

Code of Conduct for business partners

This Code of Conduct for business partners (the “Code”) provides the foundation for our continuous engagement with business partners and dialogue in good faith on their ethical, social and environmental performance. It outlines our expectations regarding basic compliance with applicable law, respect for labour and human rights, environmental management and anti-corruption. This code is an integral part of our relationships and part of all contracts with business partners.

ELEKTROWNIA WIATROWA BALTICA – 2 SP. Z O.O. (Baltica 2) fully commit ourselves to the principles of the Code.

As Baltica 2, we provide our clients with secure and stable supplies of electricity. 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 value for our shareholders.

We act in accordance with our values and rules, and we conduct 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 for PGE Group since 2008 and for Ørsted since 2006. Our involvement in Global Compact means that Baltica 2 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 Baltica 2, 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.

Baltica 2 Business Partners include natural and legal persons and unincorporated organisational units in the public and private sector with which Baltica 2 has any sort of business relation. In particular, this includes contractors, subcontractors, suppliers, sub-suppliers, consultants, counterparties in wholesale trading, agents, financial institutions, industry organisations and other similar entities with which Baltica 2 do business, excluding relations between Baltica 2 and Baltica 3.

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.

Baltica 2 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.

Baltica 2 reserve the right to carry out audits and inspections of Business Partners concerning compliance with this Code.

In light of the above, Baltica 2 expect their Business Partners to comply with the following principles.

HUMAN RIGHTS AND LABOUR STANDARDS

Baltica 2 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

Baltica 2 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. Baltica 2's Business Partners observe employment conditions in respect to their employees, as well as conditions concerning work time, annual leave, absences related to childcare, sick leave and all other issues in accordance with the law, industry standards or collective agreements. We expect our business partners to prevent employees from working more than 60 hours per week including overtime on a regular basis, or the applicable limits on regular and overtime hours set by law, industry standards or collective agreements¹.

Prohibition of forced labour

Baltica 2'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. We expect our business partners to provide all employees with written employment contracts outlining the conditions of employment in a language understood by the employee. This applies to all workers, whether hired directly, by a contractor or recruited through a labour broker.

Prohibition of child labour

Baltica 2's Business Partners do not engage in any form of child labour. We expect our Business Partners to prohibit the use of child labour and to ensure that no person is employed at an age younger than 15 (or 14 where the law of the country permits) or younger than the age for completing compulsory education in the country of production, if such age is higher than 15². 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 schoolwork.

Freedom of assembly

Baltica 2's Business Partners acknowledge and respect their employees' right to assemble and organise. Our Business Partners shall respect employees' and other workers' rights to join or refrain from joining any lawful workers' association or collective bargaining association of their choice, or, when restricted, alternative forms of independent and free workers representation. Business Partners shall not discriminate against worker representatives and employees who choose to affiliate or not affiliate. We expect our business partners to engage in bargaining with employee representatives in good faith.

¹ All ILO [conventions on working time](#)

² In line with ILO conventions C138 and C182

CARE FOR THE NATURAL ENVIRONMENT

Baltica 2 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

Baltica 2'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

Baltica 2 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

Baltica 2 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.

Environmental Impact

Business partners shall strive to minimise adverse impacts on the environment, human health and livelihoods of their products or services throughout their life cycle by:

1. taking a precautionary approach to climate change related to their activities, products and services,
2. having a precautionary approach to the use of resources and materials (incl. hazardous materials) and finding an environmentally friendly substitution whenever possible,
3. disclosing usage of hazardous materials to facilitate safe management of their product during use, recycling and disposal,
4. protecting biodiversity and promoting the sustainable and efficient use of land, natural resources and energy,
5. establishing control mechanisms for the prevention of pollution from hazardous substances, waste and effluents and air emissions,
6. providing access to emergency response, including environmental, fire, and conditions of abnormal emission and dispersion, exceeding air quality criteria,
7. providing access to immediate measures to protect human health and the environment, and
8. respecting polluter pays principle.

