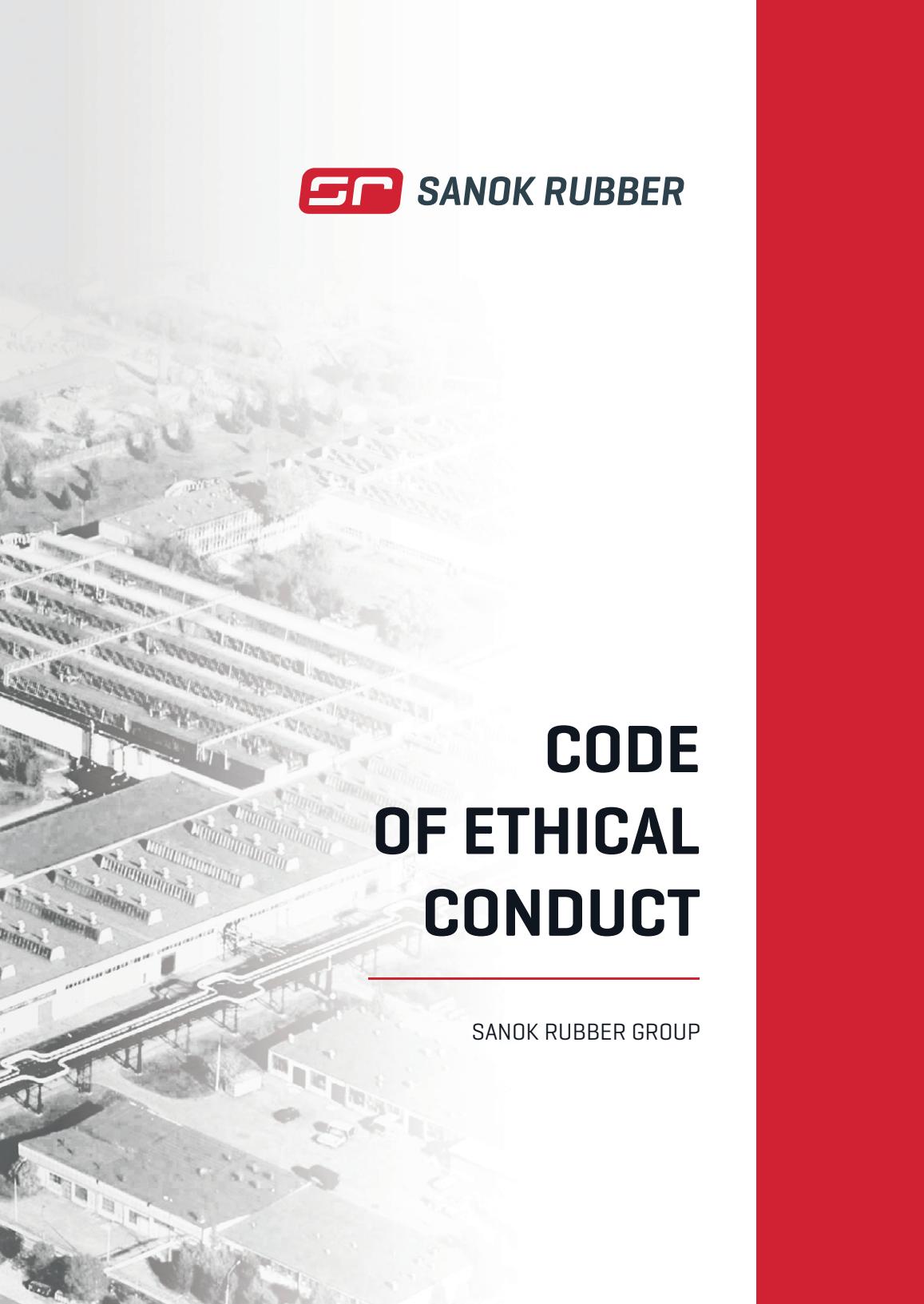




**SANOK RUBBER**



A black and white aerial photograph of a large industrial facility, showing multiple interconnected buildings, parking lots with several cars, and a network of roads and walkways. The facility appears to be a rubber manufacturing plant, consistent with the company's name.

