



**Zakłady Mechaniczne  
BUMAR ŁABĘDY S.A.**

# **CODE OF ETHICS**

Gliwice, November 2016

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## **I. ZAKŁADY MECHANICZNE „BUMAR - ŁABĘDY” S.A. (hereinafter also the "Company")**

### **I.1 MISSION, VISION AND VALUES**

Customer safety is our mission. Supplying the highest quality armament and equipment tailored to the requirements and expectations of the clients, we contribute to creation of their defence potential.

Polskie Siły Zbrojne is our strategic client, and main direction of our development is participation in shaping and building of the national safety system. One of its key elements will be construction and manufacturing of a new main battle tank made in technology and with equipment meeting the challenges of any possible future battlefield. Our goal is a leading participation in execution of this long-term production and operation programme.

Our future lies with new technologies, innovativeness and regular improvement of manufacturing and workmanship quality which guarantee competitiveness and world-class product level. Added value in our civil production will be the use and application of the latest achievements and technological solutions developed in the military sector. Thanks to this we shall gain new customers and enter new markets.

### **I.2 WHY IS THE CODE OF ETHICS IMPORTANT?**

#### **IN INTERNAL RELATIONS AND RELATIONS WITH BUSINESS PARTNERS AND OTHER STAKEHOLDERS WE RESPECT THE VALUES AND FOLLOW THE RULES INCLUDED IN THE CODE OF ETHICS**

The Code of Ethics lays down basic principles that must be adhered to by all employees of the Zakłady Mechaniczne „BUMAR - ŁABĘDY” S.A. and outlines the values we should follow in decision making. The Code of Ethics provides information on where to find detailed guidelines concerning specific matters. In other words, the Code of Ethics helps us make right decisions when we face difficult choices. With the standards adopted, we build trust and have a positive impact on those who we meet every day.

All employees of the Zakłady Mechaniczne „BUMAR - ŁABĘDY” S.A. are obligated to follow and enforce the Code of Ethics; failure to do so may result in jeopardizing both the company and ourselves.

If you become aware of any breach of our Code of Ethics or if you have any doubt concerning a situation you have witnessed, you should immediately take appropriate actions and report your concerns.

Chapter V of the Code of Ethics contains detailed information regarding different ways of reporting a breach of the Code of Ethics, including reporting via our e-mail address: [etyka@bumar.gliwice.pl](mailto:etyka@bumar.gliwice.pl).

### **I.3 PRODUCTS OF ZAKŁADY MECHANICZNE „BUMAR - ŁABĘDY” S.A.**

#### **OUR BUSINESS IS DRIVEN BY SECURITY, HIGH QUALITY, INNOVATIONS AND DEVELOPMENT OF QUALIFIED EMPLOYEES**

To prioritize development and product innovation, over several decades the Zakłady Mechaniczne „BUMAR - ŁABĘDY” S.A. provide our army with top quality military equipment.

As customers' trust in our products implies constant improvement, we are focused on technological development and employment of highly qualified specialists.

We satisfy all legal requirements, adhere to good practices and meet customers' expectations regarding quality and security.

We implement international standards concerning quality management systems, environmental protection as well as information and personal data security.

### **I.4 INFORMATION SECURITY**

#### **WE CARE ABOUT INFORMATION SECURITY**

Information security issues are one of the most important pillars of operation of the Zakłady Mechaniczne „BUMAR - ŁABĘDY” S.A.

Each of us is responsible for information security within and without the company.

We must strictly follow legal regulations concerning the flow of confidential information constituting business secret.

Our actions in social media (Facebook, Twitter) must be consistent with the information security policy of the Zakłady Mechaniczne „BUMAR - ŁABĘDY” S.A.

We protect confidential and strategic information and prevent unauthorized use thereof.

