



**FPM S.A.**  
**THE ETHICAL CODE**



## FPM

### **Our mission**

We are an efficient and collaborative team oriented towards continuous process improvement in order to design and manufacture reliable and efficient machinery and equipment for power generation and other industries.

### **Our Vision**

A strategic, reliable partner, meeting the expectations of the evolving market. A reliable and socially responsible employer, an honest and committed team of employees.

With all our values guiding us, we are a reliable, solid and responsible partner for our customers, so we can count on the reciprocity and trust of our long-term business partners.

## **OUR COMMITMENT**

The Ethical Code is first and foremost our commitment to observe and respect the most important values in the conduct of our business. We expect both, ourselves and others to run our business in accordance with the law, the highest standards, respect for others and the environment.

As an organisation, we have a responsibility to be guided by the highest ethical standards, while maintaining full professionalism in our daily work. We believe that our business model is unique, so that our values and responsibility can be reflected at every level of our operations. In order to maintain a sustainable manufacturing company, it is essential that each employee maintains individual responsibility in complying with applicable standards, regulations and guidelines.

Everything in the Ethical Code represents a commitment not to participate in or support any activity that involves human rights abuses, extortion, fraud, embezzlement or any other conduct that will result in harm to our employees, customers, contractors or others.

The Code applies to all employees and associates of the Company, regardless of their position, job title, place in the organisation, years of service, whatever the form and type of employment - job contract, contract of mandate. According to the principle "the example goes from the top", the management and line managers have an additional responsibility in promoting appropriate ethical attitudes. The obligation to act in accordance with the provisions of the Code applies also to contractors, business partners, consultants and other entities acting on our behalf.

## OUR VALUES

Our business is guided by the following values:

### **Believing**

We believe in achieving the vision by focusing on the future. We follow our value system while believing that investment in education and development is the highest value for the society

### **Responsibility**

We make courageous and informed decisions while demanding initiative from ourselves. We always act in the best interest of the company, taking responsibility for the decisions of our teams.

### **Collaboration**

We trust one another and work as a team, listening and learning from others. Once a decision is made, we work together to accomplish the goal.

**Openness**

We respect diverse views, are open to change, loyal and communicate openly and honestly.

**Credibility**

We keep our word, we are reliable and honest. We always play fair and deliver on our commitments.

**WORKPLACE****HEALTH AND SAFETY**

As an organisation, we take responsibility for our employees by ensuring the highest standards of health and safety. We take care to prepare them for their duties and implement high standards, often above those required by law. We are aware of the hazards in the production environment, so we are very committed to ensuring healthy and safe workplaces. We are aware that we are responsible not only for our own safety, but also that of our colleagues, co-workers and contractors. Regular internal audits are conducted to help us ensure a safe working environment. We are guided by the principle that life and health come first, so our employees have the opportunity to report potentially hazardous situations to dedicated departments for corrective actions and to avoid unnecessary risks associated with health loss. A culture of safety is key to our business.

**EQUAL TREATMENT, EQUAL OPPORTUNITIES**

We are committed to providing our employees with security and stability of employment. All decisions regarding professional promotion or employee rewards are made on the basis of merit, without regard to gender, age, disability, race, nationality, political opinion, union membership, ethnic origin, religion, sexual orientation or the time or form of employment. We neither discriminate anyone nor tolerate any form of discrimination, we value and support

diversity. As an organisation, we take every effort to promptly investigate any complaints regarding discrimination or harassment and take the appropriate measures.

We create an environment in which the employees and associates feel comfortable and free to raise concerns. We have an on-going dialogue in the supervisor-employee relationship. We gather feedback on topics that are important to the employees, addressing issues as they arise, and requests for guidance are not left unanswered.

### **PERSONAL DATA PROTECTION**

In line with the EU data protection requirements, we have taken steps to maximise the level of security of the personal data we process and to meet all the requirements of the applicable legislation. Security of personal data, of our employees, contractors and customers, is one of the priorities of our operations. We always process personal data for a legally defined purpose and on a legitimate basis. We respect the privacy of our employees, customers and all contractors, which is why we strictly adhere to internal policies related to the protection of personal data.

### **BUSINESS CONFIDENTIALITY**

Our know-how and business secrets are the basis of our success. In the course of their work, employees and associates have access to a wide range of information, the unauthorised disclosure of which could expose the Company to high losses. We are aware of the value of business secrets and we do our best to protect them. Disclosure of information that constitutes company secrets is a serious violation of the Code, but it may also constitute a violation of the law.