# **CODE OF ETHICAL CONDUCT**

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SANOK RUBBER GROUP

Code of Ethical Conduct  
– Sanok Rubber Group

**1st edition**, valid from 01.09.2016



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## **1. INTRODUCTION**

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Sanok Rubber Group performs its tasks on the basis of the core principles of corporate social responsibility. This means taking into account social and environmental issues during all performed activities, accounting for impact on society and the environment, transparency, ethics of conduct, respect for interests of business partners, respect for law, including human rights, and respect for international standards of behaviour.

Sanok Rubber Group observes the provisions of the UN Universal Declaration of Human Rights, core International Labour Organisation conventions and Guidelines of the Organisation for Economic Cooperation and Development intended for international companies. At the same time, we strive to make this Code compliant with the guidelines of the aforementioned organisations.

The Group endeavours to make all entities that have business relations with it to accept and adopt the principles of the Code.

## **2. OBJECTIVE OF ESTABLISHING THE CODE OF ETHICAL CONDUCT –**

The major objective of the Code of Ethical Conduct functioning in Sanok Rubber Group is promotion of attitudes and principles of conduct during everyday work arising from the need to build ethical culture. The Code's objective is to make it easier for all workers and cooperating entities to shape attitudes and make right choices by indicating ethical standards applicable in the Group.

Values included in the Code arise from the Group's culture based on respect for the welfare of its workers, the environment and stakeholders.

The Code contains standards of conduct adopted in Sanok Rubber Group and it constitutes guidelines with regard to the Group's relations with co-workers, customers, suppliers, competition, the social and natural environment. Guidelines included in the Code do not exempt workers from the obligation to conduct assessment of a given situation which may affect the Group's reputation on their own.

Each person employed in Sanok Rubber Group, suppliers of materials and services as well as other interested parties are obliged to observe the Code of Ethical Conduct.

### **3. OUR CORE VALUES**

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Considering the overarching principle of respect for the rule of law, observing international standards of conduct and our sense of responsibility for the impact exerted by our activity on the environment, we declare that we shall act in accordance with the core ethical values.

#### **RESPONSIBILITY**

During building the Group's value and reputation, we assume responsibility for our impact on the environment. Irrespective of our standpoint, we make every effort in order to make full use of our knowledge and skills. Decisions are made in a responsible manner and agreements as well as obligations are implemented consistently.

We conduct our business activity in the spirit of sustainable development and corporate social responsibility.

#### **TRANSPARENCY**

This value is strengthened by clear communication with co-workers and business partners. We clearly communicate rights and requirements. At the same time, it provides workers with necessary resource base to perform their tasks.

Our cooperation with customers, contracting parties and other stakeholders is characterised by openness and lucidity regarding presentation of reasons for our actions.

#### **RESPECT FOR HUMAN RIGHTS AND PARTNERSHIP**

We respect human rights, including freedom, equality, right to work, legal protection, social protection, education and starting a family. Our decisions and actions do not violate dignity of people and entities. We build long-term relations based on mutual respect, trust and mutually beneficial relations with our workers and business partners.

## **4. WORKERS**

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### **4.1. Personal strategy**

Creation of a climate enabling fulfilment of the needs and expectations of both workers and the employer and, consequently, building high efficiency work culture constitutes a significant component of our personal strategy.

We search for, employ and support development of the workers' professional career on the basis of their qualifications and skills. The recruitment and professional career path process, staff evaluation and promotion take place in the manner ensuring equal treatment of workers and job applicants.

The workers are forbidden to accept or solicit advantages, exert pressure on co-workers or offer favours whose aim is to employ a given person, change terms and conditions of employment or ensure promotion.

We support fulfilment of the workers' professional ambitions by their professional development. Workers who improve their skills and qualifications develop along with the Company. Each worker is obliged to perform their tasks making use of their qualifications, the best knowledge and skills.

The Group ensures financial means and determines the basic training policy.

Our business relationship is based on integrity, clearly defined requirements and expectations.

