



THE PRINCIPLES
OF BUSINESS ETHICS
AND CONDUCT IN
THE CAPITAL GROUP OF
GRUPY KĘTY S.A.

**ETHICAL
CODEX**





— MISSION —

For the future...

„ensuring employees’ development, effective use of natural resources, safety, environmental protection, long-term economic value”

— VISION —

„A world-class company in the areas of its activities”

— VALUES —

Our values comprise moral standards, business ethics and culture, innovative solutions and social responsibility reflecting the method of the functioning of the **Capital Group of Grupa Kęty S.A.**

PROFESSIONALISM AND ETHICS



Dariusz Mańko
President of the Management Board
of Grupa Kęty S.A.
Chief Executive Officer

Dear Employees, Shareholders and Stakeholders,

I have a pleasure to present to you another edition of our Principles of Business Ethics and Conduct in the Capital Group of Grupa Kęty S.A. This edition has been completed with new regulations in the field of anti-corruption. This document presents the basic standards recognized by the community of companies of the Capital Group of Grupa Kęty S.A. as joint.

I believe that being guided by this document, observing its spirit and principles, is a clear message and a signpost for all employees of the companies of the Capital Group of Grupa Kęty S.A. as regards the accomplishment of business objectives. As a company, we shape business, social and cultural relations in the spirit of respect for the law wherever we are present. I believe that our employees, when performing their duties, apart from strict legal requirements, combine professionalism with the observance of the standards of business and personal ethics.

We build the trust of customers and investors, our employees' pride in the affiliation with our organisation as well as relations with the local communities by conducting fair and honest business, ensuring transparency and mutual respect. We treat these values as extraordinary assets of our company.

Ethical principles do not substitute our own responsibility. In addition, they do not release us from continuous seeking of the proper conduct not only in business. In this area, our collective wisdom, knowledge and the ability to share our experiences are crucial.

I believe that professionalism and ethics, as guiding values in the life of our organisation, are the proper choice, which allows both the company and people working in it to develop further.

Yours faithfully

COMPANY AND THE MARKET

Our actions and decisions are always lawful. To this end, we both take advantage of the knowledge found in the organisation and are guided by opinions of external experts.

We want our relations with customers to be based on professionalism and mutual trust, and all types of decisions regarding cooperation to be based only on factual knowledge. We inform about our products and services in a reliable and truthful manner.

We treat our business partners with respect and place our trust in them. When we start cooperating, we expect that their actions are compliant with the regulations and do not violate the fundamental values in force in our organization and contained in this Code. If reliable information is obtained that a given contractor does not meet the conditions above, the cooperation is suspended until the situation is clarified or terminated if it's confirmed that the given activity was deliberate.



We respect intellectual property of our customers and business partners, ensure security of personal data entrusted to us for processing.

We support fair and open competition. Measures aiming at hindering access of other business entities to the market and the use of prohibited advertising practices are unacceptable to us.

To prevent corruption, we maintain a reliable and transparent accounting system, not allowing out-of-books transactions, the registration of non-existing expenses, the use of false documents and deliberate destruction of accounting records prior to the lapse of the legal retention period.

Receiving and giving customary gifts of that are given officially complies with our principles. In such situations, we inform our line managers about it directly. However, we do not allow receiving or giving anything of value that may affect the objectivity of relations with a given customer or business partner.

We respect both present and potential shareholders, therefore we ensure to all participants in the capital market equal and the broadest possible access to material information about the company's present operations and long-term development prospects.

We do not cooperate with business partners who clearly violate the fundamental values prevailing in our organisation and described in this document.

We are aware that our actions should be constantly developed and improved, hence, on the one hand, we are open to the exchange of experiences and the inspiration from good practices of our business environment, and, on the other hand, with our behaviour and management methods, we seek to set example to other market players.

**WE SEEK TO SET
EXAMPLE TO OTHER
MARKET PLAYERS**

— COMPANY AND THE ENVIRONMENT —

— We are fully responsible for our environmental impact. We comply with ecological restrictions provided for by law. We focus on seeking solutions by eliminating the negative impact at its source. We invest in research and development and the quest for ecological technologies.

