

# Code of ethics and business conduct FŁT - Kraśnik S.A.





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## **1. Introduction.**

The Code of Ethics and Business Conduct is a set of rules and guidelines setting out the basic ethical and legal standards that should be followed in everyday work at FŁT - Kraśnik S.A.

The obligation of ethical conduct applies to all employees employed both under an employment contract and under a civil law contract, regardless of their position. Each employee of FŁT - Kraśnik S.A. be responsible for ensuring that its conduct is ethical, fair and legal. The company also expects ethical conduct from business partners.

The Code of Ethics and Business Conduct provides examples of situations requiring proper conduct. The Code of Ethics provides guidelines that should be used in situations where the right behavior is not obvious.

## **2. Organizational order.**

Ensuring organizational order is the main task of the Management Board of FŁT - Kraśnik S.A. through which common goals are achieved between stakeholders and threats are identified in order to prevent and mitigate their possible negative effects. The Sustainable Development Policy of FŁT-Kraśnik S.A. has been developed.

Internal stakeholders: Shareholders and employees who directly depend on the functioning of the company and who remain in close relationship with the company.

External stakeholders: Customers, suppliers, competition, media, non-governmental organizations, etc. - their relations with the company are not crucial, but they can influence its operation. The company FŁT - Kraśnik S.A. manages relations with internal Stakeholders in such a way as to obtain their satisfaction and at the same time avoid threats caused by their activities. Leadership involving employees to act in accordance with the principles of corporate social responsibility and organizational culture is of particular importance here. Moreover, these relations are formalized in accordance with applicable law.

A common form of engaging internal and external Stakeholders is communication in the form of organized trainings, newsletters, a website, exhibitions and fairs, advertising leaflets, advertisements in the press and TV, meetings on the economic forum of the region, philanthropic activities, e-mails, satisfaction surveys, interviews telephone and direct contacts.

### **3. Norms and behavior of the management staff**

Those who are part of the management team and supervise the work of other employees have a special responsibility to comply with the Code. They are the instance the employee turns to with the problem, they are most often assessed by their subordinates. Therefore, it is extremely important to exemplary behavior of the management staff and to ensure that the Code is observed by their subordinates.

It is extremely important to be a model for others, to cultivate and promote the Code of Ethics and to follow its rules in everyday work.

### **4. Customers.**

To ensure customer trust of FŁT - Kraśnik S.A. declares that offers and contracts are drawn up in a clear, legible and understandable manner. The information provided enables easy product comparisons as a basis for customers to make informed choices. The products and services provided are safe for users and the environment, in accordance with EU Directives.

FŁT - Kraśnik S.A. attaches great importance to the fact that all transactions and relationships with customers are conducted in accordance with the principles of honesty and reliability. The promotional materials submitted to them comply with the applicable regulations. Information about our and competing products is based on facts and documents.

We are committed to fair competition, we do not mislead our customers through misleading advertising.

We inform customers immediately and reliably about cases of quality deviations, problems in the delivery of products and services. We admit our mistakes and make every effort to correct them - in accordance with the procedures of the Integrated Management System.

### **5. Zobowiązania wobec siebie nawzajem:**

#### **In the field of health and safety**

FŁT - Kraśnik S.A. is guided by the principle of mutual safety. We should protect each other against threats and physical injuries by strictly following the health and safety procedures that were developed based on the requirements of ISO 45001: 2018.

Our duties include ensuring the health and safety of employees. We provide our employees with training on the requirements tailored to the type of work performed. These procedures apply not only to our employees, but also to people who are not our employees, but who are on the company's premises.

Persons staying on the premises of the plant must comply with the regulations in force in FŁT - Kraśnik S.A. procedures related to work safety. This also applies to external subcontractors and visitors.

