

GOOD PROCUREMENT PRACTICES

I. RULES GOVERNING THE CONDUCT OF PROCUREMENT PROCEDURES

- 1.1 Partnership
- 1.2 Fair competition
- 1.3 Transparency
- 1.4 Information security
- 1.5 **ALL PERSONS** involved, directly or indirectly, in Procurement Procedures are required to comply with applicable laws and regulations, Good Procurement Practices of EPORE and other internal procurement regulations applicable at EPORE.

EVERY person initiating, participating in, conducting or supervising the procurement process shall:

- a. be guided, at all times, by the rules of ethics and the welfare of EPORE,
- b. represent the interests of EPORE and take care to ensure that the good reputation of EPORE is maintained,
- c. be honest, dutiful, meticulous and receptive to knowledge from different areas,
- d. be impartial towards Contractors and avoid situations that might compromise impartiality,
- e. not yield to any influence or pressure,
- f. avoid conflicts of interest,
- g. actively support the procurement process,
- h. update, on an ongoing basis, his or her knowledge of the market, best procurement practices and legal amendments,
- i. protect information that may or might hamper competition.

In addition to the above, an EMPLOYEE of the Procurement Unit and the Procurement Coordinator shall:

- a. be responsible for the transparency of the procurement process,
- b. actively conduct the procurement process – without limiting him or herself to formal activities, but actively cooperating on a partnership basis with the Internal Customer and Contractors,
- c. promote ethical attitudes, behaviours and standards,
- d. disseminate knowledge concerning the procurement regulations and good practices.

Regardless of the above there are also additional requirements with regard to the MANAGEMENT staff (Director, Manager and Head of Unit), who shall be obliged to:

- a. ensure that the rules of ethics and good procurement practices are observed,
- b. be responsible for the transparency of the procurement process,
- c. make objective decisions while being guided by the interests of EPORE,
- d. promote ethical attitudes, behaviour and standards within procurement teams and among their collaborators from outside the procurement area (Internal Customers/Contractors),
- e. create and safeguard an atmosphere that is conducive to the making of objective decisions and ensure that the transparency of a Procurement Procedure is maintained.

II. SOCIALLY RESPONSIBLE PURCHASES IN THE PGE GROUP

When conducting Procurement Procedures, we strive to achieve the maximum, tangible benefits for EPORE, without ignoring the rules of ethics. Thus, we endeavour to become involved, to the widest extent possible, in social and environmental issues, also in the area of Procurement Procedures conducted. We are committed to the following:

2.1 Health and safety at work:

- a. we set high requirements for our Contractors and subcontractors with regard to health and safety at work standards,
- b. we promote solutions and products that support the highest health and safety at work standards and comply with the highest safety standards;

2.2 Social involvement:

- a. we endeavour to become involved, to the widest extent possible, in social issues,
- b. when conducting Procurement Procedures, we support the labour market, small and medium-sized entrepreneurs, the development of the local market and communities and mobilisation of socially excluded and disabled persons.

2.3 Innovation and growth:

- a. wherever we see a potential for growth as part of the technologies ordered we arrange for technical dialogues with potential Contractors, in order to develop our own awareness and widen our horizons, by seeking optimal solutions. Thus, as our requirements become higher, we promote Contractors that offer the most technically advanced and innovative solutions,
- b. in our procurement documentation we consider, in addition to the economic criteria for the evaluation of bids, additional criteria promoting the innovative character of the technologies applied.

2.4 Environmental protection:

- a. we promote environment-friendly solutions (technical and organisational),
- b. we require Contractors to conduct their business while respecting the highest environmental protection standards, in particular by minimising negative environmental impact, pursuing rational and economical utilisation of natural resources, conducting proper waste management and engaging in activities intended to establish ecological awareness among employees and subcontractors.

III. PARTNERSHIP

3.1 At EPORE, in internal relations:

- a. we share our knowledge, experience and good practices,
- b. we support Internal Customers throughout a Procurement Procedure and at the contract implementation stage.

3.2 In external relations:

- a. we specify the terms of participation in a Procurement Procedure – adequately to the subject matter of the contract,
- b. we apply objective bid evaluation criteria,
- c. we make use of proportional contractual clauses, including, in particular, liquidated damages that are adequate to the risk,
- d. in negotiations we strive to achieve a win-win situation.

IV. FAIR COMPETITION

We apply the principle of fair competition, in particular through the equal treatment of Contractors by means of:

- a. protecting fair competition,
- b. providing Contractors with the possibility of applying for the award of a contract on equal terms,
- c. providing Contractors with equal access to information,
- d. applying objective bid evaluation criteria and terms of participation in a Procurement Procedure,
- e. applying non-discriminatory provisions in the procurement documentation.

