



The Code of Conduct of **TAURON Group**

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Dear colleagues, Ladies and gentlemen,

We would like to present to you the **Code of Conduct of TAURON Group**. It comprises the set of values and principles we follow every day. It is our commitment to act ethically and transparently in each situation we have to face.

Our market position requires us to be bold and consistent in implementing innovative and competitive solutions and to keep pace with altering challenges and business trends. At the same time, our system of values, which is the foundation supporting the development of the organisation, is subject to constant evolution from the perspective of the requirements of our environment, as well as the experiences of TAURON Group's employees.

The **Code of Conduct of TAURON Group** is a clear and comprehensible **combination of the TAURON Group's mission, vision and corporate values of Partnership, Development and Courage**. We implement and improve the compliance culture in the organisation, understood as the set of defined rules of conduct compliant with the law, internal and corporate regulations and ethical standards which, combined with our values, will motivate and support us in achieving our business goals.

By such actions, we ensure the **safety of our employees, our environment and our market environment** in the **broadest sense**. We believe that our values and rules of conduct will be accepted by the entire TAURON Group's environment and will become an indicator in building long-term relations with all groups of our stakeholders. We are aware that only by cooperative actions together we will achieve the goal of sustainable development.

All TAURON Group's employees, as well as persons providing services to our organisation, are obliged to read and understand this Code and to act in accordance with its provisions. We believe that the TAURON Group's Code of Conduct will become a guarantee of the adherence and development of ethical culture in our Capital Group.

Management Board of TAURON Polska Energia S.A.

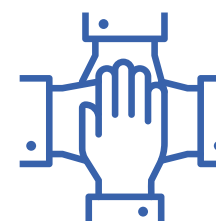
Mission and vision of TAURON Group

The TAURON Group's **MISSION AND VISION** stem from our **STRATEGY** which is a response to market changes, customer expectations and challenges related to the climate and environment. **MISSION's AND VISION's** implementation is contingent upon conduct **IN COMPLIANCE** with the **CORPORATE VALUES** and **PRINCIPLES** described in our Code in relations with **CO-WORKERS**, the **NATURAL ENVIRONMENT** and the **GENERAL ENVIRONMENT**.



Corporate values of TAURON Group

Corporate values are the symbols and indicators of our organisational culture. They are the starting point for the **RULES OF CONDUCT** described in detail in this document. The **PDC Values** should motivate everyone in the execution of their daily tasks, as guidelines to the achievement of the goals defined in the **TAURON GROUP' STRATEGY**.



PARTNERSHIP

We are partners for clients and for each other in achievement of common goals.



We build sustainable relations – based on trust and mutual respect.



We engage in everything important for our clients and the Group.



DEVELOPMENT

We are innovative – we overcome barriers, determine trends and create changes.



We continuously develop competence, skills and knowledge.



We search for increasingly improved solutions - we meet current and future clients' needs, continuously enhancing the quality of our services.



COURAGE

We talk openly and boldly about problems and the bravest ideas.



We are determined to implement what we believe to achieve common goals.



We face challenges of the altering environment with commitment and passion.



TAURON Group's Corporate Social Responsibility

We are one of the largest operators of distribution system in Central and Eastern Europe therefore we are aware of the impact we have for the entire environment - the natural environment, - the economy, the macroeconomic situation of the region and our stakeholders (customers, employees, equity holders, local communities, suppliers, representatives authorities and institutions). In pursuing our business objectives, we strive to act in accordance with the principles of sustainable development, i.e. to mitigate our impact on

the natural environment while maximising the benefits for social and economic development.

We undertake many activities, striving to meet the expectations of the modern world and to develop in a safe and sustainable way. The TAURON Group's sustainable development strategy allows us to streamline everything we do. We precisely define the goals to which we are aiming, and with the help of periodic monitoring, we can measure the degree of their implementation.

EMPLOYEE



We are aware that employees represent the key stakeholder group since it is mainly their attitude and commitment that determines the implementation of the TAURON Group's business goals and premises as well as the perception of our organisation by the environment. Having regard to ensure equal opportunities, job security and develop the ethical culture among employees. We care about the education of the people we employ and involve them in the development of our organisation.

