

# CODE OF ETHICS<sup>1</sup>

## Introduction

The guiding principle of our organization is to respect human rights resulting from the Constitution of the Republic of Poland and ratified international treaties. Other main principles in the conduct of business by Zakłady Górniczo-Hutnicze "Bolesław" S.A. and the companies of the Capital Group are honesty, integrity and transparency of actions taken. We recognize that these values are also the most important for all employees in the performance of their daily duties. Conscientious performance of tasks, professionalism and competence in each action contribute to increasing the quality of work results, and thus also the satisfaction of clients/customers, shareholders and suppliers.

In addition, employees show respect for the diversity of other people employed in the Company and declare the application of the principle of equal treatment - regardless of such characteristics as age, gender, political views, nationality or skin color.

The detailed rules of conduct included in this Code of Ethics contribute to the pursuit of transparency in the actions taken.

### **1. Purpose of introducing the Code of Ethics**

This Code of Ethics is a set of standards, rules and guidelines that define ethical conduct while performing business activities by Zakłady Górniczo-Hutnicze "Bolesław" S.A. (hereinafter also referred to as the "Company") and the companies of its Capital Group, respectively. The values and regulations it contains apply to all employees and other persons working in the ZGH "Bolesław" S.A. Group or on its behalf. Constant adherence to ethical principles and values allows, on the one hand, to build a positive image of the Company on the market, and on the other - to strengthen employees' identification with the Company, thanks to which the effectiveness of their work increases.

### **2. Mission and values of the Company**

The Company's mission is the production of zinc and zinc products of the highest quality parameters, using technology ensuring environmental protection and responsible use of natural resources.

The Company acts in the interest of customer satisfaction, while respecting employees, ensuring health and safety at work and complying with the regulations on fair competition.

In order to achieve this goal, the Company requires employees to comply with the highest standards of conduct, including the principles set out in this Code of Ethics.

### **3. Employment and remuneration policy**

All employees of the Company are treated equally in terms of employment conditions and have equal access to promotion and training to raise their professional qualifications - in accordance with the objective criteria of employee evaluation applicable in the Company.

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<sup>1</sup> The Code of Ethics was adopted by the Management Board of ZGH "Bolesław" S.A. by Resolution No. 2/2019 of 09.01.2019.

When creating the employment policy, the Company adheres to, in particular, the prohibition of discrimination, forced labor, corporal punishment, mental and physical coercion and insults.

In the recruitment process, only criteria based on the qualifications and skills of the candidates are used. Remuneration for work depends on the employee's contribution to the Company's activities.

#### **4. Prohibition of discrimination, harassment and mobbing**

The Company is committed to providing equal opportunities to all its employees, both in terms of work and career development.

The manager of each department ensures that employees at every level, stage and in every aspect, starting from recruitment, training, remuneration, promotion, assigning positions, responsibility, through goals, to the evaluation of progress, the employment period are treated according to their skills while avoiding all forms of discrimination, in particular discrimination on the basis of race, sex, age, nationality, religion or personal beliefs. The Company requires all employees, including in particular those employed in managerial positions, to comply with the regulations prohibiting any discrimination on the basis of age, race, gender, ethnic origin, nationality, religion, health, disability, marital status, sexual preferences, views political or philosophical beliefs, trade union membership, or other characteristics protected by law.

In the Company, the following are forbidden:

- a) discrimination in any form,
- b) mobbing in any form, in particular: humiliating, abusing, insulting and intimidating employees,
- c) sexual harassment in any form,
- d) using one's professional position to gain personal benefits or infringe the personal rights of other employees,
- e) disseminating untrue information, gossip and slander about other employees.

The Company does not accept any form of harassment, persecution and humiliation of employees, and each employee is obliged to stigmatize and report any manifestations of mobbing and discrimination in the Company to the management of the Company. It is forbidden to retaliate against employees for making such reports in good faith. These principles have been included in the internal **Anti-Mobbing Policy**, to which all employees have committed themselves.

