

Code of conduct for PKN ORLEN S.A. Suppliers

INTRODUCTION

Dear Sirs,

PKN ORLEN S.A. is a leading fuel and energy company in Central and Eastern Europe. Due to the scale of our business, the way we do business has a significant impact both on the daily lives of millions of people, the smooth running of thousands of organisations and on the economy as a whole. This places a huge responsibility on us. This is why we attach particular importance to sustainability and corporate social responsibility (CSR). We pursue a business strategy that is consistent with the interests of our environment and based on the responsible use of available resources.

Our **mission: “By nature we drive the future responsibly”** reflects the assumptions and goals set out in the ORLEN 2030 strategy. We implement them in accordance with **credo: “We drive the future. Responsibly”**. We are close to ESG criteria: E - Environment, S - Society, G - Governance, which we want to read through the prism of **PKN ORLEN’s** fundamental values: **Responsibility, Development, People, Energy and Reliability**. We base all our activities on these values. They give us the strength to grow and to implement our strategy effectively and boldly. The mission, credo and values express our common beliefs and help us realise PKN ORLEN’s full potential.

ORLEN is a recognised brand worldwide. Our individual actions together define who we are as a company and how the world sees us. It is our duty to respect this heritage and build an even stronger position for PKN ORLEN. We act on the basis of our values and in accordance with ethical standards and legislation. We expect the same from our suppliers. Therefore, we present to you this *Code of Conduct for Suppliers of PKN ORLEN S.A.* It represents a set of rules that we expect to be respected.

We are committed to the trust of the widest possible range of stakeholders, in particular our employees, associates, customers, business partners, investors as well as local communities. That’s why we require our Suppliers to operate in accordance with our values and in accordance with ethical standards and the law.

Where the *Code of Conduct for Suppliers of PKN ORLEN S.A.* is a higher standard than local, national or regional regulations, we expect our Suppliers to comply with this Code of Conduct. However, where local, national or regional regulations are more restrictive than this Code of Conduct, we expect our Suppliers to comply with those local, national or regional regulations.

I believe that our shared values and the highest standards of business and personal ethics will help us to make the right decisions and choices in our daily work.

Yours sincerely,

Daniel Obajtek
PRESIDENT OF THE MANAGEMENT BOARD
PKN ORLEN S.A.

OUR OBLIGATIONS TO SUPPLIERS

PKN ORLEN S.A. as a market leader is constantly striving to achieve the highest standards of business conduct and constantly requires to implement the best solutions. This is also expected of us by regulators, owners, our customers and employees. We want to build a culture of shared responsibility for business practices in health and safety, human rights, business ethics, concern for employees and local communities, and care for the environment at all stages of our operations. This also applies to our supply chain and cooperation with Suppliers.

Therefore, in line with the assumptions and goals set out in the ORLEN 2030 strategy, we have updated the principles of responsible business and sustainable development in procurement processes, and the new *Code of Conduct for PKN ORLEN Suppliers* is one of the key elements of cooperation with suppliers, including the process of their qualification and assessment.

In our cooperation with Suppliers we are guided by the principles of responsible business and sustainable development. We support our Suppliers in building awareness and developing best business practices in this area. We believe that it is only through dialogue and collaboration with Suppliers for responsible business and sustainability that we can successfully develop our business and positively impact our Suppliers.

We believe that this approach will benefit both us and our Suppliers, as well as our social and business environment.

OUR EXPECTATIONS FROM SUPPLIERS

We work with the best Suppliers which are constantly improving their business to respond to ever higher market expectations. We encourage them to develop and improve responsible business practices in line with these guidelines of the *Code of Conduct for Suppliers of PKN ORLEN S.A.*

We want to work with Suppliers who understand and share our approach to responsible business and sustainability, striving to improve and develop their best practice in areas where we set ourselves ambitious targets.

MATCHING EXPECTATIONS TO SUPPLIERS' CAPABILITIES

Larger companies have greater opportunities to systematise their responsible business activities through specialised teams and offices, therefore PKN ORLEN's formal expectations against them will be the highest.