NATURAL ENVIRONMENT



Being aware of the close connection and influence of the energy industry on the natural environment and the climate, we invest in projects related to their protection, manage resources effectively and carry out pro-ecological educational activities.

GENERAL ENVIRONMENT



We prioritise the security of energy supply as well as the needs of our CUSTOMERS, therefore we implement innovative and effective solutions, care for high service standards and continuously develop our offer. We attach particular importance to relations with the environment, including contractors, which is expressed through responsible dialogue, good neighbour policy, cooperation with academic centres and cyclical reporting on non-financial areas.

Responsibly - so how?

In compliance with:



LAW



INTERNAL AND CORPORATE REGULATIONS



ETHICS



In the following areas:



EMPLOYEE



NATURAL ENVIRONMENT



GENERAL ENVIRONMENT



Employee



OCCUPATIONAL SAFETY AND HYGIENE

Our priority is to care for health and lives of our employees and entities outside the organization, as well as the safety of the products and services we offer. We take measures to create the safe working environment and to reduce the risk of life and health-threatening situations. We respond when we see real or potential hazards. We promote activities related to health and safety at work and their protection.



PROHIBITION OF DISCRIMINATION AND UNEQUAL TREATMENT

We aim at the principle of equal treatment of employees and do not tolerate discrimination on any grounds, in particular due to age, gender, race, nationality, religion, sexual orientation, appearance, abilities or otherness of views. We take measures and implement procedures and mechanisms to protect employees against mobbing, discrimination and unequal treatment and to ensure the detection and elimination of instances of such prohibited practices.



FRIENDLY WORKING ENVIRONMENT

We ensure optimal and friendly working conditions. We are driven by the principle of respect for the dignity and adherence and protection of workers' rights. We respect and support the privilege of employees to associate and belong to employee organisations. We pursue active social policy that takes into account the character and particular circumstances associated with our organisation. We promote the culture of collaboration, dialogue and sharing experiences, believing that it contributes to the development of employees and the organisation as a whole. We are guided by the principle of open and clear communication, based on mutual respect and trust.



DIVERSITY MANAGEMENT

We are open to diversity and we understand that it is a significant resource contributing to TAURON Group's innovativeness growth. We recognise differences between people in organisation and beyond one and consciously implement and develop policies and programmes that create conditions for respecting and exploiting these differences in the interest of the TAURON Group. We provide the working environment in which every employee can fully exploit their individual potential.



TRANSPARENT PERSONNEL POLICY

We pursue transparent HR policy, taking into account the legitimate needs and goals of TAURON Group. We comply with the provisions of the labour law. We set consistent standards and provide high quality human resource management processes.



RESPECT FOR WORK AND PROFESSIONALISM IN TASK ACCOMPLISHMENT

We follow the principle of respect for work. We carry out the tasks entrusted to us effectively, with due diligence and taking into account the needs and interests of TAURON Group. We strive to improve our competence and personal professional development. We create opportunities and actively support employees in the scope of development of their skills, updating their knowledge and professional training.



RESPONSIBILITY FOR THE RESOURCES

We provide employees with the resources they need to perform their job. We use all TAURON Group's resources, both tangible and intangible rationally, effectively, with due care and in accordance with their intended use. We ensure that they are properly protected. We respect the resources of other entities. We strive to optimise the use of TAURON Group's resources.



GIFTS

The acceptance of gifts and invitations by employees and the giving of such gifts and invitations to third parties in connection with the performance of official duties, it is possible only when it do not bring a liability, expectation of reciprocity, additional benefits or preferential treatment. The acceptance and presentation of gifts shall be carried out in accordance with legal provisions and internal corporate regulations.



CONFLICT OF INTEREST

We avoid situations that might give rise to a conflict of interest. The conflict of interest in the case of an employee of TAURON Group takes place while acting in self-interest or in the interest of any entity, simultaneously the employee is acting against the interests of TAURON Group. We openly communicate instances that represent or may represent a source of conflicts of interest and take steps to mitigate the risk of conflicts of interest.



