

**CODE OF CONDUCT  
IN FORCE AT  
KUŹNIA POLSKA S.A.**



**KUŹNIA POLSKA**  
Rok założenia 1772

Skoczów, July 2021



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KUŹNIA POLSKA S.A.

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## 1. INFORMATION FROM THE MANAGEMENT BOARD OF KUŹNIA POLSKA S.A.

*"Tradition is the source and innovation the path to excellence"*

Kuźnia Polska S.A. is a company with values and principles that have been developed through more than 200 years of challenges and professional experience, which influenced the current organisational culture of our plant, one deeply rooted in tradition, family atmosphere and the loyalty of employees, whose entire families often work for us too. This makes Kuźnia Polska S.A. both a well-known employer in the local labour market and an important supplier in the global market.

By establishing this Code of Conduct for our employees, suppliers and customers, we wish to emphasize just how vital honesty in everyday work is for our company's development. It is honesty that guarantees the highest standards for all projects we implement. Each of our employees is expected to know and abide by the principles contained in this Code and to use them as guidelines in making all business choices, as well as to report any irregularities to the appropriate persons responsible.

## 2. OBJECTIVE

This Code of Conduct is a set of standards, principles and guidelines which outline the principles of ethical conduct in the course of business operations of KUŹNIA POLSKA S.A. (hereinafter also referred to as the "Company") All values and regulations specified in the Code apply to all employees and other persons working either at or for KUŹNIA POLSKA S.A. All employees must comply with them and report any potential or suspected violations of the Code.

## 3. MISSION AND VALUES

We aim to be a leading supplier of die forgings and machined products, complying with both the international market quality requirements and environmental protection principles.

As part of our mission, we focus on ensuring maximum customer satisfaction while also using safe labour practices and complying with occupational health and safety and fair competition laws.

To that end, Kuźnia Polska S.A. requires its employees to observe the highest safety standards in performing their duties, including the principles specified in this Code.

### Our values:

- **Tradition**
- **Innovativeness**
- **Customer orientation**
- **Quality**
- **Respect for other people and the environment**

## 4. EMPLOYMENT AND REMUNERATION POLICY

Kuźnia Polska S.A. wants to build a friendly, safe and family-oriented workplace where respect for each employee is a core value. Since we are committed to the well-being of our most important stakeholders – our employees – we strive to create a safe workplace where supervisors care about their subordinates while enjoying attractive incentive packages at the same time:

- financial benefits, detailed in our Remuneration Terms and Conditions, which are designed to provide financial security for our employees and their families,
- non-financial benefits to improve employee satisfaction from working at our company.



We prioritise teamwork, cooperation and loyalty to help everyone achieve their daily business, development and personal goals.

We treat each employee equally in regard to the terms of employment and ensure that everyone has equal opportunities for promotion and access to training to improve their professional qualifications. These development opportunities are made possible by the company's objective employee evaluation criteria.

In creating its employment policy, Kuźnia Polska S.A. particularly observes the prohibitions of any kind of discrimination, unequal treatment, forced labour, corporal punishment, physical and psychological coercion, insults and other forms of personal rights violations, as well as mobbing.

The recruitment process uses only criteria based on qualifications, skills and candidate experience, whereas remuneration is dependant on the employee's contribution and commitment to the company's operations. In compliance with the applicable laws and regulations, Kuźnia Polska S.A. does not employ minors.

## **5. PROHIBITION OF DISCRIMINATION, HARASSMENT AND MOBBING**

Kuźnia Polska S.A. is committed to providing equal opportunities to all its employees, both concerning work and career development.

The head of each department should ensure that all employees, at every career level and in every aspect of their employment (from recruitment, through training, compensation, promotion, job assignment, responsibility, to progress review), are treated with respect and are assigned work according to their abilities, avoiding all forms of discrimination, especially based on race, gender, age, nationality, religion, and personal beliefs.

The Company requires all employees – including but not limited to officers and directors – to comply with laws prohibiting discrimination based on age, race, gender, ethnicity, national origin, religion, health, disability, marital status, sexual preference, political or philosophical opinions, union membership or any other characteristic protected by law. Furthermore, we require managers to be respectful, to promote a workplace free of any physical or verbal abuse, to respect the boundaries and personal rights of all employees, and to respond decisively if any irregularities are discovered.