FŁT - Kraśnik S.A. pays particular attention to ensuring that employees are not under the influence of alcohol at work. An employee who comes to work under the influence of alcohol or intoxicants is a source of danger to himself and others. If an employee has a problem with alcohol addiction, he should inform his supervisor. The obligation to inform the supervisor also rests with the driver of the means of transport, taking medications containing a warning not to drive machines and motor vehicles while taking them. In this case, the employee should be assigned a different task for the duration of the treatment.

### **In the field of human rights**

Human rights are fundamental and indisputable principles to which every human being is entitled.

FŁT - Kraśnik S.A. as an employer, he makes sure that all activities are carried out taking into account the rights and needs of employees. We are committed to providing our employees with a safe and good working environment. Our principles require us to act in accordance with all applicable labor laws.

We appreciate the benefits of working in a good atmosphere by people who are hardworking, obligatory, loyal to the employer, as well as those who are ready to cooperate and engage in the tasks entrusted to them. The work atmosphere built on cooperation gives the opportunity to fully use the abilities and possibilities of people, both for the good of the Company and for the satisfactory personal development of each employee.

FŁT - Kraśnik S.A. does not accept the use of practices related to discrimination on the basis of race, colour, age, sex, marital status, religion, views, disability in the personnel policy and in everyday work.

Recruitment processes, career development paths, employee appraisals, promotion and remuneration of employees are carried out on the basis of clearly adopted principles and criteria that guarantee equal treatment of all employees and candidates for employees of FŁT - Kraśnik S.A.

We adhere to the prohibition of child labor, forced labor, corporal punishment, mental and physical coercion and insults, and the prohibition of sexual harassment.

In FŁT - Kraśnik S.A. mobbing, verbal threats, like other forms of harassment, are unacceptable.



## **6 Environment.**

FŁT - Kraśnik S.A. strives to comply with all applicable laws and regulations relating to the protection of the environment, protection of the natural environment, saving energy and natural resources, as well as preventing pollution by using appropriate technologies and minimizing waste generation. We monitor the proceedings in accordance with the applicable legal regulations in the field of environmental protection. We regularly review procedures to adapt to changing circumstances.

FŁT - Kraśnik S.A. provides all employees with training in compliance with regulations and environmental standards. Employees are required to participate in training and apply the acquired knowledge in practice.

We follow the guidelines contained in the implemented PN-EN ISO 14001 standard. The purpose of the system is to improve environmental performance, optimize and improve production processes, and define uniform methods to eliminate hazards.

## **7 Fair operating rules (anti-corruption):**

### **For a conflict of interest**

Employees at FŁT - Kraśnik S.A. should be guided by the interests and needs of the company at work and not by private interests or relationships. A conflict of interest exists when the personal, financial or private interests of an employee (or a family member) in some way or even appear to conflict with their responsibilities to the company and its interests. Employees are expected to exercise good judgment and common sense to avoid not only actual but the appearance of conflicts of interest.

### **In the field of external employment**

Employee of FŁT - Kraśnik S.A. may take up another job in a different place, outside working hours for the Company, provided that the second job does not bother him from fulfilling his obligation to FŁT - Kraśnik S.A. However, work for a competitor, supplier or customer of FŁT - Kraśnik S.A. may lead to a conflict of interest. External employment that interferes with work at FŁT - Kraśnik S.A. is a conflict of interest. You should inform your supervisor if you are working elsewhere.

### **In terms of corruption, bribes, gifts**

Employees at FŁT - Kraśnik S.A. stand up to corruption and bribery. They do not accept bribes or any other improper financial gain. They also do not pay bribes or give expensive gifts to customers or government officials for business gain.

In FŁT - Kraśnik S.A. only the usual small gifts for customers, suppliers and other business partners (preferably with the company's logo) as well as occasional snacks in order to maintain good business relations are allowed.

When giving as well as receiving gifts, beware of the impression of ambiguity. You cannot pursue certain goals by offering bribes, gifts. Quality, price, brand name should be a sufficient argument. The rules of organizing business trips and visits are set out in the Order of the President of the Management Board on the organization of business trips of the Company's employees and organization of business visits at FŁT - Kraśnik S.A. (*currently Order No. 33/2020 of August 28<sup>th</sup>, 2020*).