## **II. ZAKŁADY MECHANICZNE „BUMAR – ŁABĘDY ” S.A.– AS AN EMPLOYER**

### **II.1 EMPLOYMENT**

#### **RELATIONSHIP BETWEEN AN EMPLOYER AND AN EMPLOYEE ARE FOUNDED ON RESPECT AND PERSONAL DIGNITY**

We are using our best endeavors to create good work environment and become employer of choice.

We expect our employees to be committed, to diligently perform their duties and to avoid conflict of interests.

We apply transparent employment procedures.

We ensure our employees and job seekers are treated with dignity. We do not tolerate any form of discrimination.

We pursue an open information policy and make it possible for employees to report any concern regarding employment, security and working conditions.

We help our employees improve their qualifications and support them in their development.

We inform our employees about main objectives of our activity and about tasks ascribed to different job positions by means of clear and commonly available communication channels.

We highly value our employees' family relations and their private lives. We follow the norms pertaining to working time and respect our employees' needs to rest. We do not accept any violation of employees' rights. We support family-oriented initiatives, e.g. material aid, flexible working hours (individual approach to the needs of young parents).

### **II.2 DISCRIMINATION**

#### **WE DO NOT TOLERATE ANY FORM OF DISCRIMINATION**

Equal rights of all employees or job candidates are one of our priorities.

We do not tolerate any forms of discrimination at the workplace, especially on the grounds of gender, race, age, origin, religion, disability, belief, sexual orientation, social status, marital status, invalidity, and membership in political parties or trade unions.

We do not tolerate mobbing; we undertake preventive actions in order to avoid situations where employees could experience physical, sexual, psychological, verbal or other forms of harassment.

We have an established system for protecting employees against discrimination and ill treatment which is described in detail in the Anti-Mobbing Procedure.

## **II.3 SECURITY, HEALTH, WORKING ENVIRONMENT**

### **WE CARE FOR OUR HEALTH, WE WANT TO ENSURE EMPLOYEE-FRIENDLY WORKING ENVIRONMENT**

We are all responsible for safe, clean and friendly workplace. We diligently implement new technologies and processes that minimize a negative impact on environment.

Our production lines meet quality and safety standards.

Each of us is personally responsible for safety, health and environment in a workplace.

At work, we never drink alcohol, use drugs or other psychotropic substances; we never come to work under the influence thereof.

We follow national and international standards regarding occupational health and safety. We control a negative impact of our processes on working environment and we plan actions to mitigate risks within that scope.

We raise our employees' awareness regarding habits that protect health and ensure safety at work.

## **II.4 CONFLICT OF INTERESTS**

### **WE AVOID CONFLICTS OF INTERESTS**

An employee of the Company should not participate in a task which may result in a conflict of interests understood as a conflict between professional duties and the employee's private interests.

Employees of the Company should avoid situations in which their personal interests may inappropriately influence the execution of their professional duties.

We should never exploit our position within the Company for the purpose of achieving gains for ourselves, our relatives or friends.

At Zakłady Mechaniczne „BUMAR – ŁABĘDY ” S.A. we do not tolerate any forms of nepotism or cronyism. It is recommended not to employ at the Company members of an employee's family, his or her blood relatives and in-laws, i.e. spouses, blood relatives and in-laws in strength line, collateral blood relatives and in-laws up to the 2<sup>nd</sup> degree, if it would result in a relation of dependence or professional subordination, or given that a similar scope of duties might affect mutual relations. Blood relationship or affiliation by law referred to above may affect the impartiality and objectivity of an employee's decisions and actions, which is considered to constitute a conflict of interests.

In case of a conflict of interests an employee should notify his or her superior , the Ethics and Anti-Corruption coordinator or the Ethics Commission Member immediately in order to find an adequate solution as soon as possible.

## **II.5 COOPERATION**

### **WE ARE ONE TEAM. EACH OF US IS A LINK IN A CHAIN OF VALUES**

We set great store by team work, the ability to cooperate on projects as well as sharing knowledge and experience.

