

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

## **Contents:**

1. Introduction.
2. Organizational order.
3. Norms and behavior of management staff.
4. Customers.
5. Obligations towards each other:
  - in the field of occupational health and safety,
  - in the field of human rights
  - regarding remuneration, working time and employee benefits
  - in terms of creating organizations and associations
  - regarding reporting irregularities and protection against retaliation
6. Environment.
7. Fair operating rules (anti-corruption):
  - for a conflict of interest
  - in the field of external employment
  - in terms of corruption, bribes, gifts,
  - in terms of competition,
  - in the field of intellectual property,
  - in terms of honesty in commercial transactions with business partners and suppliers (counterfeiting products),
  - in the field of export controls and economic sanctions,
  - in terms of identity protection.
8. Employees' obligations towards the company:
  - in terms of protection of company assets - financial responsibility,
  - regarding disclosure of information.
  - regarding data privacy.
9. Social responsibility.
10. Ending

## **1. Introduction**

The Code of Ethics and Business Conduct is a set of principles and guidelines setting out basic ethical and legal standards that should be followed on a daily basis while working at FŁT – Kraśnik S.A. Compliance with the principles contained therein allows us to be a conscious organization that cares for human rights, guarding safety, environmental protection and preventing irregularities. As an entity providing services without geographical limitations, we are fully aware that we do not operate in a separate socio-economic space and that a responsible and ethical approach to doing business plays a key role in the effective policy of our company and the implementation of the adopted assumptions.

The obligation of ethical conduct applies to all employees employed under both an employment contract and a civil law contract, regardless of the position held.

Every employee of FŁT – Kraśnik S.A. is responsible for ensuring that his/her conduct is ethical, fair and legal. The company also expects ethical behavior from its business partners.

The Code of Ethics and Business Conduct provides examples of situations requiring appropriate conduct and provides guidelines to be used in situations where appropriate conduct is not obvious.

## **2. Organizational order**

Ensuring organizational order is the primary task of the Management Board of FŁT – Kraśnik S.A. thanks to which common goals between interested parties are achieved 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 on whom the functioning of the company is directly dependent and who remain in close relationship with the company.

External stakeholders: Customers, suppliers, competitors, media, non-governmental organizations, etc. - their relationships with the company are not crucial, but they may influence its operation.

FŁT – Kraśnik S.A. company manages relationships with internal stakeholders in such a way as to obtain their satisfaction and at the same time avoid threats caused by their actions.

Leadership that engages employees to act in accordance with the principles of social responsibility and organizational culture is of particular importance here. Moreover, these relationships are formalized records in accordance with applicable law.

A common form of engaging internal and external Stakeholders is communication in the form of organized training, newsletters, websites, exhibitions and fairs, advertising leaflets, press and TV advertisements, meetings at the region's economic forum, philanthropic activities, e-mails, satisfaction surveys, conversations telephone and direct contacts.

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

Persons who are members of the management staff and supervise the work of other employees have special responsibility for compliance with the Code. They are the institution to which an employee turns with a problem, and they are most often assessed by their subordinates. Therefore, it is extremely important for management staff to behave exemplarily and ensure that their subordinates comply with the Code.

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

## 4. Customers

For the sake of customer trust, FŁT – Kraśnik S.A. declares that offers and contracts are prepared in a clear, legible and understandable manner. The information provided enables easy comparison of products 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 ensuring that all transactions and relationships with clients are conducted in accordance with the principles of honesty and reliability. The promotional materials submitted to them comply with applicable regulations. Information about our and competitive products is based on facts and documents.

We are committed to fair competition and do not mislead our customers with misleading advertising.

We immediately and reliably inform customers about cases of quality deviations and 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. Obligations towards each other:

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

FŁT – Kraśnik S.A. is guided by the principle of mutual care for safety. We should protect each other against physical threats and injuries by strictly following occupational health and safety procedures based on the requirements of the ISO 45001:2018 standard.

We comply with the legal noise level standards.

