

Wytyczne w zakresie prowadzenia działalności gospodarczej przez Chemar Rurociągi Sp. o.o.
Guidelines for conducting the business activity by Chemar Rurociągi Sp. o.o.

Tytuł Procedury / Procedure title: Przeciwdziałanie korupcji Corruption prevention	Numer zmiany/ Revision No.:	Numer procedury / Procedure no.: PB-02.00.00
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PB-02.00.00

Przeciwdziałanie korupcji
Corruption prevention

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1. PURPOSE

1. The purpose of this procedure is to minimize the risk of corruption cases in Chemar Rurociągi Sp. z o.o. by improving the organizational culture based on compliance with ethical principles and trust between the Management Board, management staff and employees of the Company.
2. The purpose of the procedure is also to establish the rules of conduct in case of unethical behaviour, corruption or other abuses in all aspects of the functioning of Chemar Rurociągi Sp. z o.o., as well as ensuring the transparency of the Company's activities towards its business partners.

2. SUBJECT

The subject of this Procedure is:

1. Determination of the types and forms of corruption and other economic crimes involving employees as well as consultants, suppliers, contractors and any other entities in relations with the Company,
2. Implementation of the rules, mode of conduct and responsibilities of employees of Chemar Rurociągi Sp. z o.o. in areas at risk of corruption and other economic crimes,
3. Establishing the procedure for reporting and resolving violations of a corrupt nature, and
4. Supporting activities aimed at building awareness of corruption threats in the Company.

3. SCOPE OF USE

This procedure applies to all employees of Chemar Rurociągi Sp. z o.o.

4. DEFINITIONS

1. **Company** – Chemar Rurociągi Sp. z o.o.,
2. **Employee** – should be understood as a person employed by the Company on the basis of an employment contract
3. **Associate** – should be understood as any person cooperating with the Company under a civil law contract, especially as supplier of services or subcontractor
4. **Contractor / Supplier** – should be understood as any person or company for whom the Company provides a service, sale, contract or Purchase Order execution
5. **Corrupt activities** - should be understood as any behaviour, including illegal, harming the interests of Chemar Rurociągi Sp. z o.o., in particular promising, proposing, giving, requesting or accepting an undue financial or personal benefit for oneself or another person, as well as accepting a proposal or promise of such benefits for acting or omission to act in the performance of duties,

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6. **Economic crimes** – fraud and inappropriate behaviour standing contrary to the principle of fair competition or good business practices, constituting crimes or offenses related to economic turnover or potentially corrupt activities
7. **Unethical behaviour** - acting contrary to the accepted principles and norms (including the principles of social coexistence)

5. TYPES AND FORMS OF CORRUPTION AND ECONOMIC CRIMES

Unless generally applicable regulations provide otherwise, unethical behaviour, corruption activities or other economic crimes include, among others:

1. **Corruption**, which is an act:
 - a) consisting in promising, offering or giving by any person, directly or indirectly, any undue benefits to a person performing a public function for him/her or for any other person in return for an act or omission to act in the performance of his duties;
 - b) consisting in demanding or accepting by a person performing a public function, directly or indirectly, any undue benefits for himself/herself or for any other person, or accepting an offer or promise of such benefits in return for an act or omission to act in the performance of his duties;
 - c) committed in the course of economic activity involving the realization of obligations towards a public authority (institution), consisting in promising, proposing or giving, directly or indirectly, to a person managing an entity not belonging to the public finance sector or associated in any other way with such entity, any undue benefits, for him/her or for the benefit of any other person, in return for an act or omission which violates his/her obligations and is a socially harmful reciprocation;
 - d) committed in the course of economic activity involving the realization of obligations towards a public authority (institution), consisting in requesting or accepting, directly or indirectly, by a person managing an entity not belonging to the public finance sector or associated in any other way with such entity, any undue benefits or accepting a proposal or the promise of such benefits to himself/herself or to any other person, in return for an act or omission which violates his/her obligations and is a socially harmful reciprocation.

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2. **Passive bribery** - the so-called "Clerical venality" (applies to recipients) consisting in deliberate acceptance of a benefit (material or personal) or its promise in connection with the performance of a public function. The benefit may be accepted before and after the performance of the official activity. The act is committed at the time of accepting the benefit. The perpetrator of this crime may be a public official, a person performing a public function and a foreign public official.

3. **Active bribery** - the so-called "Bribery" (applies to givers) consisting in deliberately giving a benefit (material or personal) or its promise to a person performing a public function. The briber's behaviour is the other side of venality. A benefit may be given directly or indirectly. A crime committed in the form of making a promise of benefits is committed at the time of making the promise. Anyone can be the perpetrator of this crime.