As one of the largest businesses in Central Europe, we also want to work with smaller players, and for us the presence of smaller and local suppliers is an end in itself - it is part of our understanding of Responsible Business. We recognise that sustainability actions are implemented in smaller entities in a very effective but less formalised way. We therefore differentiate our expectations from suppliers into three levels:

LARGE ENTITIES WITH MORE THAN 251 EMPLOYEES - we expect full corporate maturity;

MEDIUM-SIZED ENTITIES, FROM 51 TO 250 EMPLOYEES - we pay attention to clearly defined and publicly disclosed directions of pro-social and pro-environmental activity by the company, readiness to demonstrate examples of positive impact on the environment, lack of significant controversies related to the activity of the entity in the scope of environmental, social and corporate governance;

SMALL ENTITIES, UP TO 50 EMPLOYEES - the key is to recognise the core values of PKN ORLEN and to be ready and able to show examples which prove that they are respected.

METHOD OF PERFORMANCE MONITORING

PKN ORLEN will pay particular attention to compliance with the requirements of the principles of conduct by suppliers, which are expressed in this Code of Conduct. The basic material for evaluation will be declarations and documents submitted by Suppliers, which PKN ORLEN reserves the right to verify on the basis of publicly available sources.

A catalogue of indicators on key environmental issues (CO₂ emissions, product carbon footprint, unit water consumption, health and safety indicators) will be systematically developed by 2025 and will increasingly determine ongoing cooperation.

The key areas for us are related to PKN ORLEN's fundamental values:

Responsibility

PKN ORLEN conducts its activities in the spirit of responsibility for future generations, with respect for people and ethical standards and with respect for the environment.

For PKN ORLEN, responsibility means concern for the climate and the balance of nature, care for sustainable development and resource management.

PKN ORLEN expects Suppliers to ensure consistency between its business and social objectives and to clearly set sustainability targets.

| Criterion | | Small entrepreneur | Medium entrepreneur | Large entrepreneur |
|---|-------------|--------------------|---------------------|--------------------|
| The supplier shall have defined objectives for responsible business and sustainable development, together with measures of achievement, in the form of a policy, strategy, declaration or other binding document. | Declaration | | | YES |
| The supplier bases its daily operations on ethical and responsible attitudes towards its stakeholders, including but not limited to: employees, customers, business partners and local communities. | Declaration | YES | YES | YES |
| The supplier complies with the law regarding the environmental impact of its activities. | Declaration | YES | YES | YES |
| The supplier, as far as possible, carries out an assessment of its activities with regard to the risk of negative impact on the environment and endeavours to prevent such risks. | Declaration | | YES | YES |
| The supplier aims at setting targets to reduce the negative impact of its activities on the environment (targets recorded e.g. in the form of an environmental policy or other binding document). | Declaration | | | YES |
| The supplier measures CO ₂ emissions and calculates and monitors its organisation's carbon footprint. | Declaration | | | YES |
| The supplier calculates the carbon footprint of products. | Declaration | | | YES |
| The supplier has completed and made public an assessment of its business activities in accordance with the EU Taxonomy. | Declaration | | | YES |
| The supplier, where possible, operates with low carbon technologies and products. It follows the principles of a circular economy as far as possible. | Declaration | | YES | YES |

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|---|-------------|-----|-----|-----|
| The supplier shall strive for responsible, environmentally sound sourcing of raw materials and/or to include environmental criteria in its purchasing decisions. | Declaration | | YES | YES |
| The supplier strives to reduce and rationally manage the consumption of raw materials and natural resources, including water. | Declaration | YES | YES | YES |
| The supplier has water metering and takes measures to reduce water consumption in its business. | Declaration | | | YES |
| The supplier complies with all legal regulations relating to waste management. | Declaration | YES | YES | YES |
| The supplier aims to minimise the generation of waste associated with its business. | Declaration | YES | YES | YES |
| The Supplier ensures proper management of the waste produced, including cooperation with authorised collectors of the waste produced, in order to minimise the risk of the waste having a negative impact on the environment. | Declaration | YES | YES | YES |

Development

The PKN ORLEN Value Statement through Development helps us understand innovation, competitiveness and modernity. It is important to us that our partners invest in people, research projects and business development. We want to work with suppliers who set new trends and actively build their competitive advantage, as this strengthens our ability to compete in the markets served by PKN ORLEN. We expect our suppliers to demonstrate long-term and strategic thinking, creating strategies that break through successive barriers to growth to deliver new solutions and products.

