

**Internal reporting procedure of
Polskie Fabryki Porcelany
"Ćmielów" i "Chodzież" S.A.**

Stan	Effective Date	Version
Applicable	_____	_____

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1. Admission

Polskie Fabryki Porcelany "Ćmielów" i "Chodzież" Spółka Akcyjna, hereinafter referred to as the "**Employer**", has been conducting its activities for years based on high ethical standards, acting in accordance with the provisions of common law and internal regulations. We believe that this approach is an essential pillar of long-term success and our presence in the market for many generations.

One of the elements of building an honest and stable business, which will strengthen ties and trust, is to enable Employees and Entrepreneurs to share with the Employer their observations on incidents that may violate the provisions of the law or the Employer's internal regulations. This information will help the Employer to carry out an independent review and, if necessary, take appropriate corrective action.

The Employer would like to emphasize that it will make every effort to thoroughly consider and respond to each Report. At the same time, it ensures that the identity of each Reporter is subject to special protection, and all forms of Retaliation are prohibited and will not be tolerated.

Based on the above principles, the Employer adopts this Internal Reporting Procedure, hereinafter referred to as the "**Procedure**", which has been developed based on the provisions of the Act of 14.06.2024 on the protection of whistleblowers¹, hereinafter referred to as the "**Act**".

2. Cell

- 2.1. This Procedure sets out the internal procedure for making Reports and taking Follow-up Actions.
- 2.2. The purpose of the Procedure is to define the conditions for safe and confidential reporting of observed or suspected Breaches observed in a work-related Context.

3. Responsibility

- 3.1. The business owner of this Procedure, responsible for its periodic updating and making necessary changes, is an authorized HR and payroll specialist.

¹Journal of Laws of 2024, item 928.

3.2. The HR and payroll specialist is obliged to familiarize himself with the content of the Procedure:

- 1) Employees and Entrepreneurs, whereby the acquaintance may take place through other employees of Polskie Fabryki Porcelany "Ćmielów" i "Chodzież" Spółka Akcyjna in writing with confirmation of acquaintance or by e-mail,
- 2) each new Employee, before being allowed to work,
- 3) a person applying for a job at the start of recruitment,
- 4) person applying for the performance of functions or provision of services along with the commencement of negotiations.

3.3. Each Employee and each of the Employer's organizational units is obliged to cooperate with the HR and Payroll Specialist or other authorized employee or entity conducting the investigation to the extent indicated by this entity, in particular by participating in the investigation or providing the necessary documentation or information. Persons cooperating in the follow-up are obliged to maintain confidentiality.

4. Definitions

Whenever this Procedure refers to:

- 1) **Retaliation** – it should be understood as any direct or indirect act or omission, in a work-related context, that is caused by a Report or public disclosure and that violates or may violate the rights of the Reporting Person or cause or may cause unjustified damage to the Reporter, including the groundless initiation of proceedings against the Reporter. Examples of prohibited retaliation are indicated in Appendix 1 to the Procedure;
- 2) **Work-related context** – it should be understood as past, present or future activities related to the performance of work on the basis of an employment relationship or other legal relationship constituting the basis for the provision of work or services or performing a function in a legal entity or for this entity, or performing service in a legal entity, within the framework of which information about a violation of the law was obtained and there is a possibility of experiencing retaliatory actions
- 3) **EY VCO Platform** – it should be understood as a dedicated online tool EY Virtual Compliance Officer intended for making Reports, available at: wistilgrupa.vco.ey.com;
- 4) **Infringement** – it should be understood as an act or omission that is unlawful or aimed at circumventing the law, indicated in the Act;

