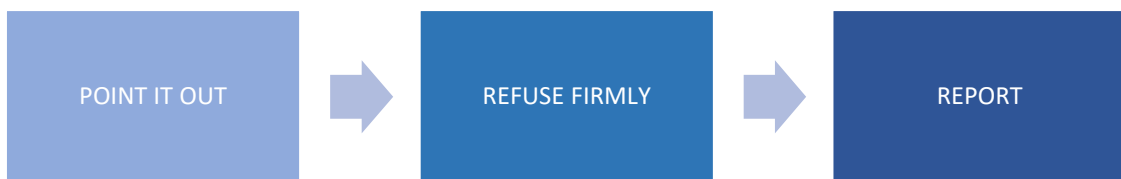
**6.4 Conflict of interest**

Every Employee is responsible for avoiding conflicts of interest.

Detailed information on how to avoid conflicts of interest can be found in the “**Conflict of Interest Prevention Policy**”.

**7. HOW TO DEAL WITH SUSPECTED CORRUPTION?**

If you notice that someone near you is acting in a corrupt manner or you yourself receive a corrupt offer – **react**.



**7.1 How to react?**

If you find yourself in a situation where someone offers you a financial or personal Advantage, or demands it in return for taking some action, **firmly refuse and report the situation**.

**Example**

**Situation:** A Contractor offers you a financial Advantage in return for choosing his services. In addition, he suggests that if the cooperation goes well, it will benefit both of you in the long run.

**Reaction:** In such situation, you should refuse to accept the Advantage, citing the law and Polenergia’s internal regulations, such as this Policy. You should report the Contractor’s behaviour through the internal whistleblowing channel.

If you notice that an action of your work colleague or Contractor or subcontractor with whom you work on a daily basis deviates from the norm and raises concerns for you, **do not be afraid**

**to refuse to participate in such action and report the situation through our internal whistleblowing channel.**

#### **Example**

**Situation:** Your colleague tends to cooperate with a particular supplier, even though that supplier does not fulfil all his obligations correctly. You find the rationale for choosing this supplier and rejecting other proposals implausible.

**Reaction:** In this situation, you should ask your colleague about the reason for choosing this particular supplier and not cooperating with other ones. If you do not get a satisfactory answer or do not wish to enquire about the reason, report the suspected Corruption through the internal whistleblowing channel.

## **7.2 Reporting irregularities – how and to whom?**

In addition to pointing it out, you are required to report any behaviour that raises your suspicions through our **internal whistleblowing system**, which ensures the confidentiality of reports. We have created it for people who care about following the rules in our company.

#### **Example**

**Situation:** You notice that one of your colleagues repeatedly acts in disregard of internal rules.

**Reaction:** You decide to report the observed behaviour. We initiate an investigation to look into the matter. Depending on the outcome, we take appropriate measures to prevent future violations. We may, for example, introduce new rules of conduct or provide training that positively influences Employees' ethical behaviour.

If you have any doubts (e.g. if you are not sure whether the behaviour is corrupt or what to do in a particular situation), contact the **Compliance Officer**. You can address ask the Compliance Officer questions about all compliance procedures (e.g. the Whistleblowing Procedure or the Code of Ethics).

Details of the internal reporting system can be found in the "**Whistleblowing Procedure**".

## **8. WHAT ARE SANCTIONS FOR BREACH OF RULES?**

- 8.1 Violations of this Policy may have disciplinary and legal consequences.
- 8.2 Disciplinary sanctions are the penalties set forth in our work regulations and in our contract with the designated entity or person.
- 8.3 If law enforcement authorities detect the commission of a criminal act or a criminal report is filed against the perpetrator and accomplices, a criminal trial may be initiated. This may involve

the imposition of preventive measures specified in the Code of Criminal Procedure (such as property surety or suspension of the right to practice law) against the accused person (even not yet convicted!).

## **9. FINAL PROVISIONS**

- 9.1 The CEO shall supervise compliance with the principles arising from the Policy.
- 9.2 Conclusions on the application of the principles of this Policy shall be the subject of an annual report on the operation of the compliance system in the Polenergia Group in accordance with the internal regulations in force in this regard.
- 9.3 The Compliance Officer is responsible for implementing and supervising compliance with the Policy in the Group.
- 9.4 The Policy comes into effect on January 17, 2023.
- 9.5 The Policy is reviewed and updated at least once a year, and always after any change in the law in this area.

**In case of doubt, uncertainty or difficulty in interpreting or applying any internal regulation, it is necessary to consult the Compliance Officer.**

**If you become aware of a violation of this or any other internal regulation, you should make a report at: [Polenergia.zglaszam.to](mailto:Polenergia.zglaszam.to)**