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Śnieżka Group
Supplier Code
of Conduct

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Introduction

The Śnieżka Group is a company that operates on the basis of a clearly defined organizational values. In our business activities, we are driven by the principle that enterprises ought not only generate economic profit, but also provide benefits to the environment, local community and their stakeholders, and thus strive for sustainable development.

Organizational values are the DNA of our organization - they set the principles of operation and foundations of attitudes at all levels, and at the same time support the way of achieving ambitious business and sustainable development objectives.

Our organizational values have been defined in four areas:

- **Customer** – understanding the customer’s perspective and providing optimal products and services (in relation to internal and external customers).
- **People** – creating a culture of commitment and responsibility by building a climate of cooperation and development in a safe work environment.

- **Innovation** – continuous search and implementation of new (digital) solutions and better ways of operations.
- **Business efficiency** – standardization of activities, rational management of resources and decision-making based on data and facts, taking into account a strategic perspective.

These values are also the basis for activities related to the supervision of the supply chain and building long-lasting rapport with suppliers. Our overriding aim is to cooperate with those Partners who understand and share our concern for sustainable development, and in their actions strive to develop their practices in areas where the Śnieżka Group also sets itself ambitious aims.

In the Supplier Code of Conduct below, we have included a set of principles that should be followed by every Partner collaborating with us. Compliance with these principles should form the basis of joint business relationships.



Who is the Supplier Code of Conduct addressed to?

This Supplier Code of Conduct applies to suppliers of goods and services, sellers, contractors, subcontractors, intermediaries, consultants, agents who liaise with entities of the Śnieżka Group. We expect each Supplier to ensure that the practices and policies described in the Supplier Code of Conduct are passed on to all of its employees. The Supplier Code of Conduct is binding for all Suppliers of the Śnieżka Group irrespective of the type of activity, the manner of orders execution, the area of business or cultural differences.

If, in the supplier's country of operation, the law or internal regulations regarding the issues covered in the code are more restrictive, we expect compliance with the more restrictive regulations.

Confirmation of knowledge and compliance with the principles of the Code of Conduct is a requirement for cooperation with the Śnieżka Group.

What is the basis of the Supplier Code of Conduct?

The Śnieżka Group conducts its business activities with the utmost care for the environment, local community and its employees and shareholders. The basis of these activities are: Strategy, Code of Ethics and Policies. We also apply internationally recognized standards, such as the UN Global Compact or the UN Guidelines for Multinational Enterprises. We constantly improve our Group management model based on competence centres and we are engaged in a number of corporate social responsibility projects.

Protection of the environment, climate and sustainable development

The Group constantly monitors and manages the environmental and climate aspects by conducting its operations with due diligence. The strategic objective of the Śnieżka Group is to protect natural resources by complying with environmental requirements and creating appropriate pro-ecological attitudes among its employees. The company has identified and documented significant areas of the impact of its activities on the environment and climate in its Climate Policy and the Quality, Environment and Health and Safety Policy of the Śnieżka Group.

What do we expect from the Supplier?

- Compliance with applicable law in relation to its business activities.
- Taking actions aimed at limiting the negative impact of its activities on the natural environment and climate change.
- Compliance with the applicable law on waste management, striving to minimize the generation of waste resulting from the conducted activity and ensuring proper management of the generated waste.

- Taking actions to reduce the consumption of raw materials and natural resources and their rational management.
- Taking actions to reduce energy consumption.
- Taking actions to minimize greenhouse gas emissions, including carbon dioxide, resulting directly and indirectly from the supplier's activities to the extent appropriate to the scale and type of activities carried out by the supplier.
- Undertaking activities regarding assessing its activities in terms of the risk of negative impact on the environment.
- Undertaking activities in the field of monitoring water and wastewater consumption.
- Undertaking activities to increase the awareness of employees and partners in the field of counteracting environmental pollution and the benefits resulting from its reduction.
- Undertaking activities within the use of „green” technologies.
- Commencement and/or follow-up of the carbon footprint calculation (Scope 1, 2 and ultimately 3).

Respect for human and employee rights

The Śnieżka Group perceives its employees as a valuable asset and appreciates their contribution to the company's development. Policies related to human resources management aim at building an organizational culture based on trust between the employer and the employees. Counteracting discrimination and diversity-based management are implemented in the company from the moment of recruitment through the entire employment process. The priority of the Śnieżka Group is development and improvement of its employees who represent the Company's values by their attitude.

What do we expect from the Supplier?

- Compliance with international standards for the protection of human and employee rights, in particular the prohibition of forced labour, slavery, child labour under the age of 15 and providing special care to employees under the age of 18.
- Counteracting discrimination based on sex, race and ethnicity, age, religion, psychosexual orientation, worldview, disability and type of employment.
- Counteracting mobbing and harassment.
- Respect workers' rights to freedom of association and collective bargaining where permitted by local law.

- Transparency of personnel activities.
- Ensuring friendly and decent employment conditions i.e. compliance of working conditions, working hours as well as salaries and benefits with local regulations.