- 5) **Person to whom the Report relates** – it should be understood as a natural person, legal person or organizational unit without legal personality, to whom the law grants the legal capacity indicated in the Report as the person who committed the Infringement or with whom this person is associated;
- 6) **Person assisting in making a Report** – it should be understood as a natural person who assists the whistleblower in reporting or public disclosure in a work-related context and whose assistance should not be disclosed;
- 7) **A person related to the Whistleblower** – it should be understood as a natural person who may experience retaliation, including a co-worker or a person closest to the whistleblower within the meaning of Article 115 § 11 of the Act of 6 June 1997 – the Penal Code (Journal of Laws of 2024 No. item 17);
- 8) **Employee** – it should be understood as:
 - a. a person employed by the Employer on the basis of an employment contract, appointment, election, appointment or cooperative employment contract,
 - b. a temporary worker performing temporary work for the Employer,
 - c. a natural person performing work or service for the Employer on a basis other than an employment relationship, including in particular on the basis of a civil law contract,
 - d. an intern, apprentice or volunteer performing work for the Employer as part of an internship, apprenticeship or volunteering, regardless of whether they receive remuneration from the Employer or not,
 - e. a person who is a member of any of the Employer's bodies;
- 9) **Entrepreneur** – it should be understood as a natural or legal person who has cooperated, cooperates or will cooperate with the Company, in particular a contractor, subcontractor or supplier;
- 10) **Supervisory Board** – it should be understood as the supervisory body of the Employer;
- 11) **Management Board** – it should be understood as the Employer's management body;
- 12) **Team** – it should be understood as a team dedicated to considering Applications and taking follow-up actions, which includes:
 - a. President of the Management Board, who is also the Chairman of the Team,
 - b. authorized HR and payroll specialist,
 - c. a person providing permanent legal services to the Employer

- with the proviso that the composition of the Team may be extended by other persons with the necessary knowledge or competences;
- 13) **Applicant** – it should be understood as a person making an Application in the Context related to work, which is m.in.:
- a. Employee
 - b. A temporary worker,
 - c. A person performing work on a basis other than an employment relationship, including on the basis of a civil law contract,
 - d. Trader
 - e. Proxy,
 - f. A person who is a shareholder, stockholder or member of any body of the Company;
 - g. A person performing work under the supervision and direction of a contractor, subcontractor or supplier,
 - h. An intern, apprentice or volunteer,
 - i. A former employee.
- 14) **Report** – it should be understood as information provided via a dedicated channel, including a reasonable suspicion, regarding an existing or potential Breach that has occurred or is likely to occur at the Employer's premises, or information regarding an attempt to conceal such a Breach.

5. Reportable violations

- 5.1. The subject of the Report may be Violations of common law relating to any of the areas indicated in section 5.2.
- 5.2. The areas of common law whose Breach is Subject to Notification are:
- 1) corruption;
 - 2) public procurement;
 - 3) services, products, financial markets;
 - 4) counteracting money laundering and terrorist financing;
 - 5) product safety and compliance;
 - 6) transport safety;
 - 7) environmental protection;
 - 8) radiation protection and nuclear safety;
 - 9) food and feed safety;

- 10) animal health and welfare;
- 11) public health;
- 12) consumer protection;
- 13) protection of privacy and personal data;
- 14) security of networks and ICT systems;
- 15) the financial interests of the State Treasury of the Republic of Poland, local government units and the European Union;
- 16) the internal market of the European Union, including public rules on competition and state aid, and corporate taxation;
- 17) constitutional freedoms and rights of man and citizen – occurring in the relations of an individual with public authorities and not related to the areas indicated in points 1-16;

6. Rules for submitting Submissions

6.1. A reporter who has received information about a Breach in a work-related context or has a suspicion of a Breach should make a Report by choosing one of the following reporting channels:

- 1) EY VCO platform – available at the link wistilgrupa.vco.ey.com
- 2) Dedicated email address: zgloszenia@porcelana.com.pl
- 3) Letter sent to:

HR and payroll specialist

Polish Porcelain Factories "Ćmielów" and "Chodzież" S.A.

45 Ostrowiecka Street, 27-440 Ćmielów

*with the note "**Do not open – into your own hands**",*

6.2. The employer allows anonymous reports. Anonymous reporting means that the Employer will not know the identity of the Reporter unless the Reporter voluntarily discloses this identity.

6.3. Anonymous reports are processed in the same way as non-anonymous reports. If the Request was made via the EY VCO platform - confirmation of receipt of the Report and feedback will be provided via the EY VCO platform, and the anonymous Applicant can check the status of the Request using a unique token.

6.4. The Reporting Person should provide as much information as possible about the Breach in the Report. This will improve the process of explaining it. It is worth including in the Application such information as:

- 1) "What happened?";
- 2) "Where?";
- 3) "When?";
- 4) "How?";
- 5) "What tools or systems were used to commit irregularities?";
- 6) "What was or could have been the motive of the perpetrator?";
- 7) "Who did it?"