| Criterion | | Small entrepreneur | Medium entrepreneur | Large entrepreneur |
|---|-------------|-----------------------|------------------------|-----------------------|
| The supplier supports pro-innovative attitudes. It invests in people, research and development projects, new technologies and innovation tools, which it responsibly implements to ensure company growth. | Declaration | YES | YES | YES |
| The supplier is increasing investment in innovation to develop green technologies that minimise environmental impact. | Declaration | | | YES |
| The supplier supports pro-innovative attitudes, encourages employees to carry out pioneering projects, motivates them to think and act creatively, through which they discover their potential and talents. | Declaration | | YES | YES |
| The supplier strives for effective implementation of innovations, through which it gains experience in introducing non-standard solutions that can influence the company's future development. | Declaration | | YES | YES |
| The supplier creates products and business models that provide recurring and scalable revenue over the long term. | Declaration | | YES | YES |
| The supplier has an innovation and R&D infrastructure and promotes a culture of innovation at corporate level. | Declaration | | | YES |

People

PKN ORLEN attaches great importance to ethics and professionalism in the workplace and in professional relations. We build professional relationships based on tolerance and mutual respect. At the same time, we place high demands on the professionalism of our work, based on the knowledge, skills and experience of our employees.

| <i>Criterion</i> | | <i>Small entrepreneur</i> | <i>Medium entrepreneur</i> | <i>Large entrepreneur</i> |
|--|-------------|---------------------------|----------------------------|---------------------------|
| The supplier treats everyone fairly, with respect and dignity. It builds relationships with colleagues based on professionalism, mutual assistance and the highest ethical standards. | Declaration | YES | YES | YES |
| The supplier manages employees and the workplace responsibly (e.g. ensuring the development of employee competencies, ensuring workplace safety, employees' work-life balance, etc.) and sets its objectives in this regard. | Declaration | YES | YES | YES |
| The supplier values each employee's contribution to its business. | Declaration | YES | YES | YES |
| The supplier respects diversity, differing opinions and perspectives. It builds a supportive work environment that fosters the achievement of individual and shared goals. When difficulties or mistakes are made, it promotes support and dialogue. | Declaration | YES | YES | YES |
| The Supplier does not accept any form of disrespect and impropriety in the working environment, in particular bullying, discrimination and harassment. | Declaration | YES | YES | YES |
| The supplier shall ensure equal access to decent working conditions irrespective of the form of employment permitted by law in the country of operation. | Declaration | YES | YES | YES |
| The supplier provides training opportunities for employees irrespective of legally protected characteristics such as gender, age, religion, nationality, belief, disability or position. | Declaration | YES | YES | YES |
| The supplier implements solutions (e.g. employee training on the practical application of the code of conduct in the workplace, etc.) to build awareness of ethical workplace conduct among employees and managers. | Declaration | YES | YES | YES |
| The supplier bases its communication on honesty and trust. | Declaration | YES | YES | YES |

Energy

PKN ORLEN wants to cooperate with Suppliers that are open to non-standard projects and innovations that require them to make bold decisions. We expect our suppliers to be open to new solutions and to plan their activities over the long term.

| <i>Criterion</i> | | <i>Small entrepreneur</i> | <i>Medium entrepreneur</i> | <i>Large entrepreneur</i> |
|--|-------------|---------------------------|----------------------------|---------------------------|
| The supplier is open to innovation and non-standard projects that require bold decisions. | Declaration | YES | YES | YES |
| The supplier boldly tests and implements new solutions that strengthen its position in the market. | Declaration | | YES | YES |
| The supplier plans its development on a long-term basis, taking care to balance the realisation of short-term results with the company's strategy, developing its competences and resources. This reduces the risk of turbulence in the supply chain for us. | Declaration | | YES | YES |

Reliability

Reliability of Suppliers of PKN ORLEN is one of the key elements reducing the risk of turbulence in the PKN ORLEN supply chain.

We also require our Suppliers to respect human rights in the broadest sense and to provide safe and healthy working conditions.