— We maintain a system conforming to ISO 14001 environmental standard, which is a crucial element of the corporate key processes management system. The system seeks to improve the environmental efficiency of the companies of the Capital Group of Grupa Kęty S.A., optimize and improve production processes and establish uniform methods of risks eliminations.

— We align the accounting system with the requirements of ecological operations. Our „green accounting” system is a tool facilitating the decision-making process related to the completion of investment projects and tasks aiming at the accomplishment of our environmental objectives.

— Our actions are transparent. We publish and make available to stakeholders an annual environmental report, which contains the assessment of our environmental impact and the information about the scope and method of the implementation of legal requirements. Prior to the launch of new operations, we measure its environmental impact and apply the outcomes of this assessment in a number of decision-making processes.

— We focus on the application and distribution of environmentally-friendly technologies. As regards our products, we apply a product life cycle approach, focusing on the search for new ecological applications. In this area, we conduct our own research and collaborate with research centres and institutions.

— We take measures to improve both the effects of our environmental activities and the operations of other entities that we affect. For this reason, in our purchasing decisions, we take into account ecological criteria of purchased products and services.

— Effective use of resources and emissions reductions are our goals. We have implemented a raw materials consumption optimization programme, which involves the use of as many recycled materials as possible. We recycle many types of post-production waste. We operate water reuse devices and systems. We take measures to reduce energy demand of our processes.

— We take initiatives to foster ecological responsibility attitudes. We emphasize the communication with stakeholders and the support for local environmental initiatives. We enhance our employees' awareness holding periodical training courses. We have implemented a waste segregation system in offices. Paper, cardboard, glass and plastic waste as well as batteries recovered in this way are recycled and are a proper full-value material that can be used again.



WE SUPPORT
LOCAL INITIATIVES
FOR ENVIRONMENT

— THE COMPANY AND LOCAL COMMUNITIES —

— We are part of the local community, in which we strive to initiate actions to boost its development.

— Owing to the company's constant investments and development, we create new jobs.

— We become involved in community life through the activities of our corporate foundation called Fundacja Grupa Kęty Dzieciom Podbeskidzia („Grupa Kęty to the Children of Podbeskidzie Region” Foundation). The activities of this organisation

focus on the provision of assistance to the residents of special educational establishments and children's homes to help them get education, knowledge and qualifications, which, accordingly, will allow them to have a better start in their adult lives and to become independent. The Foundation also aims at ensuring equal opportunities for these children through active participation in various local and nationwide cultural and sports events.

— We exert local impact through our employees' voluntary work and a grants programme called „Razem z GRUPĄ” („Together with the GROUP”).

— We maintain transparent relations with local government officials and representatives of the political stage, free from corruption and improper pressures.

— We foster and support social, cultural and educational activities carried out in our local community. We place special emphasis on educating through sport, by supporting local sports clubs and becoming involved in sports events.



**WE BECOME
INVOLVED
IN COMMUNITY**

INTERNAL RELATIONS

MUTUAL RESPECT AND PARTNERSHIP

— The observance of human rights specified, among other documents, in the European Convention on Human Rights is the fundamental principle of our organisation.

— We are all responsible for our company. Our behaviour reflects the organisational culture of the Capital Group of Grupa Kęty S.A. By building its positive image, we comply with ethical standards derived from general moral standards and we care about our looks (also by wearing clothes suitable for a given job). When speaking about our company, we remember about proper language standards and assume responsibility for our words, particularly during discussions in public places or in social media.

— Our work and mutual relations are based on trust, integrity, honesty and good intentions. We treat one another with respect, dignity and tact, honouring other people's feelings. In our conduct, we are guided by the principle of equality as regards age, gender, sexual orientation, race, origin or religion.

— We do not tolerate such behaviour as discrimination, sexual harassment, mobbing or other forms of violence at workplace. We do not tolerate the abuse of one's position to humiliate or harm others.