Thanks to knowledge transfer schemes and exchanging experiences between specialists and the young staff we create paths of professional development.

Having a continuous dynamic development of the Company in mind, which should be a priority for all of us, persons approaching the retirement age, who after years of intensive work will be able to enjoy a well-deserved rest and execute their personal plans and dreams, should prepare their successors to take over their positions in order to preserve the acquired knowledge and skills and ensure that the persons taking up their place will be able to replace them in fulfilling their professional tasks in a due manner.

We care about clear, comprehensible communication, which should be based on honesty and unlimited exchange of information between employees.

Superiors inform their subordinates about all planned changes affecting their scope of duties.

## **III. ZAKŁADY MECHANICZNE „BUMAR – ŁABĘDY ” S.A.– AS A BUSINESS ORGANIZATION**

### **III.1 GIFTS, BRIBES, CORRUPTION**

#### **WE PURSUE THE RULE OF “ZERO TOLERANCE FOR CORRUPTION”**

Accepting and offering gifts in business has been known and commonly practiced for ages. This way of building good relations with business partners is used in many cultures and countries we cooperate with. We respect local and international customs but our priority is to comply with our in-house practices. Criteria for cooperation with third partners include in particular: product and service quality as well as professional approach to business relations. For that reason, we do not accept any action that could in any way influence impartial business decisions.

Accepting and offering gifts to business partners is allowable up to the value specified in our anticorruption policy.

We try not to accept invitations to entertainment events and informal meetings to avoid situations in which our customers would be led to believe that we are not objective.

We use its best endeavors to comply with international anticorruption standards and provisions. We hold regular trainings regarding protection of the company against a risk of corruption and we care for a good image of our company on an international market.

## III.2 CONFIDENTIAL INFORMATION AND USE THEREOF

### WE CARE ABOUT SECURE FLOW OF INFORMATION

With due diligence, we care about information security that is connected with operational activity of the company and that we deal with when performing our daily duties, e.g. research and development projects, production plans, technical, commercial, organizational, and business information, financial data, marketing strategies, new products, etc.

Information regarding operations of the Company is handled with due diligence. We do not process data that may contain confidential information in public places, e.g. in an elevator, airplane, restaurant or train.

We protect third-party confidential information.

## III.3 CORPORATE ETHICS

### WE ACT FAIRLY AND HONESTLY IN BUSINESS RELATIONS

As employees, we are responsible for a good name of the Company. Our actions directly influence the image of our company perceived by our partners.

The Code of Ethics sets high business ethics standards and specifies how we should act to create and maintain a good image in business environment. Following the rules of the Code of Ethics is mandatory and necessary for the company to achieve a long-term success of the Company.

Ethicality of our company depends on our actions.

Since the environment of our sector is contingent upon geopolitical changes, it is vital to inform our employees on a day-to-day basis about legal and political changes in the countries with which we do business.

## III.4 ANTICORRUPTION POLICY

### WE PURSUE THE RULE OF “ZERO TOLERANCE FOR CORRUPTION”

The policy of the Company is based on the rule of *Zero tolerance for corruption*. We do not tolerate bribes or any other corruption practices in business.

We are against corruption in actions taken by our employees and by our third partners who are expected to follow business ethics standards of the Company and the anticorruption policy.

We adhere to international standards of the armament sector and we practically apply the regulations of the international law, e.g. FCPA (US Foreign Corrupt Practices Act), UKBA (UK Bribery Act), OECD’s Convention on Combating Bribery of Foreign Officials, UN’s convention on arms trade.

We comply with anticorruption law applicable in countries where we do business

We hold regular anticorruption trainings for employees of all ranks. For us, understanding of a corruption threat is a strategic element to ensure company’s security.



### **III.5 COMPETITION LAW**

#### **WE TREAT OUR COMPETITORS WITH RESPECT AND DIGNITY**

Zakłady Mechaniczne „BUMAR - ŁABĘDY” S.A. adheres to antitrust regulations and good practices standards in all areas of operation. We prohibit tender manipulation, use of or participation in collusion on prices or in any attempt to informally divide the market.

