

Śnieżka Group

Supplier Code of Conduct

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Introduction

The Śnieżka Group operates based on a clearly defined set of 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** – constant search and implementation of new (digital) solutions and better ways of doing things.

- **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 longlasting rapport with suppliers. The Group strives to do business with partners who understand and share the concern for sustainable development, and in their activities they aim at developing their practices in areas in which the Śnieżka Group also sets itself ambitious objectives.

In this Supplier Code of Conduct, we have included a set of principles that should be followed by every Partner collaborating with us. The observance of them should form the basis of joint business relations.

The Supplier Code of Conduct is one of the elements of the Śnieżka Group's implementation of the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights. In case of doubts as to the content of the provisions of this Code, including the scope of suppliers' obligations, it should be interpreted in line with the above-mentioned guidelines.

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 herein are passed on to all of its employees and subcontractors. Suppliers who have their own procedures that meet the same standard of care for sustainable development, i.e. primarily human rights, employee rights, environment and corporate governance, are exempt from the obligation to provide information about practices and principles to their subcontractors. 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 are constantly improving our Group management model based on competence centres and we are engaged in several corporate social responsibility projects.



Environment, climate protection and sustainable development

The Group is constantly monitoring and managing 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.
- Implementation of due diligence policies throughout the value chain, including the identification of risks to human rights and labour rights and the implementation of preventive procedures.

Occupational health and safety

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- equipment (PPE), 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 goals in this regard.
- 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 sense denotes activities chiefly aimed at 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 legal compliance



Compliance with the law is one of the basic principles of business activity for the Śnieżka Group. FFiL Śnieżka SA – the parent company of the Śnieżka Group, as a company listed on the Warsaw Stock Exchange, has transparent management procedures. In our activities, we try to balance the interests of the parties by implementing the best supervisory standards and practices, building rapport with shareholders and stakeholders of the Śnieżka Group. We are constantly working to improve 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 "Acknowledgment of the Śnieżka Group's Supplier Code of Conduct", Suppliers declare their readiness to undertake ethical business activities, including their implementation within the entire value chain. Confirmation of knowledge and readiness to comply with the principles of the Supplier Code is a condition 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

Conducting ethical and honest business is primarily about having no tolerance for unacceptable behaviour. The basic prerequisite for taking an effective response to violation of the

rules is knowledge of such a situation, therefore we have implemented an Internal Reporting Procedure that defines the rules for making reports through the channels provided. A reporting person, who, while performing work or providing a service in favour of a company from the Śnieżka Group, has received information about a violation or has suspicions of a violation, should submit a Report via the selected reporting channel.

Reporting channels available at FFIL ŚNIEŻKA SA.:

- 1) EY VCO platform – confidential, internal reporting channel available at: <https://sniezkagroup.vco.ey.com/>;
- 2) by sending an e-mail to: zgloszenia.zarzad@sniezka.com.
- 3) by sending a letter to:
President of the Management Board
Fabryka Farb i Lakierów „ŚNIEŻKA” S.A.
ul. Dębicka 44, 39-207 Brzeźnica
with the a note „**Do not open - personally to the addressee**”

If the Report concerns a Member of the Management Board of Fabryka Farb i Lakierów „Śnieżka” S.A. or a member of the Team reviewing reports, the Reporting person has two available reporting channels:

- 1) by sending an e-mail to: zgloszenia.radanadzorcza@sniezka.com.
- 2) by sending a letter to:
Name and surname of the member of the Supervisory Board
Fabryka Farb i Lakierów „ŚNIEŻKA” S.A.
ul. Dębicka 44, 39-207 Brzeźnica
with a note „**Do not open - personally to the addressee**”

Reporting denotes providing information about observed or suspected violations, i.e. actions or omissions that are illegal or intended to circumvent the law, in particular violating or circumventing applicable internal procedures in the Śnieżka Group, including any unethical behaviour or omissions, conflict interests or corruption. Reports can be submitted by employees as well as contractors. In each case, the personal data of the person providing information about the violation and the person to whom it relates are protected and will be used only for the purpose of conducting an internal inquiry.

The EY VCO platform provides the opportunity to submit an anonymous report. However, if the reporting person leaves their contact details, the company from the Śnieżka Group in which the violation occurred undertakes to maintain confidentiality and protect the identity of the reporting person and information that could directly or indirectly help identify the identity of this person. The company from the Śnieżka Group in which the violation occurred undertakes to protect the reporting person, the person assisting in filing the report and a person related to the reporting person (e.g. a family member) against retaliatory actions or other types of unfavourable or unfair treatment, understood as negative consequences of the decision to the person providing information about the violation. Those who in good faith report information about an

observed or suspected violation can be assured that they will not be subject to retaliation, such as termination without notice of the employment relationship or legal relationship based on which work is or is to be performed by the reporting person, demotion, suspension from professional duties, reduction of remuneration, mobbing or discrimination. Attempts or threats of such actions are also considered retaliatory actions.

This Supplier Code of Conduct and the principles and standards of conduct described therein apply to the entire Śnieżka Group

Reference: HR Policy of the Śnieżka Group, Diversity Policy of the Śnieżka Group, Respect For Human Rights Policy of the Śnieżka Group, Anti-bribery 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, Information Safety Policy of the Śnieżka Group, Social Involvement Policy of the Śnieżka Group and Procurement Policy of the Śnieżka Group and Supplier Code of Conduct.

FFIL Śnieżka SA periodically (at least once a year) reviews the Supplier Code of Conduct to ensure its adequacy and suitability for the activities conducted by the Group. The most recent version applies in each case.

Version: 002

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Śniežka SA

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ul. Dębicka 44

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Acknowledgment of the Śnieżka Group's Supplier Code of Conduct

I declare that I have familiarized with the Śnieżka Group's Supplier Code of Conduct and I undertake to comply with the principles contained therein.

Company's name and address:

Name and surname and position of the Supplier's representative:

Supplier's signature