7. Accepting applications

7.1. The entity authorized to receive Applications is:

- 1) an authorized HR and payroll Specialist or, in his absence, another authorized Employee,
- 2) Chairman of the Supervisory Board – or in his absence – another authorized Member of the Supervisory Board if the Report concerns:
 - a. any member of the Management Board, or
 - b. HR and payroll specialist.

7.2. Regardless of the choice of the reporting channel, within 7 days of receipt of the Report, the entity authorized to accept Reports will confirm the receipt of the Notification to the Reporter, unless the Reporter submits the Report anonymously and does not provide contact details for receiving feedback.

7.3. Based on the contact details provided by the Reporter, the entity receiving the Report may contact the Reporter to obtain further information regarding the Breach.

8. Handling the Report

8.1. The entity authorized to take follow-up actions is:

- 1) A team, or
- 2) the Chairman of the Supervisory Board or, in his absence, another authorised Member of the Supervisory Board – if the Report concerns:
 - a. any member of the Management Board, or
 - b. HR and payroll specialist.

8.2. The purpose of the follow-up is to provide impartial, reliable and objective verification of the Application. Upon acceptance of the Report, the entity authorized to take follow-up actions is obliged to take the necessary actions to consider the Report.

8.3. Follow-up may include, in particular:

- 1) Investigation;
- 2) actions taken to recover funds;
- 3) taking measures to prevent further Breaches;
- 4) prosecution;
- 5) initiation of disciplinary proceedings.

8.4. The detailed procedure for taking follow-up actions is specified in the Employer's procedure for considering reports.

8.5. All documentation related to the Submission and follow-up documentation will be treated as confidential and adequately protected against unauthorized access.

8.6. Any person permitted by the Employer to receive, verify and follow up on Submissions will be bound by a written obligation of confidentiality.

9. Disciplinary measures

9.1. If, after appropriate proceedings, the fact of the Breach is confirmed, the Employer may apply appropriate disciplinary measures against the Person to whom the Report relates.

9.2. Disciplinary measures are measures indicated in § 48 – 49 of the Work Regulations.

9.3. Recommendations for disciplinary measures are submitted to the Management Board by the Team or, in special cases, by the Chairman of the Supervisory Board.

10. Feedback

10.1. Within 3 months from the date of confirmation of receipt of the Application, the entity authorized to take follow-up actions will provide feedback to the Applicant.

10.2. The feedback includes information m.in:

- 1) on the determination or non-determination of the occurrence of the Default;
- 2) of any measures that have been or will be taken in response to the Breach found.

11. Register of reports

11.1. The employer keeps a register of internal reports and is the administrator of the data collected there. The data in the register of Reports are confidential. Access to the Submission register is restricted.

11.2. Personal data and other information in the register of internal reports are stored for a period of 3 years after the end of the calendar year in which the follow-up actions were completed or after the end of the proceedings initiated by these actions.

11.3. Entry in the register of internal reports is made on the basis of an internal report.

11.4. The register of internal reports includes:

- 1) Your Request number,
- 2) the subject of the infringement,
- 3) personal data of the Applicant and the Person to whom the report relates, necessary to identify these persons,
- 4) Applicant's contact address,
- 5) date of filing the Application,
- 6) information on the follow-up actions taken,
- 7) the date the case was completed.

11.5. Once a quarter, the Team presents to the Chairman of the Supervisory Board a collective, anonymized report on the Reports received by the Employer.

12. Rules for the protection of Applicants

12.1. Retaliation is prohibited by the employer and any retaliation is subject to disciplinary liability. It is the Employer's job to protect against Retaliation or other types of unfavourable or unfair treatment.

12.2. Protection against the use of Retaliation is granted to:

- 1) the applicant;
- 2) A person assisting in making a Report;
- 3) A person associated with the Applicant.
- 4) The Applicant is protected provided that at the time of filing the Report, he had reasonable grounds to believe that:
 - a. the information about the Breach that is the subject of the Report is true;
 - b. the reported information concerns the Violation of the areas of common law indicated in section 5.2.

12.3. One of the measures to protect the Reporter is to protect his/her identity and to protect information that could directly or indirectly help to identify the identity of that person. The employer ensures that information about the identity of the Reporting Person will be kept confidential and will be disclosed only with the express consent of the Reporting Person expressed in writing. Each person designated to receive Reports or take follow-up

actions has been duly authorized by the Employer and has signed a confidentiality statement under pain of criminal liability.