We treat our competitors with respect and dignity.

We respect intellectual property rights and trade secrets of our partners and competitors.

We follow internal rules which lay down standards of communication with competitors regarding marketing, sales, price fixing, market selection etc.

### **III.6 PERSONAL DATA SECURITY**

#### **WE PROTECT PERSONAL DATA OF OUR EMPLOYEES AND BUSINESS PARTNERS**

We keep personal data confidential.

Information about our employees, customers and suppliers are processed in compliance with legal regulations pertaining to personal data protection.

Information exchanged between PGZ companies must be transferred with due care, according to approved security rules and with the use of modern IT solutions.

### **III.7 ENVIRONMENT**

#### **IN RELATIONS WITH OUR BUSINESS PARTNERS WE FOLLOW ETHICAL CONDUCT RULES**

- **RELATIONS WITH PUBLIC OFFICIALS IN POLAND AND ABROAD**

Any offers to gain benefits addressed to a public official in connection with soliciting or maintaining business relations may be interpreted as an attempt to corrupt a public official, also if an offer has no bad intentions. For that reason, transparent rules regarding relations with public officials must be applied.

- **POLITICAL PARTIES**

People representing political or government interests are treated equally, i.e. as partners and stakeholders.

All relations with politicians and people representing government interests comply with applicable legal regulations and with the Code of Ethics of the Company.

We are not involved and do not subsidize any Polish or foreign political parties or party members.

### **III.8 RELATIONS WITH BUSINESS PARTNERS, CUSTOMERS AND SUPPLIERS**

We found our relations with business partners and suppliers on fairness, transparency, mutual respect and professional attitude.

We pursue the rule of “zero tolerance for corruption”. We require the same of our representatives as well as entities and persons who act on behalf of the Company. We do not take any actions to derive benefit for the company or for our employees if such actions are inconsistent with Polish, EU or international legal regulations.

To ensure transparency of our relations with business partners, customers and suppliers, we follow the approved anticorruption policy and practices laying down the rules of accepting and offering gifts, dinner invitations, participation in and organization of sponsored events.

High business ethics standards are required not only of our employees, but also of our business partners and suppliers. By giving them access to our Code of Ethics , we promote ethical conduct in business and environment-friendly actions.

We apply *due diligence* to all areas in which we operate.

#### **• COOPERATION WITH CUSTOMERS, BUSINESS PARTNERS AND SUPPLIERS**

As far as services provided to customers are concerned, we respect the rights of each of the party, we act loyally and adhere to the professional ethics rules. Before we sign any document regarding cooperation, we check whether the conditions included therein do not entail any risk of failure to fulfill them and whether they do not collide with the law or standards followed by the Zakłady Mechaniczne „BUMAR - ŁABĘDY” S.A.

We do not agree to deviate from the standards to which we have committed in order to meet customer’s, business partners or any other stakeholder’s expectations.

We do not agree to any ambiguous behaviors or behaviors bordering on illegal practices that might be perceived as facilitation payments or benefits infringing the principle of fairness and impartiality and that might, in consequence, prove detrimental to a good name of the Company.

In our actions we adhere to the information confidentiality policy and to respect for intellectual property and legal ownership. Maintaining professional secrecy is a right and obligation of each employee of the Company.

If, in connection with performance of contracts, a customer or business partner entrusts us with its property, e.g. documentation or material, we apply supervision procedures over that property.

#### **• COOPERATION WITH SUPPLIERS**

Suppliers which deliver materials and components for our products play an important role in making our customers satisfied. For that reason, we care about their fairly and equally treatment.

When we chose suppliers, we pay particular attention to the price, quality and timeliness they offer and also to whether they follow commonly accepted ethical standards.

All acquired information about the suppliers is protected against misuse and disclosure without their consent.

