

# **Code of Ethics in the VRG S.A. Capital Group**

## **1. Definitions**

- a) Company - VRG S.A. with its registered office in Kraków;
- b) Group - the Company together with its subsidiaries, i.e. as at the date of adoption of the Code with its following subsidiaries: W.KRUK S.A. in Kraków, DCG S.A. in Warsaw, VG Property Sp. z o.o. in Kraków, Wólczanka Shirts Manufacturing Sp. z o.o. in Kraków;
- c) Code - this Code of Ethics;
- d) Management - the Management Board of the Company and the Management Boards of the subsidiaries within the Group;
- e) Employees - the Management and persons employed by the Group under employment or other civil law contracts, as well as persons representing the Group.

## **2. Purpose of the Code**

Collecting and clearly defining the rules and requirements for the Employees is essential for the proper functioning of the Group. This Code has been created to achieve this objective, so that healthy relationships, both professional and social, underpin the Group and contribute positively to its development.

## **3. Who does the Code apply to?**

Each Employee, regardless of position and responsibilities, contributes to the Group's development through their work. Therefore, the scope of the Code extends to all Employees, setting a framework of preferred attitudes, so that key ethical models and standards are present at every level. For this reason, it is essential that each Employee is familiar with the contents of the Code and respects its provisions. This includes not only following the guidelines of the Code in their actions, but also asking superiors to clarify doubts and reporting situations that indicate a violation of the rules of social coexistence or code of good practice.

#### **4. Role of Management**

The Management is obliged to promote by its attitude the values and standards set out in the Code. In particular, the Management ensures that each Employee is familiar with the content of the Code, that they fully understand the content of the Code and react to any violation of the Code. To this end, it is advisable to encourage the Employees to openly report any ambiguities or violations of the Code and to ask questions about the content and implementation of the Code.

#### **5. Role of Employees**

The proper functioning of the Code requires its application by all Employees. It is the responsibility of each Employee to be familiar with the principles of the Code and to adhere to them in all of their activities and business dealings. The Employer makes the Code available to the Employees. The content of the Code is available for review from the line manager and through the Company's official website [www.vrg.pl](http://www.vrg.pl). It is also important to ensure that the content of the Code is properly understood. Every Employee has the right to obtain clarification of provisions of the Code that are questionable to them. For this purpose, they should contact their line manager, senior manager, Audit Director or the Compliance Officer. Commitment of the Employees to the development of the Group is extremely important and should also manifest itself in relation to the Code. The Employees have the right to raise and propose their own ideas to improve the implementation of the Code and to contribute to solving existing problems. Any request or proposal should be addressed to the Management Board of the Company.

#### **6. Violations**

Identified or potential violations of the Code should be promptly reported by the Employees to their supervisors or in accordance with an internal reporting procedure or, if possible, self-corrected. However, any communication with the media, in particular with the press or other media, shall be made exclusively through the Company's Management Board and the authorised persons responsible for the Public Relations area. In order to prevent the Employees from reporting violations of the Code due to the possible negative consequences, the protection of personal data and confidentiality shall be ensured. Unless the person making the report wishes otherwise, anonymity shall be guaranteed and the entire process of clarifying the information received shall be carried out discreetly. Legal advice shall also be provided to the applicant. It should be pointed out that, irrespective of the above provisions, disclosure of the data of the person making the report shall be possible when it is required by law.

The details of the person concerned shall also be kept confidential so that they do not suffer negative professional and social consequences if the allegations are not confirmed. The investigation to clarify the situation shall be carried out discreetly until clarified, and the person concerned shall be given the opportunity to seek legal advice.

The Group shall carefully review each reported violation. During the investigation, it:

- forms an objective team to investigate the case;
- identifies facts based on interviews and/or document review;
- recommends corrective action, if necessary;
- provides feedback on the outcome of the investigation to the person who reported the violation (if the person is not anonymous).

## **7. Values**

Each Employee shall, in the course of all their activities and business relations, observe the principles set out below and promote them.