### **4.2. Forced labour**

Forced labour means labour performed by a given worker against their will for which they receive no remuneration or for which they receive remuneration which does not comply with the applicable law. No forms of forced labour are permissible. We do not benefit from these forms of labour. The Group does not force anyone to work or provide services and it does not impose penalties if somebody refuses to do so. We accept only voluntary work and provision of services. We do not benefit from forced prison labour as well.

### **4.3. Absence of discrimination and prosecution**

All workers are treated equally, irrespective of their sex, age, occupational position, seniority, outer appearance, disability, nationality, religion, political convictions, trade union membership, belief, sexual orientation, property status, employment for a definite or indefinite period of time, full-time or part-time employment or other conditions on which discrimination is based. At the same time, we make every effort in order to oppose all forms of discrimination, harassment and mobbing in the Sanok Rubber Group.

We respect freedom of opinion and expression as well as the right of people to have different views and express their opinion. However, we do not accept imposing somebody else's philosophy and its ostentatious presentation.

We do not accept slander and distribution of false information.

### **4.4. Right to form and join associations**

We respect our worker's right to freely form and join associations as well as to become members of political parties and associations.

Workers may freely form and join trade unions in accordance with local law and regulations of trade union organisations. Representative organisations created by our workers take active part in developing collective labour agreements. Workers participate in making decisions regarding their affairs, including the terms and condition of employment, through their representatives appointed in accordance with the applicable legislation and existing practices.

Sanok Rubber Group declares its willingness to constructively cooperate with the workers' representatives, engage in dialogue and aim to reach agreement relating to achievement of balance of interests. None of the workers' representatives is favoured or discriminated.

## **4.5. Not employing children**

Sanok Rubber Group decisively declares that it does not and will not employ children.

Non-strenuous work performed by children above the age of sixteen years for the purpose of apprenticeship which is not harmful to them and which does not impede their participation in classes or other activities necessary for their full development is not regarded as employment of children.

The Group also undertakes not to establish and maintain business relations with entities which employ children.

## **4.6. Occupational Health and Safety (OHS)**

The Group's objective is taking care of its worker's health and life as well as preventing accidents at work by ensuring proper work organisation as well as safe machines and tools.

We conduct various activities improving OHS:

- we arrange workstations in such a manner so that they prevent injuries and occupational illnesses, we apply technical solutions improving OHS,
- we conduct research on factors which are detrimental to health at the workplace and we conduct a risk assessment and identification of threats to workers,
- we limit workers' exposure to chemical agents, we broaden the awareness of workers, visitor and subcontractors by conducting trainings on OHS and presenting visualisations,
- we ensure the required protective equipment, including personal protective equipment, in order to prevent injuries, occupational illnesses and accidents at work.

We require absolute observation of the principles of safe work and acting in accordance with the developed procedures from our workers.

## **4.7. Balance between work and private life**

The principle of balance between professional work and private life is promoted in Sanok Rubber Group. Maintaining proper balance between work and private life is promoted by:

- limitation of work in overtime hours,
- observance of the principle of work within specific hours and
- limitation of cases where there is no possibility to benefit from leisure time during business trips.

## **4.8. Sanok Rubber Group's property**

The workers use the resources entrusted with them and other resources accessible to them. They use them in a responsible, efficient manner, only for the purpose of performing tasks for the benefit of the Group. The workers are responsible for the protection of the Group's property against its loss, damage, use in a manner which is not compliant with its intended purpose and use by unauthorised people.

## **4.9. Conduct outside the workplace**

All workers shape Sanok Rubber Group's image and reputation by their conduct.

We respect the right to privacy, taking into consideration that irresponsible behaviour of one worker may cause significant damage to the Group. Therefore, each worker must be aware of the fact that their public speeches and publicly expressed opinions cannot cause damage to the Group's reputation.

## **4.10. Contact with public institutions**

Contact with public institutions is made through authorised people and it takes place in compliance with the provisions hereof.

We cooperate with state institutions and is subject to the control of relevant entities in accordance with applicable law. Workers are authorised to provide institutions conducting control with information and are obliged to be fully involved and to cooperate with them.

## **5. BUSINESS PARTNERS**

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All established business contacts serve Sanok Rubber Group's best interest and are established with respect for the rights and for the benefit of the customers. We follow the principles of responsibility and trust in its relations with business partners.