The following conduct is prohibited at the Company:

- a) any form of discrimination,
- b) using mobbing in any form, particularly: humiliating, insulting and intimidating employees, as well as using physical and psychological abuse against them,
- c) any form of sexual harassment,
- d) using one's professional position for personal gain or to violate the personal rights of other employees,
- e) disseminating untrue information or gossip about other employees or slandering them.

The Company does not tolerate any forms of abuse, harassment or humiliation and each employee is obliged to condemn and report any potential instances of workplace mobbing, discrimination and harassment to the Company management or the Human Resources Department.

All irregularities concerning workplace mobbing, discrimination and harassment must be reported in the following way:

1. Any employee who believes that he or she is being treated improperly or in a manner that violates his or her boundaries, dignity, or other personal rights should submit a complaint to Human Resources in person or in writing.
2. The HR employee responsible undertakes to review the complaint within a period no longer than two weeks.
3. Subsequently, the HR employee responsible must conduct an objective investigation, i.e. listen to the victim and alleged perpetrator and gather evidence.



4. Such proceedings are confidential and any facts determined in their course must not be disclosed to the public.
5. Should the complaint filed against the perpetrator(s) be found valid, the employer is authorised to take disciplinary action provided for in the Labour Code.
6. If possible, the employer may also transfer the victim to another job at the employee's request or with their consent.

Kuźnia Polska S.A. prohibits retaliation against employees who report potential misconduct in good faith.

## **6. BASIC PRINCIPLES OF WORKING AT THE COMPANY**

Employment at Kuźnia Polska S.A. is characterised by the following principles:

- a) employees should strive for continuous self-improvement and achieve the best results at work to the extent of their knowledge, experience, qualifications and abilities, thus contributing to the improvement of the Company as a whole,
- b) employees should share knowledge and work experience with their colleagues,
- c) employees should strive to maintain a good working atmosphere based on ethics and excellent manners, which is conducive to efficiency,
- d) employees should maintain good interpersonal relations, observing generally accepted principles of proper conduct and showing respect for human rights,
- e) when working as a team, employees should strive to work with each other harmoniously and prevent conflicts,
- f) in no way may the Company use its employees to conduct any illegal activities,
- h) managers are required to foster a good workplace atmosphere that supports work efficiency, primarily by applying a partnership approach to employees, as well as supporting teamwork and sharing knowledge among employees.

## **7. WORKING ENVIRONMENT, EMPLOYEE HEALTH AND SAFETY**

The Company complies with and implements all labour laws governing occupational health and safety, as well as providing its employees with the necessary health and safety information and requiring them to familiarise themselves with it.

Employees must make every effort to maintain a good working environment in which the dignity of every person is respected, particularly by observing the prohibition to work under the influence of intoxicants and avoiding smoking at the workplace (except outside areas where smoking is not prohibited) to protect their own health and the health of others, including by preventing the so-called "passive smoking" effect.

Employees are obliged to report any violations of health and safety obligations by both other employees and the Company and must inform the Company of any occupational accidents or other such occurrences that they observe.

## **8. DIVERSITY, EQUAL OPPORTUNITY AND RESPECT**

Kuźnia Polska respects the differences between individuals and strives to capitalise on them for the good of the company. Each of our employees, regardless of gender, age, nationality, religion, marital status, sexual orientation, disability, place of residence, beliefs, appearance and other characteristics, has the right to respect, dignity, equal development and pay based on experience and qualifications alone, not any of the above characteristics. All our employees are committed to creating a positive and open atmosphere where colleagues are never excluded from any activities due to their differences. The Company prohibits discrimination of any kind. Ensuring equal treatment for all employees is our priority. Our employees can openly express their beliefs, opinions and views – taking care not to offend others at the same time – and can share their knowledge and experience while achieving new milestones in their careers.



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## 9. USE OF COMPANY ASSETS

Employees can use the available Company assets (including cars, telephones, computers, office space, commercial software, specialised data communications and measuring equipment, etc.) solely for their official duties and in the scope thereof – subject to Company policies.