Health and safety at work

One of the strategic objectives of the Śnieżka Group is to maintain the highest level of occupational health and safety. Manufacturing activities are carried out with providing the employees with free of charge personal protection, in compliance with the current legal regulations and taking into account the best practices in this area.

What do we expect from the Supplier?

- Implementation of activities in the area of continuous improvement of occupational health and safety.
- Ensuring appropriate protection measures to achieve the objectives in this respect.
- Involving employees in the processes of creating safe working conditions.
- Improving qualifications through regular training related to occupational health and safety.



Social involvement

Active implementation of activities related to corporate social responsibility results from striving for a balance between economic effectiveness and the broadly understood social interest. Social responsibility in this meaning is the Company's activities mainly for equalizing opportunities through various social initiatives. The beneficiaries of the Śnieżka Group's activities are mainly children and youth from local communities. The Group is supported by the Śnieżka Foundation in achieving these goals.

What do we expect from the Supplier?

- On-going support for local initiatives.
- Activities in the field of corporate social responsibility, such as involvement in environmental and education initiatives, related to employee development, social campaigns, etc.

Corporate governance and compliance with the law

Compliance with the law is one of the basic principles of business activity for the Śnieżka Group. FFIL Śnieżka SA – the parent company in Śnieżka Group, as listed on the Warsaw Stock Exchange, has transparent management procedures. In our activities, we try to balance the interests of the parties through the implemented best supervisory standards and practices, building relationships between the shareholders and stakeholders of the Śnieżka Group. We are constantly working on improving our management model.

What do we expect from the Supplier?

- Keeping transparent accounting in accordance with applicable law.
- Fulfilling business obligations, including the settlement of taxes and other fees resulting from legal provisions.
- Fulfilling obligations towards business partners.
- Counteracting any form of corruption.
- Applying supervisory and control procedures in the management of the organization, taking into account internal and external audits.
- Ensuring the security of personal data and confidential information.
- Adherence to the principles of fair competition.
- Avoiding conflicts of interest with employees of the Śnieżka Group.
- No retaliation against anyone who reports or suspects inappropriate behaviour in good faith.

Implementation of the Supplier Code of Conduct

Each of the areas included in the Supplier Code of Conduct requires continuous development and implementation of numerous solutions. We expect our Suppliers to pursue an active communication policy in this regard and, if necessary, to undergo monitoring of the above-mentioned aspects through the audit procedure.

By signing "Statement on compliance with the Śnieżka Group Supplier Code of Conduct", Suppliers declare their readiness to undertake ethical business activities. Confirmation of knowledge and readiness to comply with the principles of the Supplier Code of Conduct is a requirement for cooperation with the Śnieżka Group.

The Śnieżka Group reserves the right to verify whether its direct Suppliers comply with this Supplier Code of Conduct. This verification may be carried out in various ways, such as self-assessment surveys or audits at the supplier's facilities, with sufficient advance notice.

In the event of receiving information about irregularities that may have a negative impact on the image of the Śnieżka Group, we reserve the right to terminate the agreement with the Supplier.

Reporting violations and protection of the reporting person

A confidential breach reporting channel is available at www.sniezkagroup.com/whistleblowing.

The Śnieżka Group undertakes to protect employees and business partners revealing violations of the law or the provisions of the Supplier Code of Conduct against the adverse effects of a decision to disclose irregularities and to apply applicable law to persons violating the personal rights of employees and their business partners.

The Śnieżka Group does not tolerate threats or retaliation against people reporting violations of the Supplier Code of Conduct in good faith. We ensure that any employee reporting a violation cannot be fired, demoted or suspended from work as a result of doing so.

The unit supervising compliance with the Supplier Code of Conduct:

Management Board of FFIL Śnieżka SA

Implementation:

The subsidiaries of the Śnieżka Group are obliged to implement the Supplier Code of Conduct in their daily work. All subsidiaries of the Śnieżka Group are required to take appropriate actions to pass on the provisions of this Code to their employees. The Supplier Code of Conduct is supplemented by detailed guidelines.

Refers to: The subsidiaries of the Śnieżka Group

Approved by: Piotr Mikrut, President of the Management Board

Document type: Code

Reference: HR Policy of the Śnieżka Group, Diversity Policy of the Śnieżka Group, Respect For Human Rights Policy of the Śnieżka Group, Anti-Corruption Policy of FFIL Śnieżka SA, Quality, Environmental and Health and Safety Policy of the Śnieżka Group, Climate Policy of the Śnieżka Group, Information Policy of FFIL Śnieżka SA Cyber Security Policy of the Śnieżka Group, Social Involvement Policy of the Śnieżka Group and Procurement Policy of the Śnieżka Group and Code of Ethics.

The Śnieżka Group reviews the Supplier Code of Conduct on a periodic basis in order to ensure its adequacy and suitability for the operations conducted by the Group. The most recent version applies in each case.

Version: 001

Approval date: 10 October 2022



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**Statement on compliance
with the Śnieżka Group Supplier Code of Conduct**

I declare that I have read the Śnieżka Group Supplier Code of Conduct and declare compliance with the described requirements.

Company's name and address:

Supplier's signature