4. **Paid protection** - the so-called "Invoking influence", which consists in taking on the mediation in settling a matter in a state institution or local government, an international organization or a national or foreign organization with public funds in return for a benefit or its promise. The perpetrator's action consists in invoking his/her influences or making the interested person believe that there are such influences, or to confirm such a belief. It is irrelevant whether the person has such influence and whether he will act as intermediary. It is not necessary that the perpetrator exerts any influence on the activities of the institution. The initiative to commit a crime may come from the person who undertakes to settle the matter, as well as from the person who wants a favourable solution. Anyone can be the perpetrator of this crime.

5. **Active paid protection** - the so-called "Trading in influence", which consists in granting or promising to grant a benefit to an intermediary in return for mediation in settling a matter in a state or local government institution, an international or national organization, or in a foreign organizational unit with public funds. This mediation should consist in unlawful influencing the decision, action or omission of a person performing a public function in connection with the performance of that function. This action is the same as bribery, except that the purpose of the perpetrator's action is to pay for the intermediation and not necessarily to the person making the decision. Anyone can be the perpetrator of this crime.

6. **Exceeding the powers or failure to fulfill obligations by a public official** connected with bribery, i.e. the above-mentioned action is related to the acceptance of financial or personal benefit.

7. **Attestation of an untruth** as to circumstances of legal significance by a public official or another person authorized to issue the document. Such action may be related to achieving financial or personal benefit (which results in the risk of a higher penalty).

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8. **Mismanagement**, which is an act committed by a person obliged to deal with property matters or business activities of Chemar Rurociągi Sp. z o.o. who, by the abuse of the powers granted to him/her or failure to fulfill his/her obligation, causes considerable damage to its property. Such action may be related to the achievement of financial or personal benefit (which results in the risk of a higher penalty).
9. **Economic corruption**, which is an act committed by every person holding a managerial position at Chemar Rurociągi Sp. z o.o. or person employed under an employment contract, civil contract or specific task contract, who demands or accepts a financial or personal benefit or its promise in exchange for the abuse of granted rights or failure to fulfill his/her obligation that may cause the damage to Company's property or constituting an act of unfair competition or an unacceptable preferential act for the benefit of the buyer or recipient of the goods, services or benefits. The situation also applies to persons who grant or promise financial or personal benefits in the above-mentioned circumstances.
10. **Acting to the detriment of creditors**, which is an act of favouring creditors by satisfying the claims of some of them to the detriment of others.
11. **Preventing or obstructing public tenders** or entering into an agreement with another person in activity leading to the detriment of the owner of the property or the person or institution for whom the tender is conducted (it should be noted that in order to commit a crime it is not necessary for the perpetrator to achieve the intended goal in the form of gaining financial benefit).
12. **Nepotism**, which is the abuse of the occupied position by protecting relatives. The basic determinant of nepotism is the so-called direct reporting line.
13. **Cronyism**, which is favouring based not on kinship but on social connections. Proteges are people who most often do not have the appropriate skills or qualifications.
14. **A conflict of interest**, which is holding important professional positions by a given person or members of their immediate family, and at the same time maintaining informal contacts that may affect their behaviour in a way that may raise doubts as to their impartiality. A conflict of interest manifests itself in various forms and occurs at all levels of economic, political and administrative activities.
A conflict of interest occurs, i.a., in following cases:
 - a) having financial, family, social and other connections with suppliers, contractors and other entities cooperating with the Company,
 - b) connections with competitors, e.g. through employment or consultations,
 - c) engaging in production of goods or services competitive to the Company,
 - d) performing work not for the Company, using the company's equipment, working time, etc.,
 - e) providing services for the Company other than those resulting from the employment relationship, e.g. sale of materials, rental of equipment,

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- f) access to confidential information, the use of which for a purpose other than a business one may bring financial or other benefits,
- g) Job-blending or relationships between persons performing functions between which there is a unilateral or bilateral dependence.

6. AUTHORIZATIONS AND RESPONSIBILITIES

Management Board, President of the Management Board, Members of the Management Board:

1. Creating an anti-corruption policy in the Company.
2. Hiring for key positions only employees whose honesty is documented and there has never been any doubt about it.
3. Providing resources for the implementation of anti-corruption policy, including training programs.
4. Raising the awareness of employees and associates in the field of corruption and other economic crimes.
5. Encouraging employees and associates to report any kind of unethical behaviour, corrupt activities or other economic crimes.
6. Notifying the law enforcement authorities of any breaches of the criminal law.