### **Cooperation**

In its development activities, the Group also looks after the other party's interests. Establishing cooperation based on balance, mutual respect and consideration of the needs of both parties, as well as searching for a compromise, shapes not only the Group's relationships with external entities, but first and foremost, within the Group itself, at the level of relationships between co-workers.

### **Professionalism**

It is thanks to the professionalism, hard work and commitment of its Employees that the Group has been able to develop and achieve the market position it has today. Continuous improvement of qualifications combined with a reliable approach to the entrusted duties allows for effective performance of tasks, to the benefit of the Group and its business partners, positively influencing the image and good name of the Group in the eyes of external entities, in particular Clients.

### **Respect**

Respect for both co-workers and external parties as well as respect for their dignity is one of the fundamental principles guiding the Group's activities. The Group stresses that the diversity of its Employees is related to their equality. Any form of discrimination based on nationality, age, gender, race, ability level, sexual orientation, religion or political belief is unacceptable.

### **Transparency**

The Group cannot function without clear and understandable requirements and rights. Informing the Employees of their status, responsibilities and decisions taken in relation

to them should be done in a way that is understandable to them. The same objective is pursued by the Group in its relationships with external entities, where transparency is essential to avoid misunderstandings and disputes.

## **8. Compliance with the law and integrity**

Each employee is expected to know and comply with the laws and regulations applicable to their job. Knowledge of and compliance with the laws and regulations under which the Group operates is fundamental. Respect for the law is absolutely essential. Engaging in unfair acts and practices may adversely affect clients' confidence and the Group's good name, may result in criticism from regulatory authorities, litigation, penalties and other negative consequences for the Group.

All employees are expected to be honest and trustworthy in all their actions and business relationships.

## **9. Business relationships**

Each employee needs more than just knowledge and experience to work at maximum efficiency. It is also necessary to ensure the right atmosphere and good relationships between Employees, which is why each of them should:

- strive to build positive relationships with co-workers and be friendly towards them;
- be firm in their opposition to harassment, discrimination and mobbing and respond appropriately when they observe it;
- respect the co-workers' personal interests, in particular their dignity and good name;
- present a high level of personal culture in relationships with co-workers and external entities.

## **10. Equal employment opportunities and relationships with employers**

The Employees are provided with equal opportunities for employment, promotion and supporting their development.

The Group makes employment decisions based on qualifications for particular positions and on acquirements, which include education, experience, skills, abilities and performance.

The Employee evaluation is conducted according to objective and fair criteria. Instructions and expectations presented to the Employees should be clear and presented in an understandable manner.

The Group complies with all laws relating to freedom of association, privacy, collective agreements, immigration, working time, remuneration and working hours, as well as laws prohibiting discrimination and mobbing at work.

The Employees should:

- act with respect for the Company's property, keep the Company's secrets, take care of the protection of information and personal data;
- report any activity that might endanger the physical safety of an Employee or a third party while conducting business on the Group's premises;
- take care of a good image of the Company and the Group, in particular while performing their duties, as the actions of Employees affect the good name of the Company and the Group and the perception of professionalism of the Employees;
- not conduct private financial or securities transactions if they are in possession of confidential information relating to the matter in question.

## **11. Avoidance of conflicts of interest**

An important element affecting the effectiveness of the Group's activities and its development is the loyalty of its Employees, which may be adversely affected by a conflict of interest that may occur when an Employee, due to the interrelation of personal and professional interests, is unable to maintain the required level of objectivity and loyalty in performing their duties.

To avoid the conflict of interest phenomenon described above, the Employee should:

- not take advantage of their position, nor should they share business information in order to benefit themselves or persons close to them;
- act in accordance with the recommendations of the Anti-Corruption Procedure in the VRG S.A. Capital Group;
- not undertake any activities that are inconsistent or competitive with the Group's business or which may adversely affect the Group's reputation or good name;
- avoid potential situations where persons close to the Employee would be in a subordinate relationship to the Employee;
- refrain from participating in decision-making processes in which their integrity, objectivity and loyalty to the Group could be called into question;
- ensure that nothing interferes with the Employee's ability to make business decisions in the best interests of the Group;
- not use the Group's resources, intellectual property, time or Company facilities for personal gain.