We do not agree to actions that are inconsistent with the business ethics rules of the Company.

### **III.9 RELATIONS WITH SHAREHOLDERS**

We conduct our activity to ensure constant growth of the value for shareholders. We act according to corporate governance standards, which guarantees transparent and stable relations with all most important groups of stakeholders.

When communicating with third parties, we do not provide any information that is protected under applicable regulations, e.g. business secret, trade secret, personal data, classified information.

## **IV. ZAKŁADY MECHANICZNE „BUMAR - ŁABĘDY” S.A.– AS A SOCIALLY RESPONSIBLE ORGANIZATION**

### **WE CO-CREATE LOCAL COMMUNITIES – WE TAKE SOCIALLY RESPONSIBLE ACTIONS**

#### **IV.1 COMMITMENT TO SUSTAINABLE DEVELOPMENT**

By fulfilling our mission we integrate current and planned business and social activity with activity for protection and renewal of natural environment to preserve it for current and future generations.

We have a complex approach towards product quality. As far as each aspect of product life is concerned, we pay much attention to environment-friendly actions that preserve stability of basic natural processes.

All our actions are responsible. We do our best to ensure that production, service, warehouse, distribution and disposal processes are neutral to the environment to the fullest extent possible.

We minimize negative impact of our production lines on the environment.

We use our best endeavors to rationally and economically use company's resources, e.g. water, energy, paper. We pursue recycling rules. In our everyday work, we want to raise awareness within that scope and to encourage our employees to contribute to environmental protection and to economic results of the Company.

We care about natural environment and follow all standards to preserve harmony between industry and natural environment.

We seek to follow and improve international quality and environment management standards.

Our actions are responsible and sustainable. We respect the needs of our customers, society and environment. Many of our initiatives within that scope are voluntary and go beyond regulatory requirements and standards.

#### **IV.2 CHARITABLE AND SOCIAL INITIATIVES**

We are committed to establish permanent relations with local communities that would be based on honesty, dialogue, partnership and trust. We want to develop our company and create new jobs.

We actively promote and support involvement of our employees in charitable initiatives.

We promote our Company by conducting school trips etc. in order to visit Zakłady Mechaniczne „BUMAR - ŁABĘDY” S.A.

## V. COMPLIANCE WITH LAW AND ETHICAL RULES

### VALUES WE HAVE COMMITTED TO REFLECT WHO WE ARE. WE SHOULD ALL ENSURE THEY ARE RESPECTED

#### V.1 EMPLOYEES RESPONSIBILITIES

As employees of the Zakłady Mechaniczne „BUMAR - ŁABĘDY” S.A., we are obligated to unconditionally comply with applicable legal regulations and standards accepted by the Company, including the Code of Ethics.

In our professional life we constantly assess and manage potential and identified risks connected with our activity and pertaining to ethics and compliance with legal regulations.

Our efficiency, as workers, is measured not only on the basis of the results achieved but also on the basis of how those results have been achieved.

We are focused on target performance. We value teamwork and respect individual initiatives which we are glad to support.

We perform professional duties with respect, due diligence and honesty. We help each other, we support each other, and we care for good relations within the Company. We use our best endeavors to extend the scope of professional competences.

Within the scope of our managerial duties we are obligated to diligently select, instruct and supervise the employees for whom we are responsible.

We are responsible for maintaining and promoting a positive image of the Company, both when performing our duties and outside our workplace. We do not accept dissemination of false information, unjustified criticism and violation of the values included in the Code of Ethics, which may tarnish a good name of the Company.

#### V.2 ETHICS HOTLINE and REPORTING OF INCIDENTS REGARDING BUSINESS ETHICS IN ZAKŁADY MECHANICZNE „BUMAR - ŁABĘDY” S.A. AND PGZ S.A.

##### 1) Zakłady Mechaniczne „BUMAR - ŁABĘDY” S.A.

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