Workers are obliged to avoid performing all activities which may result in a conflict of interest, including financial, personal or family interest. A situation which may constitute a conflict of interest should be reported to a relevant superior.

We take into consideration interests and fundamental rights of its stakeholders. It also reacts to concerns expressed by them.

### **5.1. Fair competition**

Fair cooperation with business partners based on the observance of competition law principles and antitrust law principles is Sanok Rubber Group's standard.

We are not engaged and do not participate in activities aiming at restricting competition. We support antitrust and antidumping practices.

We respect reputation of competitors, understanding that we contribute to the existence of the market. We do not compete with a brand, business conditions and the quality of offered products. At the same time, we take into account the social context of our activity and we do not make use of social situation, such as poverty, in order to gain an unfair competitive advantage.

## **5.2. Tackling corruption**

Corruption means misuse of entrusted powers in order to gain private benefits.

Sanok Rubber Group's workers are obliged to comply with the highest standards of integrity in their relations with co-workers and business partners inside and outside the Group.

The workers are not allowed to use business contacts in order to gain benefits for themselves or for the benefit of third parties or to act to the detriment of the Group. None of the workers grants or receives profits whose granting or receiving exerts influence on making a given decision.

We do not tolerate any forms of corruption, including accepting and offering money to public officials, persons related to public offices, legal entities or individuals.

Demanding, accepting, offering, transferring money or other benefits, except for occasional gifts, is prohibited. It is highlighted that provided gifts and services should be permitted by applicable law and small, commonly used and acceptable.

The maximum accepted value of a gift amounts to EUR 100.

We do not carry out activities regarded as money laundering and they do not accept and use money obtained as a result of criminal acts. We verify credibility of a given partner and legality of their business activity before we start business cooperation with them.

## **5.3. Prevention of conflicts of interest**

Taking care of Sanok Rubber Group's image, we undertake activities aiming at elimination of conflicts of interest.

The following situations may in particular cause a conflict of interest:

- worker's disposal (direct or indirect) of financial participations or having legal interest in a competitive company or another entity which is or which strives to become a customer, supplier or service provider,

- involvement of workers or members of their families [irrespective of a form of this involvement] in the work of another business entity which is or strives to become a customer, supplier or service provider of the Group or which conducts competitive activity,
- receiving unjustified personal benefits by workers from a third party due to their function in the Group and
- other situations where the worker's interest is contrary to the Group's interest.

We avoid situations in which their personal interests or interests of legal entities or natural persons they are related with are in conflict with the Group's interests. Situation which may constitute a conflict of interests should be reported to a direct superior who is obliged to select such a solution which will enable avoiding a controversial situation.

## **5.4. Respect for property rights**

In Sanok Rubber Group, we implement practices fostering respect for property rights, including traditional knowledge. We are not engaged in activities violating property rights as well as in forging and piracy. It also makes sure that it may use a given property or dispose of it in accordance with law. We ensure fair payment for property which has been acquired or used by it.

We use legal software and we use it in accordance with law.

# **6. NATURAL ENVIRONMENT**

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## **6.1. Prevention of pollution**

We identify environmental aspects of our business activity and we assess the impact of our decisions and activities on the environment. We also know the sources of environmental pollution as well as the waste sources.

We take measurements, record and report the results of our impact on the environment, including the amount of waste, raw material and energy consumption as well as the amount of waste produced. Negative influence on the environment

is counterbalanced by activities aiming at its protection.

At the same time, we use protective measures and we prevent release of hazardous substances into the environment when we use them in the production process.

Awareness-rising and educational activities are conducted among the workers in order to support activities aiming at the protection of the environment, both within the organisation and in the influenced area.

## **6.2. Sustainable resource use**

We reasonably use the environment, fulfilling all legal requirements. We identify the used resources and we take measurements, register and report their consumption. We search for and implement methods which improve efficiency of their use. At the same time, we reasonably manage natural raw materials and we undertake activities aiming at economical use of electrical energy.

## **7. LOCAL COMMUNITY**

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Operating within a specified community and local environment, we strive to maintain positive and mutually beneficial relations by means of financial support of cultural events, citizens' initiatives, activities of sports clubs, local health care, societies and associations helping those in need.