## **12. External relationships**

The Group maintains relationships with various entities in the course of its business. These include not only business partners, but also governmental and non-governmental organisations, media, Clients and competitors. Each relationship is based on the principle of respect for the other party. This is also expressed in communicating the assumptions and values contained in the Code and respecting the ethical values of the other party.

### **Relationships with business partners**

When selecting business partners and assigning tasks to contractors, the Group selects entities that comply with the law and free market principles, which enables the establishment of healthy and transparent business relationships. Cooperation should be mutually beneficial and based on fair practices. In its relationships with business partners, the Group is governed by the fundamental principle of freedom of contract, as a result of which the exchange of services and settlements are made in accordance with the contractual terms, while the Group informs the other party about any possible delay in meeting its obligations, providing an appropriate explanation.

The Group promotes respect for human rights in its own supply chain.

### **Relationships with Clients**

Developing a good name on the market is particularly important from the perspective of relationships with Clients. Compliance with procedures, clear and understandable definition of the principles of cooperation, attention to information protection, ensuring respect for the rights of the Client and showing it interest and respect are the determinants of the formation of a good relationship. The Group continually strives to understand the needs and expectations of the Clients in order to provide them with the right products and services.

### **Relations with the competitive environment**

Also, in the area of competition with other entities, the Group strives to act fairly and responsibly by avoiding discrediting competitors, defamations, unfair market practices or displaying a hostile attitude.

The Group complies with competition laws, does not collude with other companies on prices offered to clients, does not enter into agreements with competitors on the allocation of markets or clients and does not manipulate the bidding process.

The Group complies with applicable intellectual property laws - it avoids unauthorised use of intellectual property belonging to other individuals or organisations and protects its intellectual property and enforces its rights in this regard.

### **13. Local community**

The Group strives to create good relations and a positive atmosphere not only in the business sphere, but also in its relationships with local communities. Wherever it operates, the Group wants not only to contribute to economic development but also to be regarded as a good neighbour and a valued part of the community. This manifests itself in particular in supporting selected initiatives of a charitable nature, selected educational projects aimed at supporting vocational training in fields related to the Group's business, as well as promoting sports and a healthy lifestyle, participation in culture and care for the environment.

The Group's involvement in selected local initiatives aimed at improving the quality of life of local people is based on an analysis of the impact of the Group's activities on the local community, and takes place in an atmosphere of partnership and dialogue.

### **14. Environmental protection and awareness**

Caring for the environment is important to the lives of both present and future generations, which is why the Group and its Employees act in compliance with environmental regulations and in cooperation with relevant institutions and organisations to minimise the negative impact of the Group's development on the environment.

The Group's pro-environmental policy is not limited to compliance with regulations in force in this area, but also postulates an active attitude, which is reflected in a number of activities aimed at preserving the natural environment, including participation in environmental protection campaigns and the promotion of an ecological lifestyle among employees and business partners.

The Group also requires its business partners to comply with environmental regulations and strives to ensure that all materials and raw materials purchased in connection with its operations are as environmentally friendly as possible.

### **15. Consequences of non-compliance with the Code**

The Management and Employees who do not comply with the principles set out in the Code are subject to disciplinary sanctions. Examples of actions that may result in disciplinary action are:

- Violating the law or internal regulations or requiring others to do so;
- Retaliation against an Employee for reporting a violation;
- Failure to cooperate fully and fairly in the ongoing investigation of a potential violation.

Rules previously in force which apply to the Group's Employees shall remain in force, provided that they do not contradict the provisions of this Code.

In the event of any differences between the rules previously in force and the provisions of the Code, the standard expressed in the Code shall apply, subject to applicable laws.