Natural Environment

ECOLOGICAL RESPONSIBILITY



We operate in compliance with the applicable environmental legislation. We are guided by the principle that business foundations cannot contradict with the principles of environmental protection. We take measures to minimize our impact on the environment and climate. With a view of climate protection and meeting EU guidelines, we invest in new infrastructure and modernize the existing facilities. We conduct research and development activities in order to implement environmentally friendly technological solutions and we participate in pro-ecological projects, often initiating them ourselves.

ENVIRONMENT AND CLIMATE PROTECTION



We respect the natural environment and its resources. We make rational use of the natural capital and energy. We analyse the degree of environmental impact while taking business decisions. Environmental factors are taken into account when offering new products and services. We try to offset our impact on the environment and climate through taking activities to protect them, revitalize areas, and preserve biodiversity. We take environmentally friendly measures and offer our customers services in the field of photovoltaics contributing to the improvement of air quality.

ENVIRONMENTAL AWARENESS



We carry out educational activities to raise environmental awareness. We educate customers in the scope of rational use and conservation of electricity and water. We promulgate knowledge concerning climate protection and methods of combating low emissions. We take care of the natural environment in our daily work. We enable employees to get involved in actions aimed at protecting the natural environment. We identify potential environmental and climate risks and take measures to prevent the occurrence of irregularities and failures threatening the environment.



General Environment

ORIENTATION TO CUSTOMER



We listen to the opinions of our customers, thanks to which we meet the expectations, satisfying their current and future needs. We provide services in accordance with our best knowledge and experience. We constantly strive to improve the quality of customer service in order to increase the level of satisfaction of our customers and to create a sustainable and comprehensive support system for them. We provide accurate and complete information in response to enquiries. We care about our customers' satisfaction, constantly developing a range of services and products tailored to their expectations.

ENERGY SECURITY



Our priority is to guarantee a continuous and reliable supply of our products, in particular electricity and heat. We play the key role in ensuring the energy security of the country. We take actions aimed at covering the current and future energy demand of consumers. We invest in technological solutions and optimise processes to improve standards and quality parameters of the supplied products.

INNOVATIVENESS



We focus on innovative technological solutions and novel products and services preparing our organization for the energy of tomorrow. We place a strong emphasis on activities in the field of research and development. We implement the innovative organisational culture. We support and enter into strategic technological alliances, conducting joint projects with the science sector. We organise and support innovative initiatives among our employees. Our goal is to create a modern organisation implementing and offering the latest solutions, services and systemic mechanisms.

INVESTOR RELATIONS



For us, conducting a transparent information policy is fundamental to our dialogue with shareholders, investors and analysts. We are both an organiser and an active participant in numerous meetings with capital market players. We provide relevant and reliable information regularly, on time and in accordance with formal and legal requirements. We carefully listen to the feedback from the market. Owing to various communication tools, we guarantee non-discriminatory and easy access to the published information.



RELATIONS WITH THE ENVIRONMENT

We strive to establish sustainable relationships with our immediate environment. We maintain a regular and open dialogue with our stakeholders. We listen to our environment and pay particular attention to its needs while taking business decisions. We work towards improving the living conditions of the local community and cooperate with local government bodies. We engage in a number of projects for the benefit of the environment, such as charity, education and cooperation with academic centres. We promote employee voluntary work. We sponsor many important sport and cultural events.



FAIR COMPETITION

We are aware that the conduct compliant with the principles of fair competition is an important factor of development and innovation. We conduct our business, based on good market practices, respecting good mores. We operate in a way that does not restrict competition on the market. We put integrity on relations with counterparties. We cooperate only with reliable and trustworthy business partners selected on the basis of transparent, objective and comprehensible criteria.



SECURITY

We support and actively promote the security culture based on the principle of acting safely and responsibly on a daily basis. We constantly strive to raise awareness in the scope of security of resources of TAURON Group and its customers as well as of potential threats and conditions to ensure undisturbed operation. We are aware of changing reality, therefore we monitor the environment and analyse risks every day, bearing in mind the necessity to guarantee the uninterrupted availability of our services and the opportunities for developing the organisation. We actively engage in the process of detection and reporting disclosed threats and security incidents in order to plan and implement appropriate preventive measures.