### **In terms of competition**

FŁT - Kraśnik S.A. and its employees conduct their activities in accordance with the principles of fair competition. They do not use unethical and illegal business practices, being aware that competition contributes to economic growth and improvement of living standards.

They do not take actions that lead to discrediting their competitors, and they obtain information about their competitors from legal sources.

FŁT - Kraśnik S.A. it only competes with price, quality and brand. We do not enter into agreements with competitors to fix prices, allocate customers or other terms of business.

### **In terms of intellectual property**

Intellectual property rights of FŁT - Kraśnik S.A. (its trademarks, logos, copyrights, trade secrets) are one of its most valuable assets. Unauthorized use may lead to their loss or serious decline in value. Any use of trademarks and logos should be agreed with the Administrative and Legal Director in advance. Likewise, the intellectual property rights of others should be respected. Using them improperly may expose the company and the employee to fines or other fines. Before acquiring, adopting or using the intellectual property of other entities or allowing others to use or gain access to the intellectual property of FŁT-Kraśnik S.A. the Administrative and Legal Director should be consulted. The intellectual property created by the Company and obtained from contractors is covered by official secrecy regulated by the Order of the President of the Management Board on the protection of the secrets of FŁT - Kraśnik S.A. (*currently, Order No. 15/2018 of October 5<sup>th</sup>, 2018*).

FŁT - Kraśnik S.A. immediately takes legal steps against any use of someone else's trademarks on its products, and at the same time does not allow the use of products for which there are justified concerns regarding intellectual property rights.



## **In terms of fairness in commercial transactions with business partners and suppliers (counterfeit products)**

FŁT - Kraśnik S.A. reliably pays all its receivables. Promotes fair and accurate cost-benefit setting, which helps ensure fair pricing, delivery times and stable contracts. It opts for allowing the purchase of the widest possible range of competing companies. The most important criteria for the selection of the purchased goods is its quality, price, delivery options and meeting specific customer requirements. The product is identifiable at every stage of the production process and protected against substitution or counterfeiting.

Our actions and decisions are always made in accordance with the law. To achieve this, we use both the knowledge inside the organization and the opinions of external experts. We make sure that relations with contractors are based on professionalism and mutual trust. We respect the intellectual property of our contractors, we ensure the security of the data entrusted to us for processing. In order to counteract corruption, we maintain a reliable and transparent accounting system, preventing off-account transactions, registering non-existent expenses, using false documents and deliberately destroying accounting documentation before the legal deadline.

### **For export controls and economic sanctions**

FŁT - Kraśnik S.A. does not export to countries subject to "economic sanctions" and "embargo" (High Risk Country), therefore, before entering into trade cooperation, it is absolutely necessary to:

- consider whether the business or transaction offered involves a High Risk Country;
- check the list of countries in the annex of countries subject to "economic sanctions" and "embargoes";
- conduct a new contractor due diligence report by obtaining identifying information, and examine the information received through the appropriate sanction lists;
- where a high-risk country is involved or the identification system shows a risk, notify the Management Board of the Company;
- refrain from participating in the transaction if the location of the counterparty is unclear or other relevant information has not been provided;
- refrain from continuing to engage with an existing counterparty that is sanctioned as a result of changes in sanctions laws or regulations;
- avoid assuming that it is not a problem that the counterparty behaves suspiciously or evasively responds to requests for information;
- refrain from attempting to avoid sanctions in any way in order to complete a transaction, including the transfer of funds destined for a sanctioned entity through a third party.