Our responsibilities include taking care of the health and safety of our employees. We provide our employees with training on requirements adapted to the type of work performed. These procedures apply not only to our employees, but also to persons who are not our employees and stay on the company's premises.

FŁT – Kraśnik S.A. provides tests and equipment necessary for employees to perform their work safely. We take necessary actions to prevent accidents and damage to physical and mental health resulting from the work performed.

We provide our employees with easy access to drinking water and sanitary facilities, fire safety and medical assistance in emergencies.

Persons staying at the plant must comply with the regulations applicable at FŁT – Kraśnik S.A. procedures related to occupational safety. This also applies to external subcontractors and guests.

FŁT – Kraśnik S.A. pays particular attention to ensuring that employees do not work under the influence of alcohol. An employee who comes to work under the influence of alcohol or drugs is a source of danger to himself and others. If an employee has a problem with alcohol addiction, he or she should inform his or her supervisor.

The obligation to inform the superior also rests with the driver of a 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 another task for the duration of the treatment.

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

Human rights are basic and indisputable principles to which every person is entitled.

FŁT – Kraśnik S.A. does not accept the use in personnel policy, including during the recruitment and employment process, as well as in everyday work, of practices related to discrimination and unequal treatment based on race, skin color, age, gender, marital status, nationality, religion, views, political beliefs, trade union membership, ethnic origin, sexual orientation, disability, as well as other criteria prohibited by law. We strive for inclusiveness and

full integration of employees, regardless of their diversity. We respect the rights of people belonging to minorities and indigenous peoples.

Recruitment processes, professional development paths, employee evaluations, granting promotions and remunerating employees are carried out on the basis of clearly adopted principles and criteria that serve to guarantee equal treatment of all employees and job candidates of FŁT - Kraśnik S.A., provide all employees and job candidates equal opportunities solely based on their experience, knowledge and skills.

FŁT – Kraśnik S.A. as an employer, it ensures 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 policies require us to act in accordance with all applicable labor laws.

We appreciate the benefits resulting from work performed in a good atmosphere by people who are hardworking, dutiful, loyal to the employer, as well as ready to cooperate and committed to the tasks entrusted to them. We strive to integrate employees because we are aware that a work atmosphere based on cooperation gives the opportunity to make fuller use of people's abilities and opportunities, both for the good of the Company and for the satisfactory personal development of each employee.

We adhere to the prohibition of child labor under 15 years of age, forced labor, corporal punishment, mental and physical coercion and insults, as well as the prohibition of sexual harassment.

At FŁT – Kraśnik S.A. mobbing, verbal threats, harassment, verbal harassment, physical harassment, violence and other forms of harassment are unacceptable.

#### **In terms of remuneration, working time and employee benefits**

FŁT-Kraśnik S.A. complies with all applicable laws and regulations regarding remuneration, additional benefits and working time of its employees. In its internal procedures, it guarantees the absence of any discrimination in terms of remuneration.

#### **In terms of creating organizations and associations**

We respect the right of all employees to create organizations and associate, including creating and joining trade unions. We ensure that official trade union representatives are not subject to discrimination.

#### **In terms of reporting irregularities and protection against retaliation**

FŁT-Kraśnik S.A. provides its employees, stakeholders and external entities with the opportunity to report complaints, grievances, irregularities and violations of the law. Information provided as part of a complaint, complaint or notification of irregularities or violations of the law must be confidential and protected against disclosure to unauthorized persons. The fact of transferring them cannot under any circumstances have a negative impact on the situation of the persons transferring them.

## **6. Environment**

FŁT – Kraśnik S.A. strives to comply with all applicable laws and regulations regarding environmental protection, environmental protection, saving energy and natural resources, as well as preventing pollution, using appropriate technologies and minimizing waste generation. We monitor compliance with applicable legal regulations regarding environmental protection. We regularly review procedures to adapt them to changing circumstances.

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

We are guided by the guidelines contained in the implemented standard PN-EN ISO 14001. The aim of the system is to improve environmental efficiency, optimize and improve production

processes in order to reduce energy and water consumption, minimize waste generation, proper management of chemical substances and mixtures and define uniform methods to eliminate threats.