V. TRANSPARENCY

We implement the transparency of the procurement process by:

- a. specifying EPORE's rules of procurement procedures and making them available to Contractors,
- b. applying the principles of transparency, fair competition, impartiality and objectivism,
- c. avoiding conflicts of interest and, if such a conflict arises, informing relevant persons thereof in accordance with EPORE's regulations,
- d. applying the principle according to which only specifically designated persons may contact Contractors in the course of a Procurement Procedure,
- e. establishing the parties' rights and obligations under contracts concluded in a clear and comprehensible manner.

VI. INFORMATION SAFETY

The protection and safety of information are implemented before the commencement and in the course of a Procurement Procedure through:

- a. protecting the business secrets of both EPORE and the Contractors,
- b. treating as confidential all information relating to the Procurement Procedure, the disclosure of which might disrupt competition in the procedure by, in particular, causing a Contractor(s) to obtain a privileged position with regard to the remaining Contractors, and ensuring that a method of communication with Contractors is specifically established and strictly adhered to for the purpose of each Procurement Procedure,
- c. providing Contractors only with information that is necessary for them to prepare their bids in a proper manner.

VII. ZERO-GIFT PRINCIPLE

7.1 At EPORE employees of Procurement Units and Procurement Coordinators apply a zero-gift principle, whereby it is forbidden to accept from Contractors any gifts, presents or benefits, including invitations to dinners/suppers or cultural/sport events, that would or might constitute a violation of the law or internal regulations or influence the performance of duties or the decisions made.

7.2 The zero-gift principle shall also apply to all the persons who:

- a. prepare a Procurement Procedure, in particular persons responsible for describing the subject matter of the contract, estimating the value of the contract and selecting the Contractors participating in the Procurement Procedure,
- b. participate in the work of the tender committee not only as committee members and exerting an influence on the content of the procurement documentation and those who make decisions in Procurement Procedures,
- c. supervise the implementation of the procurement contract, in particular by performing acceptances, settling the contract and issuing references.

VIII. REPORTING ABUSES

8.1 Every employee is under a duty to report breaches, abuses, unethical behaviour or situations in which the ethical principles applicable at EPORE are not observed.

8.2 Such reporting shall not be directed at achieving personal goals (such as revenge, mobbing, discrimination or undermining a co-worker's position in the company or credibility, etc.).

IX. EPORE RELATIONS WITH ITS BUSINESS PARTNERS

9.1 EPORE sets itself high ethical standards in all areas of its business and expects the same from its business partners, which is a broad term that encompasses Contractors, subcontractors, contracting parties and other business counterparts.

9.2 **Contractors** participating in Procurement Procedures **are expected by EPORE** to engage in ethical conduct, which shall include, in particular:

- a. observing the applicable laws and regulations,
- b. observing the Good Procurement Practices, the rules of procurement procedures and procurement by-laws of EPORE,
- c. observing the principles of fair competition and opposing corruption,
- d. observing human rights and employee rights,
- e. carrying on their business in accordance with the fundamental principles laid down in the Universal Declaration of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and the United Nations Global Compact,
- f. engaging in conduct that consistent with Polish and international standards with regard to reducing the company's negative impact on the environment,
- g. ensuring that a Contractor, its employees, co-workers, persons employed by it to apply for the award of or perform a contract for EPORE or its subcontractors, observe, while performing contracts, all the applicable laws and regulations and the provisions of the above-mentioned principles,

and

- h. being accurate in preparing a bid and documents submitted in the course of the procedure and contract performance,
- i. being dialogue oriented and striving to resolve disputes related to contract performance in an amicable manner,
- j. NOT entering into any price fixing arrangements,
- k. NOT engaging in any actions that are contrary to antitrust as well as competition and consumer protection legislation,
- l. NOT offering dumping prices,
- m. NOT engaging in any actions aimed solely at invalidating a Procurement Procedure or solely at ensuring that the bids of the other Contractors are rejected,
- n. NOT submitting a bid if they lack a suitable potential, experience or competencies necessary for performing the contract,
- o. NOT making any false declarations in the course of a Procurement Procedure and contract performance,
- p. NOT attempting to engage in any corrupt practices and NOT providing any benefits to EPORE employees or co-workers with a view to influencing their decisions or the course of the Procurement Procedure or obtaining an outcome that is favourable to them.

9.3 EPORE also requires its Business Partners to apply the Good Procurement Practices with regard to their subcontractors.