Using company assets illegally or for personal gain – be it tangible or intangible – is prohibited.

## 10. NON-COMPETITION PRINCIPLE

Kuźnia Polska S.A. employees are forbidden from engaging in competitive activities without the Company's consent, and particularly, to work with companies competitive to Kuźnia Polska S.A., i.e. ones whose interests interfere with Kuźnia Polska S.A.'s interests (conflict of interest), with respect to the following:

- a) providing advisory or consulting services to such companies,
- b) working at competitors or holding any position in their governing bodies,
- c) holding stocks/shares of a competitor,
- d) making or influencing decisions to do business with contractors whose stock/shares are held by the Employee or who employ or are owned by the Employee's immediate family members.

## 11. CUSTOMER RELATIONS

The Company treats all of its customers fairly and impartially.

The Company aims to provide customers with products and services of the highest quality to meet their needs.

Employees who negotiate contract terms are responsible for ensuring the truthfulness and accuracy of all information and presentations provided to customers, as well as any statements made in this regard.

No employee is authorised to make any statements on behalf of the Company or to provide information about the Company or its customers without prior authorisation by the Company's manager under a general or specific power of attorney.

Company employees are not authorised to provide confidential, sensitive or private customer information to anyone except as necessary or permitted under the Company's contractual relationship with the given customer.

## 12. CONFIDENTIALITY, MAINTAINING CONFIDENTIALITY, PERSONAL DATA PROTECTION AND DISCLOSURE OF INFORMATION

Access to confidential and restricted information relating to the Company's business, including customer and supplier information and personal data, may be provided only to employees whose position and duties require them to use, work with and transmit such data.

The extent of the right to such access depends on the nature of the position held and employee responsibilities. Any employee entrusted with confidential or restricted information must keep such information confidential and use it only for authorised purposes.

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

Confidential information includes, in particular:

- information about the prices negotiated between the parties,
- financial results,
- forecasts and other financial data,
- human resources and personnel data,
- customer data,



- information on acquisitions and divestitures of companies,
- new product data,
- purchase order data,
- business strategies,
- product improvement strategies,
- technical data,
- systems,
- inventions,
- trade secrets,
- *know-how* developed or acquired by the Company,
- any other information not made public by the Company.

In the case of uncertainty on whether the information held can be transferred or used, employees should contact their supervisor.

Employee obligations to keep secret the confidential information shall survive the termination of employment, in accordance with the applicable law.

### 13. PROHIBITION OF ACCEPTING OR OFFERING MATERIAL GAINS

In the performance of their duties, Company employees are prohibited from accepting or soliciting material gains offered by any person or company, including customers and suppliers of the Company.

Material gains are construed as, in particular, cash, gifts, prizes, credits, trips, employment or services provided by customers, contractors, suppliers, etc.

Material gains may only be accepted when the item in question is of advertising or promotional nature or has a low value – not exceeding PLN 200 – and is given customarily during ceremonies without requiring reciprocity.

If the item's value exceeds PLN 200 or is difficult to estimate, the employee who has received it must immediately report it to the supervisor.

Company employees must not accept invitations deemed material gains (dinners, banquets, excursions) extended by contractors or business partners if this would harm the Company's relationships and transactions.

In performing their duties, Company employees must not offer to contractors, clients or other entities working with the Company such material gains that could influence the establishment of a business relationship between these entities and the Company or the terms thereof.

Furthermore, no Company employee shall – either voluntarily or under pressure – promise or give to a government official any cash or goods in kind, irrespective of the quantity or value thereof, in exchange for doing business or favouring the Company's interests. Exceptions in this regard include small gifts or courtesies provided occasionally at Company presentations, events, and other gatherings.

### 14. CONFLICT OF INTEREST

The Company prohibits the copying and use of Company-owned materials and information without the Company's permission.

Employees must avoid any situations that involve or may involve a conflict between their personal interests (or the interests of their family members) and those of the Company, and must prevent situations that create a conflict between the Company's interests and the employee's personal interests.