Managers:

1. Compliance with the principles set out in the Code of Business Conduct and in this Procedure.
2. Identification of the risks of fraud, inseparable from the area of the basic tasks of managers.
3. Ensuring that employees of the subordinate Organizational Unit have appropriate personal competences, minimizing the risk of unethical behaviour, corrupt activities or other economic crimes.
4. Training employees, i.a., by familiarizing them with the content of this Procedure and the Code of Business Conduct as well as supporting co-workers in eliminating activities of a corrupt nature or other economic crimes.
5. Paying attention to any signs of irregularities in the processes for which they are responsible and to any potential fraud.
6. Undertaking investigation and explanatory activities in the event of obtaining information about unethical behaviour of a subordinate employee.
7. Informing the Management Board of the Company about any unethical and corrupt behaviour or other economic abuses of employees, associates, contractors and other entities which activities affect or may affect the Company's business.
8. In the course of the implementation of this Procedure creating a register of corruption activities or other economic crimes which will serve in the future as a guideline helping to identify prohibited activities in the Company. All behaviours that resulted in taking actions under this procedure by the Company will be entered in the register.

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Employees:

1. Preventing, detecting and reporting all cases of unethical behaviour, activities of a corrupt nature or other economic crimes.
2. All employees of Chemar Rurociągi Sp. z o.o. are obliged to avoid any actions that could lead to violation of the above principle including promising, proposing, giving or accepting any material or personal benefits that go beyond official marketing activities, except for customarily accepted marketing gifts of negligible material value.
3. All employees are obliged to participate in anti-corruption training organized by the Company.

7. MODE OF CONDUCT

7.1. General provisions

1. Chemar Rurociągi Sp. z o.o. applies the principle of **"zero tolerance towards unethical behaviour, activities of corrupt nature and economic crimes"**.
2. Chemar Rurociągi Sp. z o.o. conducts its activities in a responsible manner and in accordance with the highest legal and ethical standards.
3. The knowledge of anti-corrupt regulations and compliance with the rules set out in the "Code of Business Conduct" by all employees is the condition for protection of the reputation and safety of Chemar Rurociągi Sp. z o.o. in the long term.
4. Ethical activities of the employees of Chemar Rurociągi Sp. z o.o. build and strengthen the company's value.
5. Compliance with the rules of the Procedure for Corruption Prevention is obligatory.
6. The Procedure for Corruption Prevention should be understood and treated consistently with the Code of Business Conduct of Chemar Rurociągi Sp. z o.o.
7. The employees or associates are obliged to immediately inform the manager of the organizational unit or the Management Board of Chemar Rurociągi Sp. z o.o. in case of any suspicion of corrupt activities.

7.2. Communication with associates

1. Our relationships with associates are built basing on honesty, transparency, mutual respect and professionalism.
2. We treat all associates in accordance with the principle of equality and non-discrimination.
3. In connection with hiring and remuneration of associates, the following rules should apply:
 - a) payments to associates must be reasonable and reasonably reflect the value of the services provided
 - b) Associates should have a documented history of activity in a given branch of industry

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- c) Associates should not be recommended by government officials
- d) the services provided by associates must be legal and the nature of these services and their prices must be agreed in the contract.
- 4. In relations with associates on the side of Chemar Rurociągi Sp. z o.o. there are at least two employees („four-eyes” principle).
- 5. The employee should immediately report in writing to the supervisor any information about an attempt to take corrupt actions and a suspected corruption.
- 6. The employee is obliged to inform the supervisor about the conflict of interest on his side.
- 7. Before starting cooperation with a given entity, an opinion on it should be obtained in the available sources.
- 8. In case of obtaining a negative opinion on the associate the obtained information should be verified and in the case of high probability of the truthfulness of this information the decision on possible further cooperation is made by the Management Board of the Company.
- 9. Chemar Rurociągi Sp. z o.o. does not subsidize the activities of political parties or party members in Poland and abroad.
- 10. Chemar Rurociągi Sp. z o.o. sponsors and donates to sports and cultural events as part of the Corporate Social Responsibility Policy.