COMMUNITY RELATIONS

Baltica 2 shall engage and consult with potentially affected local communities, including indigenous peoples, and avoid causing or contributing to negative impacts on their human rights. This may include impacts on culture, the environment, natural resources, land, infrastructure or other factors that are important to the fulfilment of human rights for local communities, including their health and livelihoods.

CONFLICT-AFFECTED AREAS AND CONFLICT MINERALS

If our Business Partners operate in or source from conflict-affected areas, we expect them to conduct due diligence aimed at ensuring they are not linked to providing funding or support to armed actors.

In addition, we expect our Business Partners to ensure that their products do not contain conflict minerals sourced from mines that support or fund conflict in conflict-affected areas.

COUNTERING CORRUPTION AND FRAUD

Compliance and fairness in business

Baltica 2 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

Baltica 2 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

Baltica 2 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

Baltica 2'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.

Bribery, corruption, and kickbacks occur when you offer, promise, pay, authorise, request or accept a payment, gift or anything of value (financial or otherwise) to improperly influence a decision or outcome affecting our business. It is a severe criminal offence to give or receive bribes, corruption, or kickbacks (or to attempt to do so), and it may result in imprisonment for the involved individuals and substantial fines and reputational harm to Baltica 2.

Baltica 2's Business Partners should never offer, promise, or give any financial (or other) advantage to a government official or business partner to improperly influence a decision or outcome affecting our business. To ensure that we do not give or receive any forms of bribery and kickbacks, whether made directly or indirectly.

In accordance with above the Business Partners are expected to have policies and procedures in place regarding offering and receiving of gifts, meals, travel and entertainment.

Remuneration for Business Partners

Remuneration paid to Baltica 2's Business Partners may not be used to provide undue considerations to themselves, their clients or third parties.

Conflict of interest

Baltica 2's Business Partners avoid conflicts of interest that might impair their credibility or erode Baltica 2's trust in them or the trust of third parties towards Baltica 2.

Treatment of holders of public office

Baltica 2 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

Baltica 2 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

Baltica 2 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.

BUSINESS PARTNERS' COMMITMENT TO COMPLIANCE WITH THIS CODE OF CONDUCT

Baltica 2 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 Baltica 2, an appropriate system for monitoring compliance and resolving situations where such standards are not being observed. Baltica 2 also expect their Business Partners to require at least the same of their Contractors, Subcontractors and Suppliers as regards services and supplies for Baltica 2.

Baltica 2 has whistleblower functions in place, which is a system for reporting irregularities. Anyone may be a whistleblower, especially employees, consultants, contractors, subcontractors, suppliers and sub-suppliers. This is a person reporting irregularities and information on suspected and/or actual non-compliance the effects of which may be damaging to Baltica 2. Reports may in particular relate to criminal actions, corruption, abuse of employee rights, conflicts of interest.

Reports should be submitted to either

PGE Group: e-mail uczciwybiznespge@gkpge.pl or by telephone to +48 22 340 12 02.

Ørsted: <https://orsted.com/en/about-us/corporate-governance/whistleblower-hotline>

Persons reporting irregularities are subject to protection.

CONSEQUENCES OF FAILURE TO ABIDE BY THE PGE GROUP CODE OF CONDUCT FOR BUSINESS PARTNERS

Baltica 2 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, Baltica 2 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, Baltica 2 reserve the right to take appropriate action, including the right to pursue a termination of the business relationship with Business Partners engaging in unacceptable practices.

More information can be found at the following website:

<http://www.gkpge.pl/compliance> or <https://orsted.com/en/about-us/suppliers/responsible-business-partner-program>

In case of doubts or questions, please contact PGE S.A.'s Compliance Department and Ørsted Responsible Business Partner Programme

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-

Ørsted in Global Compact

<https://www.unglobalcompact.org/what-is-gc/participants/2968-Orsted-A-S>

Universal Declaration of Human Rights (1948)

www.un.org/en/documents/udhr/index.shtml

International Labour Organization

www.ilo.org

Information on PGE Group's CSR efforts

<https://www.gkpge.pl/csr>

Information on Ørsted's CSR efforts

<https://orsted.com/en/sustainability>