FŁT-Kraśnik S.A. takes its actions with animal welfare into account.

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

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

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

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

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

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

Employees of FŁT – Kraśnik S.A. they oppose corruption and bribery. They do not accept bribes or any other improper financial benefits. They also do not pay bribes or provide expensive gifts to clients or government officials in order to obtain business benefits.

At FŁT – Kraśnik S.A. only customary small gifts for customers, suppliers and other business partners (preferably with the company logo) are allowed, as well as occasional refreshments in order to maintain good business relations.

When giving and accepting gifts, you should avoid the impression of ambiguity. You should inform your superior about giving or accepting a gift.

You cannot strive to achieve specific goals by offering bribes or gifts. Quality, price and the company's brand should be a sufficient argument.

The rules for organizing business trips and visits are specified in the Ordinance of the President of the Management Board on the organization of trips of the Company's employees for business purposes and the organization of business visits to FŁT - Kraśnik S.A. (currently Ordinance No. 33/2020 of August 28<sup>th</sup>, 2020).

### **In terms of competition**

FŁT – Kraśnik S.A. complies with all applicable antitrust laws and regulations on combating unfair competition.

We operate in accordance with the principles of fair competition. We do not use unethical and illegal business practices, being aware that competition contributes to economic growth and improved living standards.

We do not take any action that would discredit our competitors, and we obtain information about our competitors from legal sources.

FŁT – Kraśnik S.A. it competes only on price, quality and brand. We do not enter into agreements with competitors for the purpose of fixing prices, allocating customers or other terms of business.

### **In the field of intellectual property**

Intellectual property rights of FŁT – Kraśnik S.A. (its trademarks, logos, copyrights, trade secrets) are some of its most valuable assets. Unauthorized use may lead to their loss or serious decline in value. Any use of trademarks and logos must be agreed in advance with the Administrative and Legal Director. Similarly, you must respect the intellectual property rights of others. Improper use may expose the company and the employee to fines or other monetary penalties. Before acquiring, accepting 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. please consult the Administrative and Legal Director. Intellectual property created by the Company and obtained from contractors is covered by professional secrecy regulated by the Ordinance of the President of the Management Board on the protection of the secrets of FŁT - Kraśnik S.A. (currently Ordinance No. 15/2018 of October 5<sup>th</sup>, 2018).

FŁT – Kraśnik S.A. immediately takes legal action against any use of third-party trademarks on its products, and at the same time does not allow the use of products for which there are legitimate intellectual property concerns.

### **In terms of honesty in commercial transactions with business partners and suppliers (counterfeiting)**

FŁT – Kraśnik S.A. reliably settles all receivables. It promotes fair and realistic determination of costs and benefits, which contributes to ensuring fair prices, delivery times and stable contracts. He opts for allowing the purchase of as wide a range of competing companies as possible. The most important criteria for choosing the purchased goods are their 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 found within the organization and are supported by the opinions of external experts. We make sure that relationships with contractors are based on professionalism and mutual trust. We respect the intellectual property of our contractors and ensure the security of the data entrusted to us for processing. In order to counteract corruption, we operate a reliable and transparent accounting system, preventing off-the-book transactions, recording non-existent expenses, using false documents and intentionally destroying accounting documentation before the deadline provided for by law.

### **Regarding export controls and economic sanctions**

FŁT – Kraśnik S.A. does not export to countries subject to "economic sanctions" and "embargo" (High Risk Countries), therefore, before establishing trade cooperation, it is essential to:

- consider whether the proposed activity or transaction involves a High Risk Country;
- check the list of countries in the annex of countries subject to "economic sanctions" and "embargo";
- conduct a due diligence report on the new contractor by obtaining identifying information and examining the information received through the appropriate sanctions lists;
- if a high-risk country is involved or if the identification system indicates a risk, the Company's Management Board should be notified;
- avoid participating in a transaction if the counterparty's location is unclear or other relevant information has not been provided;
- refrain from continuing an engagement with an existing counterparty that becomes sanctioned as a result of a change in law or sanctioning laws;
- avoid assuming that it is not a problem if a contractor behaves suspiciously or responds evasively to a request for information;
- refrain from any attempt to avoid sanctions in order to complete a transaction, including the transfer of funds intended for a sanctioned entity through a third party.