#### **5. Basic rules related to work in the Company**

Work in the Company is characterized by the following principles:

- a) the employee should strive for continuous self-improvement and achieving the best possible results at work according to his/her knowledge, experience, qualifications and abilities, thanks to which he/she contributes to the improvement of the Company's operations as a whole,
- b) the employee should share knowledge and professional experience with other employees,
- c) the employee should take care of a good working atmosphere based on ethical principles and good manners, conducive to effective operation,
- d) the employee should take care of good interpersonal relations, observing generally accepted principles of proper behavior and respect for human rights,

- e) the employee, while working in a team, should strive for harmonious cooperation and elimination of conflict situations,
- f) employees may not be used in any way by the Company for activities contrary to the provisions hereof,
- g) the employee should show due respect for the name and trademark of the Company and identify himself/herself with the brand of the Company, which is a unique value,
- h) the managerial staff is obliged to create an appropriate work atmosphere, supporting work efficiency, primarily by representing a partnership approach to employees, supporting teamwork and exchanging knowledge between employees.

## **6. Work environment, health and safety of employees**

The Company respects and implements the provisions of the labor law regulating the principles of health and safety at work and provides its employees with the necessary information in the field of health and safety, and obliges employees to familiarize with this information on their own.

Employees must make every effort to maintain a good working environment where the dignity of each person is respected, in particular by respecting the prohibition of not working while under the influence of alcohol or drugs and not smoking in the workplace (except in outdoor areas where smoking is not prohibited) in order to protect their health and the health of others, due to the effect of 'second-hand smoke'.

Employees are obliged to report all forms of breach of health and safety obligations both by other employees and the Employer, as well as inform the Employer about any accidents at work and other events noticed by them, which may be of such nature.

## **7. Limiting the impact of the conducted activity on the natural environment**

Care for the natural environment and its protection are issues of utmost importance for the Company's employees, who make efforts to ensure that the Company's operations comply with the applicable environmental protection laws and comply with the guidelines issued by the Company in this regard.

ZGH Bolesław S.A. is one of the largest zinc processing companies in the country. Protecting the natural environment and minimizing the nuisance associated with operation is the Company's priority.

The processing begins with the extraction of Zn-Pb ore, production, marketing and sale of final products (zinc and zinc alloys, concentrates, sulfuric acid), and ends with responsible waste management, so as to obtain maximum zinc recovery in own installations (or installations operating within the ZGH Bolesław S.A. Capital Group).

The Company implements a program of systematic reduction of process emissions to the environment in all its components and the reduction of the consumption of raw materials, media and energy. Industrial installations meet stringent standards. The confirmation of the high level of environmental protection is obtaining and maintaining sectoral decisions and integrated permits.

ZGH is an example of building a closed loop in the zinc industry, which fits perfectly with the European Union's policy of preferring an economy in which resources are used in a more sustainable way, i.e. rationalizing land resources and increasing the share of recyclable materials.

The Company raises employees' awareness of the impact of their work on the natural environment.

ZGH Bolesław S.A. has an Integrated Quality and Environmental Management System based on the PN-EN 9001: 2015 and 14001: 2015 standards. It is a coherent system that enables effective management of many aspects of the Company, which guarantees high quality products, customer satisfaction and environmental protection.

In the coming years, the Company intends to continue the adopted strategy focused on implementing the idea of sustainable development at every stage of the production process.

## **8. Use of the Company's assets**

Employees use the available assets of the Company (including, among others, cars, telephones, computers, office space, commercial software, specialized ICT and measuring devices, etc., as well as goods produced by the Company) exclusively for the purpose and in the scope of performing their official duties - on the terms applicable in the Company.

It is forbidden to use Company property illegally or for the purpose of personal material or non-material benefits.

## **9. The principle of non-competition**

In the Company, it is forbidden for Employees to conduct competitive activities without the consent of the Company, in particular to cooperate with companies competing with the Company, i.e. those whose interests collide with the interests of the Company (conflict of interest), in the scope of:

- a) providing them with advisory or consulting services,
- b) performing work or performing any functions in the governing bodies of a competing company,
- c) having shares / stocks of a competing company,
- d) making decisions or influencing the decision to establish cooperation with a counterpart in which the Employee holds shares (stocks) or at which a member of the immediate family is an employee or the owner.

## **10. Relations with customers**

The Company treats all its clients/customers fairly and impartially, regardless of the size of the transactions concluded with them.

The Company's goal is to provide customers with products and services of the highest quality that meet their needs.

Employees negotiating contract terms are required to ensure that all information, presentations and statements that are given to customers are truthful and accurate.

No employee of the Company has the right to make any statements on behalf of the Company or provide information about the Company or its customers without prior authorization from the management of the Company, on the basis of a general or specific power of attorney.