— For our employees we ensure safe and adequate working conditions at each work station along with suitable staff facilities. We do not tolerate child labour or any form of forced labour.

— Our safety also depends on us. We all have an obligation to comply with health and safety principles at work (also as regards the use of personal protective equipment). We observe the instructions and procedures applicable in this area, and we always comply with the ban on working under the influence of alcohol or drugs, and, being aware of related risks, we undertake to inform our supervisors about risky situations.

— We respect the right to form unions and enter into collective bargaining agreements.

— We respect our employees' right to privacy. Any information collected by the company about a given employee is of a professional nature and may be used for this purpose only. An employee may access his personal data.

— We are aware that the company is our common good, hence we all take care about its assets and protect confidential information. We do not take advantage of our knowledge for personal gain to the detriment of the company's image or interest.

— We respect our employees' right to leisure time and relaxation.



**WE RESPECT
OUR EMPLOYEES'
RIGHT**

INTERNAL RELATIONS



DEVELOPMENT AND IMPROVEMENT

— To accomplish our business objectives, we take measures to develop and improve professional qualifications of all our employees.

— All our employees have equal opportunities as regards remunerations, bonuses, improvement of qualifications or promotions on the basis of individual capabilities, accomplishments and performance. We clearly define factors affecting professional development and supervisors' expectations towards employees.

— We perform our duties at work diligently and responsibly. We take advantage of opportunities to enhance our professional qualifications. We apply gained knowledge to improve work quality and, hence, to develop the company.

CONFLICTS OF INTERESTS

— We avoid situations which may lead to conflicts with the company's interest and, therefore, we inform our employer about the cases of:

- having relations (e.g. financial ones) with customers, counterparties and other entities cooperating with the company;
- having relations with the company's competitors.

— We remember that, within specific working hours, we must perform the duties assigned to us by the employer. We do not use the company's equipment, Internet or e-mail facilities for private purposes and personal gain.