13. False reports

- 13.1. False reports are not protected by this Procedure and are prohibited.
- 13.2. A false report is information that the Reporting Person knew was not true and did not constitute information about the Violation. A false report is, in particular, a report bearing the characteristics of intentional defamation.
- 13.3. The person making a false report is not a Whistleblower within the meaning of this Procedure, and the Employer may apply disciplinary measures against him/her.

14. External Requests

- 14.1. Regardless of the reporting channels provided by the Employer, the Applicant may submit an external report.
- 14.2. External reporting may be made in particular to public authorities such as the Ombudsman or other institutions, bodies, offices and agencies of the European Union.
- 14.3. External reports addressed to the Ombudsman can be made to the external reporting channel announced by the Ombudsman.
- 14.4. Any retaliation or adverse treatment for making an external report is prohibited.
- 14.5. The provisions of point 14 are effective from the date of entry into force of the relevant requirement of the Act, i.e. from 25 December 2024

15. Processing of personal data

- 15.1. The employer processes personal data in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).²
- 15.2. Only the personal data that is relevant to the processing of the Request is collected. Any personal data that is obviously irrelevant to the processing of the Submission is not collected, and in the event of accidental collection, it is deleted without undue delay.

² Journal of Laws of the Republic of Poland. UE L of 2016 No. 119, p. 1, as amended. d.

16. Regulatory compliance

- 16.1. The content of this Procedure is based on the provisions of the Act and Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law³.
- 16.2. Failure to comply with the Procedure may be treated as a violation of employee duties and applicable law.

17. Review and Amendment of the Procedure

This Procedure is reviewed at least once every 24 months, unless changes in the law require its more frequent updates.

18. Related procedures

Follow-up actions taken to verify information about violations of the law and measures that may be taken in the event of a violation of the law are the subject of the Employer's procedure for handling reports.

19. Entry into force

- 19.1. This Procedure has been established after prior consultations with the company's trade union organization, in accordance with Article 24 section 4 of the Act.
- 19.2. The Procedure comes into effect on 25.09.2024 and applies to Submissions made after its entry into force.


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³ Journal of Laws of the Republic of Poland. EU L of 2019 No. 305, p. 17, as amended. d.

Appendix No. 1

Examples of unfavourable treatment that may be considered prohibited retaliation against the Reporter

1. Unless the Employer proves that the employer was guided by objective reasons, the following are considered in particular to be unfavourable treatment due to reporting or public disclosure:

- a. refusal to establish an employment relationship or a legal relationship on the basis of which work is or is to be performed by the Applicant,
- b. termination without notice of the employment relationship or legal relationship on the basis of which work is or is to be performed by the Applicant,
- c. failure to conclude an employment contract for a definite period of time or an employment contract for an indefinite period after termination of an employment contract for a trial period, failure to conclude another employment contract for a definite period of time or failure to conclude an employment contract for an indefinite period of time after termination of an employment contract for a definite period of time – if the Applicant had a reasonable expectation that such a contract would be concluded with him/her;
- d. reduction of remuneration for work,
- e. suspension of promotion or omission from promotion,
- f. omission of work-related benefits other than remuneration or reduction of the amount of these benefits,
- g. transfer of the Employee to a lower position,
- h. suspension from the performance of employee or official duties,
- i. transfer the current duties of the Applicant to another Employee,
- j. unfavorable change in the place of work or the schedule of working time,
- k. a negative evaluation of work performance or a negative opinion about work,
- l. imposing or imposing a disciplinary measure, including a financial penalty, or a measure of a similar nature,
- m. coercion, intimidation, exclusion,
- n. bullying
- o. Discrimination
- p. unfavourable or unfair treatment,

- q. suspension of participation or omission from selection for participation in training to improve professional qualifications,
- r. unjustified referral for a medical examination, including psychiatric examinations, unless separate regulations provide for the possibility of referring the employee for such an examination,
- s. action aimed at making it difficult to find employment in a given sector or industry in the future on the basis of an informal or formal sectoral or industry agreement,
- t. causing financial loss, including economic loss, or loss of income,
- u. causing other non-material damage, including infringement of personal rights, in particular the Applicant's good name.

2. Retaliation for reporting or public disclosure also includes threatening or attempting to use the measures listed above.