## **In terms of identity protection**

FŁT - Kraśnik S.A. provides identity protection for persons reporting irregularities in the Company. These include:

- protection of people who report about breaching employee rights;
- protection, on the same basis as whistleblowers, to those who help whistleblowers;
- filing of claims by whistleblowers for compensation for current and future lost income due to whistleblowing;
- protection of the whistleblower's identity: an anonymous whistleblower whose identity was disclosed at a later stage should be protected to the same extent as a whistleblower whose identity was known from the outset;
- whistleblower support from trade unions and employee organizations;

## **8 Obligations of the employee towards the company:**

### **In the field of company property protection - financial responsibility.**

All employees are obliged to protect the property of FŁT - Kraśnik S.A., including buildings and their surroundings, company cars, rooms and their equipment as well as all machines and devices. The company has a policy of financial responsibility towards its employees for causing damage to the Company's property within the scope and under the mandatory provisions, in particular based on the Labor Code.

Employees are provided with telephones, computers and e-mail. All these resources are the property of the company. Employees are expected to use the equipment in an ethical and legal manner.

If the Company's equipment is used at home or away from work, it must be used as intended and protected from theft or damage as if it were the employee's property. All equipment must remain fully available to the company FŁT - Kraśnik S.A. and it is the exclusive property of the Company.

Upon termination of employment, you must immediately return any equipment that belongs to it to FŁT - Kraśnik S.A.

Data and information sent and received by official means are the property of the Company. FŁT - Kraśnik S.A. reserves the right to monitor all communications, including internet usage, and no employee should consider their communications to be personal. In particular, it is strictly forbidden to use the Internet and e-mail to access pornographic or other materials that violate decency. Details regarding the financial responsibility of employees are defined in the Order of the President of the Management Board on the material liability of employees for the Company's property. *(currently, Order No. 14/2019 of September 4<sup>th</sup>, 2019).*

### **In terms of disclosure of information.**

Each employee of FŁT - Kraśnik S.A. is also obliged to protect the Company's information and record resources, including trademarks, professional secrets and confidential information, the list of which is specified in the „Regulation of the President of the Management Board on the protection of the secrets of FŁT - Kraśnik S.A. " (currently, Order No. 15/2018 of October 5<sup>th</sup>, 2018). The protection of secrets and confidential information applies to the employee also after the termination of employment in the Company.

In addition, employees are instructed to respect the physical and intellectual property rights of others and parties.

### **In terms of data privacy.**

FŁT - Kraśnik S.A. is responsible for protecting and maintaining the confidentiality of information used at work. The rules of disclosing information (confidential information) are regulated by the Order of the President of the Management Board on the protection of the FŁT - Kraśnik S.A. secret. " (currently, Order No. 15/2018 of October 5<sup>th</sup>, 2018).

Responsible for data protection of customers, suppliers and other entities entrusted on the basis of confidentiality agreements. Responsible for protecting the data of his employees. The employee's right to privacy is very important to the Company. Personal data is protected against unauthorized access. They are only used for legitimate purposes. The collection, use and processing of personal information takes place in accordance with applicable law and the developed and implemented Security Policy for the processing of personal data at Fabryka Łożysk Tocznych - Kraśnik S.A. (currently Regulation No. 10/2018 of May 30<sup>th</sup>, 2018 on the introduction of the GDPR in the Company ).

## **9. Social responsibility.**

The company's involvement in the life of the local community is an important value that we follow in our actions. A manifestation of supporting the local community is offering favorable employment opportunities and good working conditions, as well as making donations for socially important goals. In the interests of the health of our employees, we maintain a health clinic. We promote employees' trips to cultural events. We actively participate in organizing cultural, sports and scientific events in the city, county and voivodeship.

Through constant investments and the company's development, we create new jobs.



## 10. Final provisions.

Any problems, doubts, cases of inappropriate behavior and violations of the principles of this Code of Ethics should be immediately reported to the immediate superior - in accordance with § 25 sec. 3 of the Organizational Regulations of FŁT - Kraśnik S.A.

Losing force Code of ethics and business conduct FŁT - Kraśnik S.A. of July 1<sup>st</sup>, 2016

PREZES ZARZĄDU  
  
Grzegorz Jasinski



**PBF**

POLISH BEARINGS FACTORY