IMPROVE
PROFESSIONAL
QUALIFICATIONS

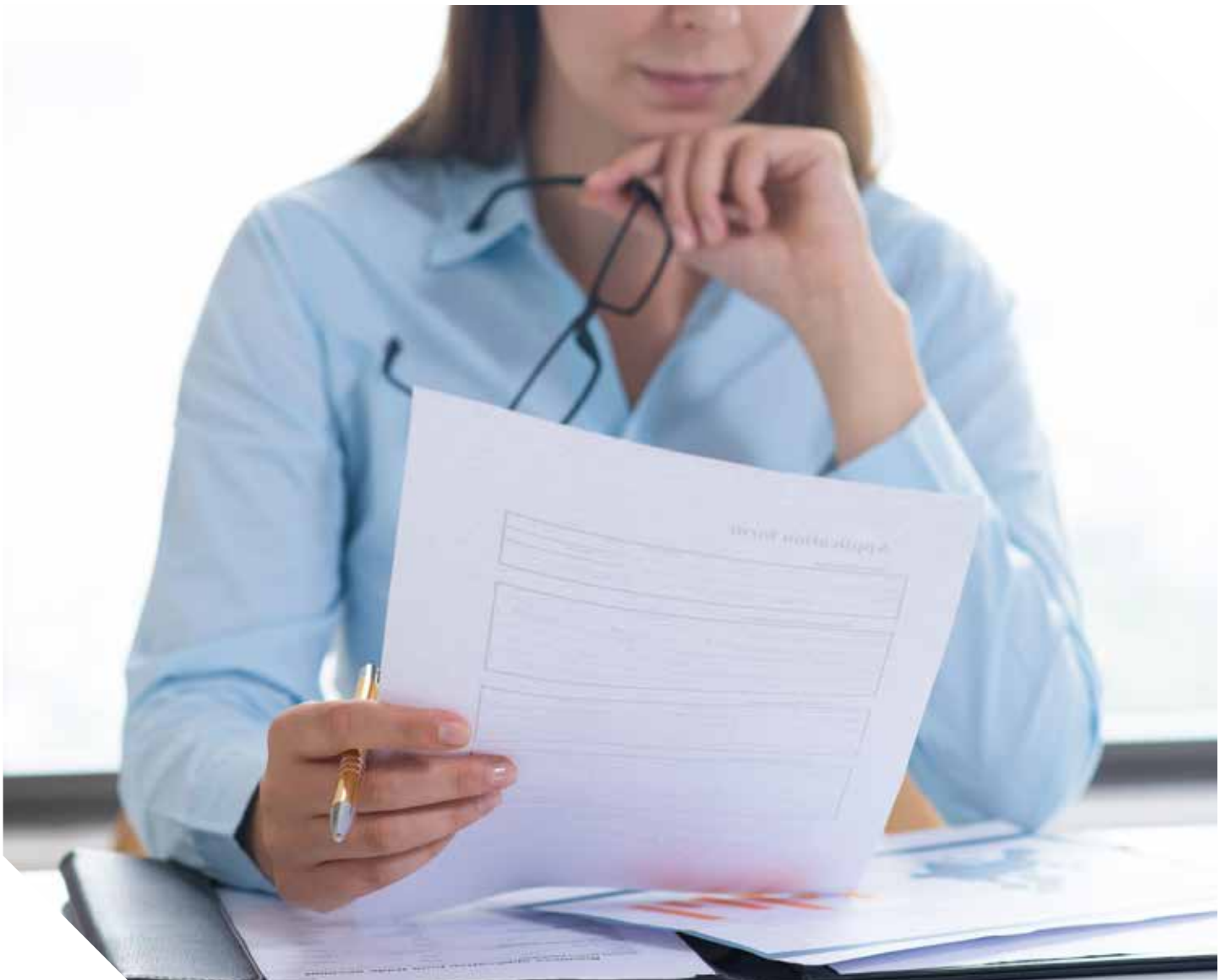
— DETAILED POLICIES —

— The Code of Ethics is the supreme document regulating the principles of ethics and conduct in business. An additional element of the Code of Ethics are specific policies that supplement the Code of Ethics in areas particularly vulnerable and ethically sensitive.

APPLICABLE POLICIES:

- Anti-corruption policy
- Anti-conflict of interest policy
- Diversity Policy
- Policy of respecting dignity in the workplace

WE FOLLOW
THE RULES



ANTI-CORRUPTION POLICY

1. INTRODUCTION

The Code of Ethics of Grupa Kęty S.A., indicates that our actions and decisions are always taken in accordance with the law, and all decisions regarding cooperation are made only on the basis of substantive premises. This means that we categorically oppose all activities that bear the marks the corruption and actively prevent its occurrence. Therefore, every employee is required to read this Policy and its principles should be widely communicated and promoted among employees and contractors, so that no one has any doubts about our attitude to this type of practice.

2. THE GOAL OF THE POLICY

The purpose of this policy is to reduce the risk of corruption in both the external and internal relations of the company.

3. SCOPE AND APPLICATION

This Policy applies to all employees of Grupa Kęty S.A. and subsidiaries as well as persons and entities acting on behalf of and for these companies. It should be remembered that the overriding rules in every sphere of the company's activity are the applicable laws of a given country and they should be applied in the first place. The rules contained in this document are only a supplement to these regulations.

4. DEFINITIONS

4.1 Corruption - related to the performance of professional duties or for personal and property gain, promising, demanding, proposing, giving or accepting directly or indirectly any material or personal advantage in return for acting or giving up.

4.2 Property advantage - every good satisfying a specific need, the value of which can be expressed in money. It may be an increase in assets, or a reduction in liabilities, also favorable contracts, eg a loan granted on preferential terms, a donation, release from debt, and winning a tender.

4.3 Personal advantage - non-pecuniary benefit, improving the situation of the person who obtains it (eg promise of promotion or employment, unjustified limitation of professional duties, speeding up the performance of activities or procedures, sexual contacts, etc.)

4.4 Nepotism - abuse of the position occupied by employing and / or proteging family members, relatives or other persons on the basis of premises other than experience, knowledge and competences of a given person.