Employees of the Company are not authorized to provide confidential, sensitive or private customer information to anyone, unless it is necessary or permitted under the contract between the Company and the customer.

## **11. Relations with the local community and policy implemented in the area of corporate social responsibility**

ZGH "Bolesław" has been operating since 1958. It is the heir to several hundred years of mining and metallurgical traditions in the Olkusz region. Hence, ZGH is primarily a local community and people who create the past, today and the future of the Company. The awareness of the mutual influence of ZGH Bolesław and the local society led to treating social issues as a priority. For years, the Company has been involved and actively participates in the life of local communities, in building a civic society and acts to support it. A measurable contribution is donations and various forms of financial involvement for health care, education, promoting sports, co-financing sports and cultural events and charity concerts.

This additional activity is carried out through the Foundation of Zakłady Górniczo-Hutnicze "Bolesław" established on the initiative of the Company.

Moreover, in order to promote and preserve for the benefit of future generations the knowledge about the history and traditions of lead and zinc mining in the Bukowno area, ZGH "Bolesław" S.A. created the interactive exhibition "The Mine of Knowledge about Zinc". In the opinion of the Company, this history and the knowledge about traditions should not fade into oblivion, the more so that due to the depletion of deposits, mining in the Bukowno area may soon disappear.

Relations with the local community are one of the constituents of the Sustainable Development and Social Responsibility Strategy, the motto of which is "If you do business, do it remembering about the residents and tradition".

This strategy distinguishes the following leading directions of activities:

- Responsible Business
- Social Partnership
- Care for Traditions

Besides good relations with the local community, this strategy means rational management of the natural resources of zinc-lead ores, constant increase in the use of recycled materials by implementing the idea of a circular economy, and updating technologies to ensure environmental protection.

To summarize, the Company's activities in the area of CSR are aimed at maintaining a positive image of the Company as a significant and reliable employer on the local labor market, gaining social acceptance and support for the activities undertaken by the Company and the image of the Company meaningful for local authorities. Moreover, these activities show the Company as an environmentally friendly enterprise, meeting the standards of quality, environmental protection, employee safety and corporate governance.

All these activities strengthen the Company's modern image and strengthen the leading position of the zinc producer in Central Europe.

## **12. Observance of secrecy, confidentiality, protection of personal data, disclosure of information**

Access to confidential and proprietary information relating to the Company's activities, including information about clients/customers and suppliers, personal data, may only be granted to employees whose position and duties require working with, using and communicating these data.

The scope of the right to such access depends on the nature of the job and responsibilities. Any employee who has been entrusted with confidential or proprietary information must keep such information confidential and use it only for permitted purposes.

Authorization to access confidential information is granted by the Company's authorities and is subject to periodical verification.

All personal data and confidential information should be kept in an appropriate database, access to which should be limited only to authorized persons.

Confidential information includes in particular:

- \* information about the prices negotiated between the parties,
- \* financial performance,
- \* forecasts and other financial data,
- \* HR and personal data,
- \* customer data,
- \* information on acquisitions and disposal of companies,
- \* data on new products,
- \* procurement data,
- \* business strategies,
- \* product improvement strategies,
- \* technical details,
- \* systems,
- \* inventions,
- \* trade secrets,
- \* *know-how* developed or acquired by the Company,
- \* any other information not publicly disclosed by the Company.

If an employee is unsure whether he/she is allowed to pass on or use information in his/her possession, he/she should consult it with his/her supervisor.

Employees' obligations related to the confidentiality of confidential information remain in force after the termination of the employment contract, in accordance with applicable law.

### **13. Prohibition of accepting and offering material benefits**

Employees of the Company, in connection with the performance of their official duties, are prohibited from accepting and seeking financial benefits from other companies or persons, including the Company's customers and suppliers. Material benefits include, in particular, cash, gifts, prizes, loans, trips, employment or a service provided by customers, contractors, suppliers, etc.

Acceptance of a material benefit may take place only when its subject is advertising, promotional or is of a small value, not exceeding PLN 100, usually handed over on ceremonial occasions and does not oblige to reciprocity.

Detailed rules for giving and accepting gifts are described in the Anti-Corruption and Whistleblower Protection Policy, which supplements this Code of Ethics.

### **14. Conflict of interest**

In the Company, it is prohibited to copy and use the organization's materials and information without the consent of the Company.