## **8. HANDLING OF INFORMATION**

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### **8.1. Personal data protection and data safety**

While conducting its business activity, Sanok Rubber Group gathers confidential data regarding its workers. These data are used only for particular purposes. It takes place in a manner which is compliant with the applicable provisions of law and with the best practices concerning data protection. Confidential personal data of workers, members of their family, customers, suppliers, job applicants and other groups of people are protected and safely stored.

The Group's workers are obliged to observe the requirements regarding data protection, provisions of law and internal regulations relating to protection of information.

## **8.2. Official secret and handling of confidential information**

Each worker is obliged to keep confidential the received information related to Sanok Rubber Group's activity and other non-public information. The Group does not disclose data which are significant for the implementation of business objectives and whose disclosure could be detrimental to the Group's interests.

The Group's workers and workers of the cooperating companies are obliged not to provide third parties with any confidential information.

Confidential information also comprises information concerning remuneration and other benefits related to work, in particular their amount and principles for their establishment. Information on remuneration is not provided to unauthorised people employed both in the Group and in institutions which cooperate with Sanok Rubber Group.

## **8.3. Reporting**

Our statements and reports are true, comprehensible, precise and prepared on time.

Reporting concerns the entire required scope of the Group's business activity, including OHS and impact on the environment.

Statements and announcements are prepared by authorised workers.

## **9. FUNCTIONING OF THE CODE OF ETHICAL CONDUCT** ---

The Code shall be made available to all workers of Sanok Rubber Group, entities which work for the benefit of the Group and business partners. The Code is available at Sanok Rubber Company S.A.'s website and at the internal website as well as at individual websites of all subsidiaries.

Should there be any ambiguities regarding application of the Code, a given

worker asks for help their superior or a person acting as the Ethics Officer.

Sanok Rubber Group encourages workers at all Group's levels and interested parties to actively participate in improving the Code and to submit comments concerning its content and application.

Violations of the provisions of the Code shall be treated rigorously, including imposing sanctions adequate to the significance and character of a given violation. Failure to observe the principles of the Code may also result in termination of employment.

During conducting proceedings for violations of provisions of the Code, the workers are obliged to cooperate in compliance with the principles of discretion.

## **9.1. Ethics officer**

A person who acts as the Ethics Officer has been appointed in each of the Group members.

Their tasks comprise:

- promotion of principles of conduct included in the Code,
- supporting workers in compliance with the provisions of the Code,
- explanation of doubts concerning observance of the principles of the Code,
- accepting proposals regarding changes, updating the content of the Code,
- undertaking explanatory activities regarding violation of the principles of ethical conduct and
- undertaking activities aiming at amicable resolution of conflicts arising from the violation of the principles of the Code.

The Ethics Officer keeps confidential information regarding people reporting cases of violations of the Code.

Information concerning the person acting as the Ethics Officer is available at all Group members.

## **9.2. Reporting violations of the code**

All workers and stakeholders of Sanok Rubber Group may report cases of violations of the principles of the Code. The Ethics Officer is a person responsible for accepting reports. Information may be reported to the Ethics Officer by means of:

- direct meeting,
- telephone call,
- sending information to the e-mail address: [rzeczniketyki@sanokrubber.pl](mailto:rzeczniketyki@sanokrubber.pl),
- sending a letter to the following address:

Ethics Officer, Sanok RC S.A., ul. Przemyska 24, 38-500 Sanok.

Such a report should contain contact data of a reporting person.

The Ethics Officer ensures discretion with respect to all people reporting a given violation.

After receiving a given report, the Ethics Officer analyses it on their own or engages other people who provide support during explaining a given issue and undertaking various activities.

The Ethics Officer notifies the Director/Manager of the area in which has occurred violations of the principles and undertaken actions. The reporting person receives a reply concerning taking into account the reported issue.

Workers may also report violations concerning observance of the principles of the Code to their superior.

## **9.3. Final provisions**

Suffering any consequences as a result of reporting any potential violation of the provisions of the Code in good faith or asking for explanation is unacceptable.

All activities carried out in order to explain the reported issue are conducted in the manner that protects identity and reputation of the person concerned.



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