### **In terms of identity protection**

FŁT – Kraśnik S.A. ensures identity protection for people reporting irregularities in the Company. These include:

- protection of people reporting violations of employee rights;
- protection, in the same way as whistleblowers, of people who help whistleblowers;
- whistleblowers filing claims for compensation for current and future lost income due to reporting irregularities;
- protection of the whistleblower's identity: an anonymous whistleblower whose identity is revealed at a later stage should be protected to the same extent as a whistleblower whose identity was known from the beginning;
- support for whistleblowers from trade unions and employee organizations;

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

### **In terms of protecting company assets - financial responsibility**

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

Employees are provided with telephones, computers and e-mail. All these funds are the property of the company. Employees are expected to use equipment ethically and legally.

If Company equipment is used at home or away from work, it must be used as intended and protected against 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, all equipment must be returned immediately to FŁT – Kraśnik S.A

Data and information sent and received using official means are the property of the Company. FŁT – Kraśnik S.A. reserves the right to monitor all communications, including Internet use, and no employee should consider his or her communications to be personal. In particular, it is strictly prohibited to use the Internet or e-mail to access pornographic or other materials violating decency.

Details regarding the financial responsibility of employees are specified in the Ordinance of the President of the Management Board on the financial responsibility of employees for the Company's property. (*currently Ordinance No. 14/2019 of September 4<sup>th</sup>, 2019*).

### **Regarding 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 Ordinance of the President of the Management Board on the protection of the secrets of FŁT - Kraśnik S.A. (*currently Ordinance No. 15/2018 of October 5<sup>th</sup>, 2018*). The protection of secrets and confidential information applies to the employee also after termination of employment in the Company.

Additionally, employees are instructed to respect the physical and intellectual property rights of other persons 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 for disclosing information (confidential information) are regulated by the Ordinance of the President of the Management Board on the protection of the secrets of FŁT - Kraśnik S.A. (*currently Ordinance No. 15/2018 of October 5<sup>th</sup>, 2018*).

Responsible for protecting the data of customers, suppliers and other entities entrusted under confidentiality agreements.



Responsible for protecting the data of its employees. The right to privacy of employees is very important to the Company. Personal data is protected against unauthorized access. They are used only for legitimate purposes. The collection, use and processing of personal information is carried out in accordance with applicable law and the developed and implemented Personal Data Processing Security Policy at Fabryka Łożysk Tocznych - Kraśnik S.A., (*currently Ordinance No. 10/2018 of May 30<sup>th</sup>, 2018 on the introduction of GDPR in the Company*).

## **9. Social responsibility**

FŁT-Kraśnik S.A. respects the rights of the local community, the rights of minorities to live according to their own rules, the right to dignified life and development, property rights, rights to land, forest and water. We do not use any forms of coercion or pressure to influence anyone's decisions for the purpose of forced eviction or deprivation of rights. We do not use any private or public security forces that could influence the life or security of any person or group, limit their rights or influence their decisions. The role of public or private security forces in FŁT-Kraśnik S.A. is solely to maintain the rule of law, including the protection of human rights, ensuring the safety of employees and people staying on the company's premises, as well as the safety of equipment and facilities.

The company's involvement in the life of the local community is an important value that guides our activities. Supporting the local community includes offering favorable employment opportunities and good working conditions, as well as making donations for socially important purposes. Out of concern for the health of our employees, we maintain a company health clinic. We promote employee trips to cultural events. We actively participate in organizing cultural, sports and scientific events in the city, district and voivodeship.

Through continuous investments and company 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 direct superior - in accordance with § 25 section 6 of the Organizational Regulations of FŁT – Kraśnik S.A.

The Code of Ethics and Business Conduct of FŁT-Kraśnik S.A. is repealed of September 10<sup>th</sup>, 2020.

**President of  
the Management Board**

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**Weiren Zhao**