Employees must avoid any situation that has or may be associated with a conflict between their personal interests (or those of their family members) and the interests of the Company, and

must not allow a situation leading to a conflict between the interest of the Company and the private interest of the employee.

In order to protect employees and the Company from actual or apparent conflicts, the Company implements the following principles:

- a) employees may not have any interest in the enterprises of suppliers, customers, competitors, consulting companies and contractors if such an investment could influence their business decisions made on behalf of the Company;
- b) employees are prohibited from entering into direct transactions with a counterpart, that is to say a customer, supplier, broker, adviser or other third party, if those employees or their family members have an interest in those third parties' enterprises; if such a situation arises, the employee concerned must expressly notify the director of his/her unit and obtain written consent to do so;
- c) employees may not be employed outside the Company at suppliers, customers or competitors of the Company or perform any work outside the Company that may adversely affect the performance of the employee or decisions made in the course of his/her duties.

Any situation that creates or contributes to a potential conflict of interest between the personal interest of the employee and the interests of the Company must be immediately brought to the attention of the person responsible. Each employee will notify his/her immediate supervisor a written form that he/she is engaged in any activity for another Company or that there is any financial, commercial, professional, family or personal relationship that could affect the impartiality of conducting financial activities with a third party.

The information referred to above should be provided by the employee at the time of familiarizing with this Code or, if such a situation arises at a later date, immediately after its occurrence.

## **15. Unfair competition, monopolistic practices**

The Company honestly competes with competitors on the market and does not undermine their reputation, focusing its attention on its own capabilities.

In dealing with competitors, the Company's employees avoid situations that allow the disclosure of confidential information about the Company.

The Company obtains information about the competition using fully legal means. It does not use illegal measures, such as: industrial espionage, employing competitors' employees, persuading competitors' personnel to disclose information they have.

The Company does not use restrictive commercial practices that are illegal.

The Company gives priority to competition and is committed to complying with all applicable competition laws wherever it conducts business.

The Company and its employees should avoid activities such as price cartels, market partitioning, restriction of production or sales, tied agreements, etc., which may violate competition law.

## **16. Final provisions**

This Code of Ethics is a confirmation of the highest standards of honesty and integrity in our mutual relations.

This Code will be made available in such a way that every employee can familiarize with its content.

Each employee is responsible for the full compliance of his/her conduct and the conduct of the employee directly reporting to him/her with the Code of Ethics.

The Company expects its employees to comply with the provisions hereof.

In order to properly comply with the provisions hereof, each employee of the Company should:

- a) fully understand the provisions and policies contained in the Code regarding responsibilities incumbent on them, as well as participate in appropriate training,
- b) act and behave in accordance with the Code and refrain from any action that may harm the Company or jeopardize its integrity, impartiality or reputation,
- c) consult the Company's legal advisers in order to obtain information on the interpretation hereof.
- d) immediately report any breaches hereof to the Manager of the Management Board and Corporate Affairs Office, who then passes them on to the President of the Management Board. If such a report is received, the President of the Management Board addresses the Manager of the Employee Affairs Department and the Legal Advisers Department in order to clarify the facts related to the suspected violation of the Code and to prepare a written position on this matter. On the basis of the information obtained, the President of the Management Board makes a decision, or (in disputable situations requiring additional explanation of the circumstances of the event), on the basis of an instruction, appoints the Ethics Committee, specifying its composition and rules of procedure. In each of these situations, the employee (the person making the notification) is notified of the pending proceedings and the decisions made by the President of the Management Board.

Violation of certain rules may have a strong negative impact on the image, business contacts and financial situation of the Company. Therefore, in the case of unethical acts related to their high detriment to the interests and reputation of the Company, it is possible to apply sanctions under the provisions of the Labor Code, including termination of the employment contract.

In addition, if it is justified by circumstances, the Company may take actions provided for by law in relation to the employee, including in particular those provided for by labor law.

**Appendix:**

Declaration of a person obliged to comply with the principles set out in the Code of Ethics

**DECLARATION  
of a person obliged to comply with the principles set out in the Code of Ethics**

Full name of the Employee: .....

Employee's position: .....

I hereby declare that I have read the content of the Code of Ethics adopted by Zakłady Górniczo-Hutnicze "Bolesław" S.A. in full and I consent to the adoption of the rules of conduct fully specified therein, constituting an integral part of the obligations arising from my employment at Zakłady Górniczo- Hutnicze "Bolesław" S.A.

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(Signature)