PREVENTION OF AND COMBATING MALPRACTICES

We apply a zero tolerance policy towards abuses, including corruption and other illegal activities. In our relations within the organisation and with external parties we comply with the law and with the provisions of internal corporate regulations. We are continuously improving the TAURON Group's Compliance system. We actively engage in the prevention and detection of fraud, in particular by open communication of observed cases of non-compliance and undertaking follow-up actions.



PROTECTION OF INFORMATION

We observe the principles of confidentiality and protect information relating to TAURON Group as well as information made available to us by customers and counterparties. We strive to apply the best practice and technology in the scope of identifying, classifying and information security. We continuously monitor and develop mechanisms ensuring the security of the TAURON Group's IT systems in order to guarantee their uninterrupted operation. We are constantly improving organisational and technological solutions aimed at ensuring effective protection of information and adequate security of the facilities where the information is processed. We contact the media only with the participation of persons designated for this purpose.



How to check whether the specific behaviour is appropriate?

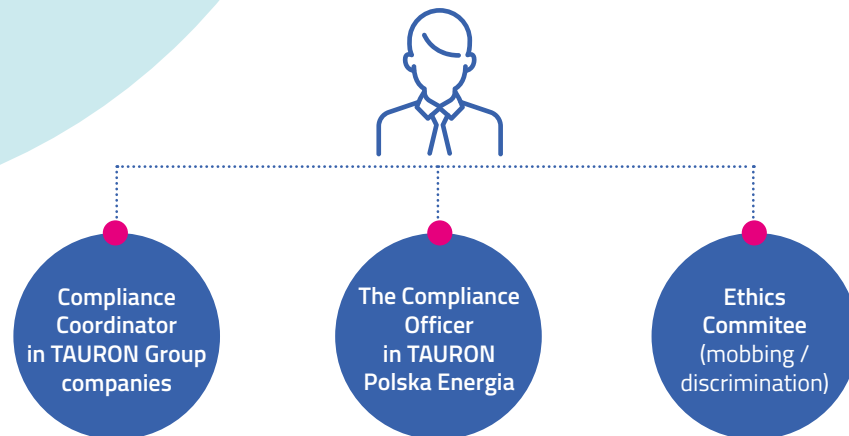
In case of any doubts concerning specific situations, the answers to the following **five questions** may be helpful in verifying whether the conduct in question **IS COMPLIANT** with the provisions of this Code.

- 1 Is the behaviour compliant with the law?
- 2 Does the behaviour infringe internal corporate regulations of TAURON Group?
- 3 Is the behaviour compliant with the TAURON Group's principles of ethics, values and rules of conduct?
- 4 How could such behaviour be perceived by the environment (in particular colleagues, customers, counterparties and the general public)?
- 5 Could such behaviour negatively affect the organisation's image?

Whistleblowing system

The TAURON Group has the Whistleblowing System consisting of a systematic sequence of consecutive actions aimed **at accepting and processing** of report of abuse and **providing feedback** to the whistleblower.

Within this system, it is possible **to signal illegal activities** and violations of internal regulations or ethical standards through the **reporting channels** adopted in TAURON Group.



Reporting channels:



personally

the Compliance Officer or Compliance Coordinators in TAURON Group companies



in writing

The Compliance Officer, Katowice, ks. Piotra Ściegiennego 3



by phone

+48 32 774 22 22



by e-mail

compliance@tauron.pl



by filling a form

The Abuse Report Form available at:
www.tauron.pl/tauron/o-tauronie/formularz-zgloszenia-naduzycia

* In TAURON Group companies, abuse can be reported in person, by phone, or in writing to the address of the Compliance Coordinator.



The Abuse Report Form allows for submitting information anonymously. If your identity is revealed, we guarantee the confidentiality of the reporting person's/ whistleblower's data and provided information.

We provide protection against any forms of retaliation towards whistleblowers who report abuse cases in good faith.



In case of any questions or doubts regarding the application of the provisions of this Code, please contact the Compliance Officer
Adress: TAURON Polska Energia S.A.
ul. ks. Piotra Ściegiennego 3, 40-114 Katowice
e-mail: compliance@tauron.pl

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