### **PERSONAL DEVELOPMENT**

We believe that it is our employees who create our success, so we support initiatives aimed at their personal growth. We provide training and professional courses, improving qualifications and licenses in order to guarantee the highest level of work. The development and changes allow us to increase the potential of our team.

We actively develop the culture of knowledge sharing among our employees. Professional skills are also improved through internal training.

When promoting our co-workers we always take into account skills and competencies, personal commitment, recognising individuality and potential and providing appropriate support and development opportunities.

## **ASSETS**

All of the Company's tangible and intangible assets are used to achieve business objectives and may only be used for such purposes in accordance with applicable terms or licenses.

We do not use any Company assets for personal purposes. Our assets include not only tangible items such as vehicles and communications equipment, but also our collective work, which is the property of the Company and may not be used for any outside gain.

We are individually responsible for the tangible and intangible assets entrusted to us. Computer equipment and systems should be used in accordance with the IT security policies. Company vehicles and mobile equipment may be used for private purposes based on contractual or internal policies in place, if this is the case, one must ensure that they are permitted to do so.

Improper use of Company assets may violate the Code. Theft of any Company assets is a serious offence and may result in termination of employment and criminal prosecution. We care not only for the Company assets but for the personal assets as well, so any theft or destruction of employee assets will be considered as the theft or destruction of the Company assets.

## **RELIABLE BUSINESS PARTNER**

### **CONFLICTS OF INTEREST**

Conflicts of interest are potential situations where a personal interest interferes with those of the Company or interferes with one's ability to make sound decisions. Conflicts of interest can have a negative impact on the Company's business, which is why we are always transparent in our dealings.

An early identification conflicts of interest when they arise is of paramount importance. We do not accept the use of position or authority for personal gains. While we respect privacy and individual interest, we take avoiding conflicts of interest seriously and we continue to monitor the transparency of our activities in the organisation.

All decisions we make are based on sound judgement and are not influenced by private interests.

## **CORRUPTION**

Corruption is a complex, multidimensional process. Corruption is primarily identified as the giving and receiving of bribes. Meanwhile, corruption is first of all the abuse of powers granted in order to achieve personal gains and may be found in many forms such as bribes, illegal salaries/commissions, paid patronage, trading in influence, undeserved rewards. Corruption can involve legal persons as well as private individuals or public officials.

Corruption is a threat to organisations, both in financial and reputational terms. We are quality-driven in our business activities and therefore any attempt of corruption is unacceptable to us. Corruption tends to induce a specific person to act or refrain from acting in his or her official capacity by giving him or her a financial or personal benefit.

FPM is committed to a zero-tolerance approach to corruption. All employees are prohibited from:

- giving, promising or offering payments, gifts, sponsored events or personal benefits in exchange for or with the expectation of obtaining an unlawful business advantage, or in order to compensate an individual for obtaining an existing or agreed-upon business advantage,
- accepting payments, gifts, sponsored events or personal gains is known or suspected to be associated with the expectation of commercial advantage.

## **CONTACTS WITH PUBLIC OFFICIALS**

A public official is any person who carries out their work as a representative of public offices, administrative units or courts. This includes lower-level representatives, e.g. municipal officials, as well as politicians, judges, representatives of governmental and international organisations, including persons closely associated with them.

The Company complies with the provisions of the Anti-corruption code of FPM S.A. Due care must be taken in dealing with public officials, also to avoid the appearance of any corrupt behaviour.

### **GIFTS AND ENTERTAINMENT**

As part of establishing and strengthening business relationships, it is customary in our culture to exchange small gifts. However, to ensure that the acceptance or giving of gifts does not lead to an expectation of any specific action, due care must be exercised and consideration must be given to prevailing market conditions.

According to the provisions of the Anti-corruption code of FPM S.A., accepted are only expenses on gifts that are reasonable, i.e.:

- are appropriate to the circumstances,
- must have a real purpose,
- are of reasonable value,
- have been approved by the competent organisational units,
- are permitted by applicable law and rules of social conduct,
- will not be misperceived, for example, by creating an impression of an obligation or expectation to receive something.

Care must always be taken to ensure that the context is right when giving a gift. This should be done in transparent and culturally appropriate circumstances.