4.5 Gifts - all benefits conveyed as proof of gratitude or friendship without the intention of receiving a mutual benefit. These include "occasional gifts", that is, gifts given on the occasion of commonly recognized awards (eg anniversaries, jubilees) or during specific periods of the calendar year (eg Christmas, New Year).

4.6 Other forms of hospitality - drinks, meals, accommodation, etc.

4.7 Entertainment events - sporting, cultural events, etc.

4.8 Grants and donations - benefits provided by Grupa Kęty in the form of cash or non-cash benefits (eg transfer of the company's products free of charge or at a reduced price). They can also include jointly, both financial and in-kind support.

4.9 Public official - a person defined in the definition contained in Article 151 of the Criminal Code

4.10 Counterparties - natural or legal persons cooperating or seeking cooperation with Grupa Kęty. They include both customers, ie recipients and suppliers of products and services.

4.11 Grupa Kęty - Grupa Kęty S.A. and other subsidiaries included in the capital group.

5. IDENTIFICATION OF AREAS AT RISK OF CORRUPTION

5.1 When starting cooperation with a contractor / institution, you should assess the potential areas of corruption, including factors such as: the type and value of the transaction, countries



**CATEGORICALLY
OPPOSE ANY ACTIONS
OF CORRUPTION
FORM**

ANTI-CORRUPTION POLICY

of operation, industries, the impact of the transaction on the contractor's financial situation and the type of contractor (private company, administrative body, state-owned company, etc.). If the risk is identified as high, measures are taken to reduce the risk of corruption in relations with a given counterparty.

5.2 Grupa Kęty maintains a register of positions particularly exposed to the risk of corruption. Regular anti-corruption training is organized for persons entered in the register.

5.3 Grupa Kęty conducts regular controls and internal audits in the scope of implementation of anti-corruption procedures

6. THE RULES APPLIED IN AREAS OF POTENTIAL CORRUPTION RISK

6.1 Gifts and other hospitality

It is forbidden to give property benefits in order to persuade the person for whom they are intended to take actions in favor of Grupa Kęty or to stop it from adverse actions for Grupa Kęty. Receiving / handing out customally accepted gifts that are officially transferred is within our framework. Accepting / handing out such a gift can not affect the impartiality of the relationship with a given contractor. If the value of gifts received from one contractor on a scale of 12 months exceeds PLN 200, it should be reported in writing to the supervisor.

6.2 Organization and participation in business meetings

Business meetings connected with accommodation at the Company's expense are organized only for promotional or training purposes and the eventual invitation of participants to sports, cultural or entertainment events should only be an appropriate supplement to such meetings or to serve to celebrate

the anniversary, jubilee or other important event celebrated by the Company for the given company, the event. Costs for possible accompanying persons are only possible if it is a commonly used practice in the market or in the given environment. Participation in such a business meeting can not be related to the expectation or necessity of any mutual benefits for the Company by the meeting participants.

Do not accept invitations to business meetings, conferences, trainings, workshops, etc., whose main element is participation in a sporting, cultural or entertainment event, unless the meeting was organized by the contractor on the occasion of the anniversary, jubilee or other anniversary important for the given event. Acceptance of benefits in the form of coverage of accommodation costs by the organizer of a business meeting, conferences, training, workshops and similar events is possible only when it is a commonly used custom on the market or in a given environment.

6.3 Grants and donations

Grants and donations may only be granted as part of officially run programs and projects in line with the approved by the Management Board of Grupa Kęty S.A. "Policy of grants and donations". The rules for donation are governed by the Kęty S.A. approved by the Management Board. "Policy of grants and donations"

6.4 Relations with public officials

Relations with public officials must be fully compliant with the rules and regulations in force in the given country. For the avoidance of doubt, it is forbidden to transfer any gifts to public officials and to conduct discussions regarding business matters outside the seat of a given public institution or Grupa Kęty.

6.5 Support for political purposes

Grupa Kęty does not make donations for political purposes.