7.3. Communication with contractors

- 1. Any contacts with contractors, suppliers and associates of the Company may only take place for business purposes.
- 2. Contact should take place via e-mail, fax, postal correspondence, business telephone numbers and direct meeting at the premises of the Company or the premises of the contractor. Only e-mail addresses from the chemar-piping.pl domain should be used in e-mail contacts.
- 3. All sent and received letters must be entered in the register of incoming and outgoing correspondence.
- 4. All fax messages must be entered in the register of incoming and outgoing fax messages.
- 5. All activities, business and marketing contacts should be consulted with the Management Board of the Company.
- 6. Presentations of products and solutions in the form of i.a. slides, printed materials may only contain essential and marketing elements related to the presented solution.
- 7. In case of a delegation, one should focus on the substantive purpose of the business trip (business and technical meetings, participation in training, presentations).
- 8. In justified cases, after consultation with the Management Board of the Company, it is possible to use the marketing budget, the maximum amount of which will be determined each time by the Management Board of the Company.
- 9. All related expenses must be confirmed by an invoice issued to the Company.

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7.4. Communication with employees / reporting persons

1. A supervisor and a senior manager who receives a report of potential unethical behaviour, corruption or other abuse should immediately inform the Management Board of the Company about this fact.
2. On the basis of the received information the Management Board verifies its truthfulness.
3. The employee or other reporting person shall be anonymous on the part of persons verifying the information, as well as on the part of persons to whom he/she has reported information on unethical behaviour, corruption or other abuses. No information is transferred outside the organizational structures of the Company regarding the course of the explanatory and checking proceedings.
4. The person/employee who made the report should be informed that:
 - a) he/she is obliged not to contact the person suspected of fraud in order to establish the facts or demand compensation,
 - b) he/she should exercise discretion and not discuss matters, facts, suspicions or allegations with anyone, unless he/she asks the Company's Management Board for permission to do so.

7.5. Reporting and clarifying frauds

1. In the event of unethical behaviour, corruption or other frauds as well as doubts regarding compliance with the rules of this Procedure, an appropriate report should be immediately submitted to the so-called Line for Ethical Conduct of Chemar Rurociągi Sp. z o.o. (email address: liniaetyki@chemar-piping.pl) or directly to the supervisor or the Management Board.
2. When checking, explaining and considering reports of alleged unethical behaviour, corruption or other economic crimes, the Management Board of the Company will exercise due diligence to avoid making decisions based on wrong or unfounded accusations.
3. The procedure for dealing with reported incidents is as follows:
 - a) the Management Board of the Company verifies information received from an employee, associate, contractor or obtained on its own,
 - b) in a situation when the information referred to in point 2 is found true, the Management Board of the Company appoints a Team to investigate the circumstances of unethical behaviour, corruption or other economic crimes,
 - c) in the course of clarifying the circumstances of his/her actions, the employee or associate is allowed to present his/her position on the matter,
 - d) the results of the work of the Team concerning the confirmed unethical behaviour, corruption or other economic crime are directed to the Management Board of the Company,
 - e) on the basis of the recommendations of the Team further legal steps are taken towards the employee or associate concerned by the proceedings,

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- f) any decision to discontinue cooperation with an employee or associate is made by the Management Board of the Company,
 - g) if it is confirmed that the investigated event constitutes corruption, the Management Board of the Company notifies the law enforcement authorities,
 - h) the Management Board of the Company undertakes corrective actions to prevent similar events in the future.
4. All reports are treated confidentially and the Company is obliged to observe the principles of impartiality in investigating the case by providing the employee, associate, contractor concerned by the allegations the opportunity to present their position.
 5. Chemar Rurociągi Sp. z o.o. may not dismiss, demote, suspend, harass or otherwise discriminate an employee or associate in connection with his/her legitimate actions in range of reporting of detected or suspected unethical behaviour, corruption or any other type of abuse.
 6. Each employee who is the subject of allegations has the right to seek legal protection under applicable law, irrespective of the provisions of this Procedure, including bringing the case to court.

8. RELATED DOCUMENTS

1. Criminal Code.
2. Code of Commercial Companies.
3. Labour Code.
4. Company Collective Labour Agreement.
5. Organizational Regulations.
6. Work Regulations.
7. Code of Business Conduct.

9. FINAL PROVISIONS

1. The procedure is valid from the date of its announcement.
2. The Company's Management Board is responsible for implementation and functioning of the Procedure.
3. Each employee is obliged to read and strictly observe the provisions of the Procedure.
4. In the event of unethical behaviour or other abuses the Management Board is obliged to take corrective measures to prevent similar events in the future.
5. The provisions of this Procedure do not violate any provisions of generally applicable laws.

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PB-02.00.00**10. REVISIONS****LIST OF REVISIONS OF THE PROCEDURE**

Revision No.	Revision date	Description