### **MONEY LAUNDERING**

Money laundering is the act of transferring money or other assets that have been obtained from illegal sources into lawful circulation. Money laundering also includes money that is used to fund illegal activities, most commonly the financing of terrorism, drug offences and other criminal acts. Money laundering is the process by which the existence of an illegal source or the illegal use of proceeds is concealed in order to give the appearance of legitimate acquisition. It is a process used by criminals to make “dirty” money appear “clean” so that the proceeds of crime appear to be legitimate.



Both, money laundering and terrorism financing are global in nature and often involve organised crime groups. Funding of terrorism is the financing of terrorist acts, terrorists and terrorist organisations. Money used to finance terrorist activities flows through the global financial system via various personal and corporate accounts. Money for terrorism financing may be held in the accounts of illegal or legitimate charities. This can include buying and selling securities and other commodities or buying and paying out insurance policies.

Being unaware of being a participant in money laundering does not exclude the responsibility of such an entity. FPM is aware of the risks in this area and enters into contracts only with verified suppliers and customers who are operating on a legitimate market. We thoroughly check our partners with whom we want to establish business relations.

### **FAIR COMPETITION**

We believe that fair competition is fundamental to doing business and establishing business relationships. Conducting business in an atmosphere of fair competition is beneficial not only for the organisation and its employees, but also for other market participants, investors, customers and business partners. We believe that our success is the result of our hard work, so we also respect the efforts of our competitors, with whom we always compete in accordance with the law and ethical principles. Employees who are involved in activities with the competitive environment receive appropriate training and can always contact the Legal Department for legal assistance. No violations of applicable laws on fair competition nor any unethical actions in this regard are acceptable.

### **ATTITUDE TOWARD SUPPLIERS/CONTRACTORS**

We are proud to be a part in an organisation that has been built on respect for human rights. We make every effort to promote these in our relationships with our stakeholders through open dialogue. Achieving business results is never at the expense of product quality or ethical conduct.

If there is a reasonable suspicion that a business partner of the Company is violating human rights, it is removed from the list of qualified suppliers. We also establish business relationships based on a strong foundation of respect for fair competition, business

confidentiality and intellectual property. We protect personal data and promote mechanisms to prevent conflicts of interest.

## **LOCAL COMMUNITIES AND THE ENVIRONMENT**

### **HUMAN RIGHTS**

As an organisation, we recognise, protect and support all regulations aimed at protecting and guaranteeing respect for human and children's rights, both nationally and internationally.

We always maintain a relationship of mutual respect and trust with our employees, suppliers, customers and others. We aim to provide a workplace that does not tolerate discrimination, harassment or bullying.

When dealing with business partners, we pay particular attention to whether their corporate values are in line with ours. We respect the rights to a safe workplace, freedom of association, union representation and fair pay. We are proud of our diversity and mutual respect, ensuring equal opportunities at all levels of the organisation. We support our actions by adopting a Supplier Code of Ethics.

### **ENVIRONMENTAL PROTECTION**

We are aware of the impact of our production activities on local communities and the environment. We operate according to the principles of sustainable development. We responsibly develop the relationships between economic growth and care for the environment.

We conduct our activities in accordance with current regulations and standards relating to the protection and prevention of environmental degradation. Furthermore, we set our own internal standards, thanks to which we reduce our impact on the environment.

We strive to continually monitor our manufacturing processes to support environmental sustainability. We follow the principles of reasonable management of raw materials, including water, electricity and heat, and we minimise the amount of waste. We continuously identify the impact we have on the environment and actively manage potential risks.

## **CHARITY**

Considering the well-being of all of us, we take initiatives with the intention of supporting various social, family-oriented, cultural and scientific actions, charitable foundations, sports activities, with a particular focus on the development and education of children and young people. We believe that by supporting the growth of children and young people, their competences and passions, we help them make informed decisions and build their future responsibly. Investing in education and development is the supreme value for the society, therefore we have for years been supporting entities that statutorily deal with assistance in the field of education and development to enable Poles to access the best practices in this area.

## **COMMUNICATION**

We believe that clear and transparent communication is the key to good relations with our employees, customers, business partners, investors and the media. External communication is a reflection of relations within the organisation, which is why we attach great importance to the improvement in this area. We believe that by conducting our business in a sustainable and ethical manner we can be a part of and drive positive social changes. Each of us is responsible for creating the reputation and goodwill of the Company.

## **CONCLUSION**

This Code does not cover every possible situation that may arise. That is why we must always act ethically and make the right choices to ensure that we do not act against our values.

We must expect ourselves to know and follow applicable workplace regulations and guidelines to conduct sustainable business.

The Code will be subject to revisions.

The current version of the Code will always be available for employees to consult.