| Criterion | | Small entrepreneur | Medium entrepreneur | Large entrepreneur |
|--|-------------|--------------------|---------------------|--------------------|
| The Supplier provides a safe and fair working environment for its employees and contractors and respects and upholds internationally recognised human rights as defined by national and international law. | Declaration | YES | YES | YES |
| We require our suppliers to: | | | | |
| employ workers who are legally authorised to work in their establishments and are responsible for confirming the workers' eligibility to work through appropriate documentation. If required by local law, all employees of the ORLEN Group supplier must have employment contracts. | Declaration | YES | YES | YES |
| treat all employees and contractors fairly and with respect and prohibit discrimination or harassment based on gender, marital or parental status, ethnic or national origin, social origin, sexual orientation, religious belief, political affiliation, age, disability or trade union membership. | Declaration | YES | YES | YES |
| encourage the establishment of and support an inclusive work environment that provided equal opportunities for all regardless of gender, marital or parental status, ethnic or national origin, social origin, sexual orientation, religious belief, political affiliation, age, disability or trade union membership. | Declaration | YES | YES | YES |
| provide their employees with decent wages, benefits and working hours that met at least legal or industry standards. | Declaration | YES | YES | YES |
| respect the right of workers to form and join trade unions of their choice and to bargain collectively without fear of reprisals. | Declaration | YES | YES | YES |
| not to tolerate any cases of child labour (persons under 15 years of age) and provided special protections for young workers (persons under 18 and above the legal minimum working age). | Declaration | YES | YES | YES |
| ensure that their workplace is free from harassment, bullying, ill-treatment, violence, intimidation, corporal punishment, mental or physical coercion, intimidation and verbal or sexual abuse, threats of violence as a method of discipline or control, such as withholding workers' identity documents, their passports, work permits or charging bail as a condition of employment. | Declaration | YES | YES | YES |
| not to allow any form of inhuman treatment of workers and contractors. | Declaration | YES | YES | YES |
| not to allow modern slavery (bondage, forced, compulsory or indentured labour, slavery or human trafficking). | Declaration | YES | YES | YES |
| have carefully identified their human rights impact once the need for such action is agreed upon. | Declaration | YES | YES | YES |
| respect the cultural, economic and social rights of local communities, minorities, indigenous peoples and other vulnerable groups. | Declaration | YES | YES | YES |
| have adequate remedial mechanisms in place in case of human rights violations. | Declaration | | | YES |

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|--|-------------|-----|-----|-----|
| notify the ORLEN Group Companies immediately, in writing, if they have information or reason to believe that any of the ORLEN Group Companies or any of the ORLEN Group Companies' officers, agents or companies within their own supply chain have breached any of the above requirements. | Declaration | YES | YES | YES |
| The supplier complies with all health and safety laws applicable in the country of business activity. | Declaration | YES | YES | YES |
| The Supplier ensures safe and healthy working conditions by implementing procedures, certified health and safety management systems and/or its own safety programs, good practices and solutions aimed at the complete elimination of accidents, injuries and illnesses among the Supplier's employees caused by their work. | Declaration | | YES | YES |
| The supplier aims to set safety targets to minimise risks, monitor, analyse and document the achievement of these targets and its activities in order to continuously improve occupational safety. | Declaration | | YES | YES |
| The supplier implements safety standards and good practices that prevent accidents, breakdowns, fires and other crisis events. | Declaration | YES | YES | YES |
| The supplier raises qualifications, raises awareness, introduces new technical and business solutions and minimises negative impacts on health, the environment and human life. | Declaration | | YES | YES |
| The supplier prevents all forms of corruption in its operations and implement preventive practices. | Declaration | YES | YES | YES |
| If any form of corruption is identified, the supplier takes firm corrective measures and prevent further incidents of this kind. | Declaration | YES | YES | YES |
| The supplier operates on the basis of clear responsibilities, management commitment and exchange of experience. | Declaration | YES | YES | YES |
| The supplier creates practical internal regulations. It takes into account legislation, standards and training programmes. | Declaration | | | YES |
| The supplier encourages employees to report concerns and violations. It provides confidentiality, feedback and protection from reprisals to applicants. | Declaration | YES | YES | YES |

FINAL PROVISIONS

The Code of Conduct for Suppliers of PKN ORLEN S.A. is addressed to all Suppliers and Contractors cooperating with PKN ORLEN S.A.

We expect our suppliers to continually improve their performance against social, environmental, ethical and corporate governance standards set out in the *Code of Conduct for Suppliers to PKN ORLEN S.A.* In the event of non-compliance of the suppliers' activities with the standards of responsible business as set out in the *Code of Conduct for Suppliers of PKN ORLEN S.A.*, Suppliers should immediately undertake corrective actions.

At the same time, we are committed to supporting our Suppliers in building awareness and promoting best practice in responsible business and in developing Suppliers' businesses in line with responsible business and sustainability standards. We believe that compliance with the standards of the *Code of Conduct for Suppliers of PKN ORLEN S.A.* will contribute to the improvement of our cooperation and partnership with Suppliers and strengthen the development of our business and our Suppliers.