6.6 Nepotism and other prohibited practices in the area of employee relations

It is forbidden to use nepotism and it is forbidden to offer, transfer and accept personal and property benefits in exchange for a promise or actual promotion, admission to work, unjustified limitation of official duties without affecting the level of employee remuneration or dismissing employees from liability for violation of employee duties. Detailed rules covering the area of personnel management are included in the Orangebook procedures.



GIFTS AND OTHER HOSPITALITY

ANTI-CORRUPTION POLICY

6.7 Counterparties

It is forbidden to accept any property or personal benefits from existing and potential Contractors. It should be ensured that relations with the contractors are based on professionalism and mutual trust, and all types of decisions in the field of cooperation were made only on the basis of substantive premises. Grupa Kęty cooperates with the Contractors only on the basis of written contracts or orders and the transfer of the good or service is documented. Detailed regulations regarding cooperation with contractors are included in the Orangebook procedures.

In agreements with contractors, Grupa Kęty informs about the ethics rules in force in the Company and declares that it is against any form of corruption. In addition, it informs the Contractor about the possibility of reporting any possible violations of the above rules in the manner described in point 7 of this policy.

6.8 Accounting system

Grupa Kęty maintains a consistent, reliable and transparent accounting system consistent with applicable law, not allowing it

to conduct off-trade transactions, register non-existent expenses, use false documents and deliberately destroy accounting records before the deadline provided for by law.

7. REPORTING A VIOLATION

This Policy is a detailed specification of the guidelines included in the Code of Ethics of Grupa Kęty, therefore the reporting of potential policy violations is subject to the procedure and on analogous terms to reporting violations of the Code of Ethics of Grupa Kęty, i.e.

First of all, any doubts related to the possible violation of the principles contained in this document should be reported in good faith to the direct superior, senior manager, in justified cases the president of the board of the given company.

In the event of the lack of effectiveness of the above process path or other reasons known to the applicant, official notification of behavior / situation violating the principles adopted in this document should be reported directly to the Business Ethics Officer of Grupa Kęty using one of three available channels:

1. Electronically to the following address:

etyka@grupakety.com

2. By mail to the following address:

Spokesperson for Business Ethics,
Office of the Management Board of GRUPA KĘTY S.A.,
ul. Warszawska 153, 43-300 Bielsko-Biała

3. Directly to the Business Ethics Officer:

ul. Warszawska 153, 43-300 Bielsko-Biała,
Office of the Management Board of GRUPA KĘTY S.A.



**RELIABLE AND
TRANSPARENT
ACCOUNTING
SYSTEM COMPLYING**

COMPLYING WITH THE PRINCIPLES CONTAINED IN THIS DOCUMENT

— Each of us must read and abide by this document.
— Any concerns related to the possibility of violating the principles described in this document should be reported in good faith to the line manager, a higher level manager and, in justified cases, to the president of the management board of a given company.

— **Official reporting of behavior / situations violating the principles adopted in this document should be reported directly to the Business Ethics Ombudsman using one of the three available channels, electronically, by letter or in person**



Breach notification can be made on an anonymous basis, at the discretion of the applicant. Anonymous reports will be handled in the same way as other reports.

— **Reporting a violation of the Code of Ethics may not have any consequences for the reporting person. The only exception is when the report is indicative of false allegations or an abuse of the reporting procedure. Such report may be treated as a violation of the principles contained in the Code of Ethics, with all related consequences.**

— Managers at all levels should point to the importance of observing these Principles, particularly by setting a good example.

— The violations of these Principles may lead to disciplinary action including all sanctions provided for by labour law.

BY E-MAIL TO THE ADDRESS

etyka@grupakety.com

BY LETTER TO THE ADDRESS BUSINESS ETHICS OMBUDSMAN

Office of the Management Board
of GRUPA KĘTY S.A.
ul. Warszawska 153
43-300 Bielsko-Biała

IN PERSON TO BUSINESS ETHICS OMBUDSMAN

Office of the Management Board
of GRUPA KĘTY S.A.
ul. Warszawska 153
43-300 Bielsko-Biała