The following policies are in place at the Company to protect both it and its employees from actual or apparent conflicts:

- a) employees may not own any interest in the businesses of suppliers, customers, competitors, consulting firms or



- contractors if doing so could influence their business decisions on behalf of the Company;
- b) employees are prohibited from making direct transactions with counterparties – i.e. customers, suppliers, intermediaries, consultants or other third parties – if they or their family members have an interest in the businesses of such third parties; if this is the case, the employee concerned must obtain written permission to do so;
  - c) employees may not work outside the Company for the Company's suppliers, customers or competitors, or perform any work that may adversely affect their performance or decision-making in the course of their duties.

Any situation that creates or contributes to a potential conflict of interest between an employee's private interest and the interests of the Company must be reported immediately and directly to the person responsible. Employees must inform their immediate supervisor in writing about conducting any business for another company or the existence of any relationship of a financial, commercial, professional, familial or personal nature that could affect the impartiality of financial business with a third party.

The above information shall be provided by the employee upon becoming aware of this policy or, if such a situation arises at a later time, immediately thereafter.

## 15. UNFAIR COMPETITION, MONOPOLISTIC PRACTICES

The Company competes fairly with its market competitors and does not undermine their reputation, focusing on its own capabilities instead.

When dealing with competitors, Company employees must avoid situations that enable the sharing of confidential Company information.

The Company obtains information on competitors solely through fully legal means. Kuźnia Polska S.A. never uses such illegal means as industrial espionage, employing competitors' personnel and inducing competitors' personnel to disclose any information held.

The Company does not engage in unlawful restrictive trade practices.

Competition is a priority aspect of the Company's market operations and the Company is committed to complying with all the applicable competition laws wherever it does its business.

The Company and its employees must avoid such activities as establishing price-fixing cartels, market sharing practices, restricting sales or production, entering into tying arrangements, etc., which may constitute violations of competition laws.

## 16. REPORTING VIOLATIONS AND NO REPERCUSSIONS PRINCIPLE

Upon discovering any irregularities, the following actions should be taken:

1. Immediately notify the Human Resources Department; this can be done in person, in writing, or by emailing [dział.kadr@kuzniapolska.com](mailto:dział.kadr@kuzniapolska.com).
2. The Company is committed to maintaining complete confidentiality and to objectively investigating any matter reported.
3. Complaints will be reviewed no later than 2 weeks after they are received.
4. In case of any irregularities, the Management of Kuźnia Polska shall take immediate action against persons acting in a manner inconsistent with the principles and values set forth in this Code of Conduct.

Exercising the right to report misconduct by an employee is not and must be a basis for treating that employee less favourably, using harassment, repercussions or retaliatory behaviour of any kind, nor can it lead to justifying the termination of an employment contract or termination of an employment contract without notice. This principle also applies to anyone who assists in any matter reported. Pressuring employees not to file complaints or concerns is prohibited. Kuźnia Polska S.A. requires absolute compliance with the no repercussions principle and





encourages full cooperation in reporting and investigating complaints.

## 17. FINAL PROVISIONS

This Code of Conduct affirms the highest standards of honesty and integrity in our interactions.

Each employee will be issued a copy of this Code of Conduct and be able to review it thoroughly and all supervisors will discuss the issues outlined herein with their subordinates.

All employees are responsible for ensuring that their conduct, as well as the conduct of their direct subordinates, is in full compliance with this Code.

The Company expects its employees to fully adhere to this Code of Conduct.

To properly comply with the Code of Conduct, all Company employees should:

- a) fully familiarise themselves with their responsibilities, as well as participate in the appropriate training,
- b) act and behave in accordance with our written policies and refrain from any action that may harm the Company or compromise its integrity, impartiality or reputation,
- c) promptly report any violations of the Code of Conduct,
- d) consult with the Human Resources Department to obtain information on how to interpret the Code of Conduct.

Violation of certain instructions can have a strong negative impact on the company's image, business relations and financial position.

Unethical conduct resulting in significant social and organisational harm may result in sanctions against employees, as provided for in the Labour Code, including termination of employment.

Additionally, if warranted by the given circumstances, the Company may initiate civil or criminal proceedings against the employee and apply appropriate sanctions.

