



# **ANTI-CORRUPTION** **guide**

IN THE FABRYKI MEBLI "FORTE" S.A. GROUP



# 1. INTRODUCTION

This Guide is intended to help Employees effectively prevent corruption risks in the Forte Group (the Group or FORTE). The Guide includes in particular:

- a definition of Corruption and Benefit;
- rules for preventing Corruption and dealing with it;
- sanctions related to breaches of anti-corruption rules.

The Guide is to be used in all Forte organisational units and applies to all Employees and Associates.

# 2. DEFINITIONS

<b>Guide</b>	<i>this document</i>
<b>Corruption</b>	<i>an act of offering someone an undeserved Benefit (financial or personal) in return for that person doing something favourable to us. A very important element of Corruption is the intent of the giver – they must be hoping for something in return</i>
<b>Benefit</b>	<i>the currency of Corruption – providing a Benefit is a necessary condition for Corruption to occur</i>
<b>Trade secret</b>	<i>Forte's technical, technological, organisational information or other information of economic value that is not generally known or easily accessible, provided that measures are taken to keep it secret (e.g. specialist know-how, sales data, strategic plans, source code).</i>

Definitions contained in other internal Regulations of the Group also apply to this Guide.

# 3. STRUCTURE OF THE GUIDE

The Guide consists of the following parts:

- What is Corruption?
- How to prevent Corruption?
- What to do when you suspect Corruption?
- Consequences of breaching the rules

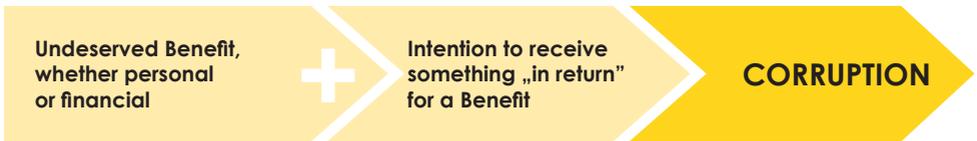
## 4. WHAT IS CORRUPTION?

### 4.1 WHAT IS CORRUPTION?

**Corruption** is an act of promising, offering, giving, requesting, accepting directly or indirectly any undue **financial or personal Benefit**.

The Benefit may be accepted directly or through a third party (indirectly). It is also Corruption to accept an offer or a promise of such Benefit in return for a specific act or omission when performing a **public function or carrying on a business activity**.

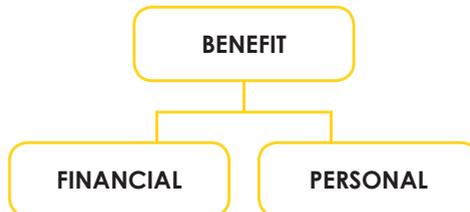
In short: **Corruption is an act of offering someone an undeserved Benefit (financial or personal) in return for that person doing something favourable to us.** A very important element of Corruption is the intent of the giver – they must be hoping for something in return.



Corruption does not necessarily mean illegal behaviour. It can also use **legitimate mechanisms**. These can serve as a tool of Corruption if they are provided to the other party with such intention.

### 4.2 Example

**Situation:** Making a donation to an educational institution cooperating with FORTE, the director of which is the person responsible for deciding on the terms and conditions of cooperation with FORTE, in return for being treated in a special way.



### WHAT IS BENEFIT?

In practical terms, Benefit is the “currency” of Corruption – providing a Benefit is a necessary condition for Corruption to occur. **The Benefit itself may take various forms and be both financial and personal.** The Benefit is **undue**.

## 4.2.1 Financial Benefit

**A financial Benefit is usually associated with money, but is it right?** The Benefit may be not only cash handed over in an envelope, but also:

- credit card,
- vouchers/coupons,
- payment/transfer of a certain amount
- **sponsorship** if it goes beyond certain rules (e.g. by sponsoring a trip also for the partner of our contractor or accommodation in a luxury hotel),
- **expensive gifts** (e.g. perfume, expensive alcohol),
- – **donation** if it is made in disregard of internal rules.

## 4.2.2 Personal Benefit

**A personal Benefit is non-financial** and is intended to positively change the situation of the person who receives such a Benefit, e.g. a promise of promotion for that person or a person close to them.

## 4.3 CORRUPTION IN PRIVATE SECTOR VS. CORRUPTION IN PUBLIC SECTOR

### 4.3.1 Private sector

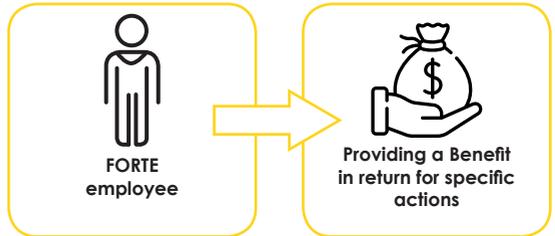
In the private sector, Corruption may, in particular, involve providing financial or personal Benefits to **Contractors in return for them making a specific decision, not fulfilling their obligations or taking specific actions (e.g. influencing the selection of our proposal)**. The Benefit may be accepted by an employee or a person acting on behalf the Contractor who may decide on the outcome we want to achieve, e.g. director of the internal procurement department.



### 4.3.2 Public sector

For Corruption to occur in the public sector, persons who influence the spending of public money must be involved. This occurs when the Benefit is intended for a **Person performing public functions**.

**Persons performing public functions** are officials who are in charge of making decisions regarding the spending of public funds and decisions regarding entities of the Group as well as persons who are employees of state bodies, e.g. officials performing a quality control at FORTE, the President of the Office of Competition and Consumer Protection, police officers or employees of ministries.



### 4.4 Corruption in law

Corruption can take many forms and manifest itself in many situations. It is governed by various regulations. Below is a summary of the most important regulations that apply to our business.

WHAT?	WHO?	HOW?	PENALTY
Criminal Code			
Article 229 <b>BRIBERY</b>	Any employee, in particular those responsible for relations with persons performing public functions	<p>This provision prohibits giving a bribe to Persons performing public functions (e.g. officials) in connection with their duties (e.g. deciding on a fine)</p> <p><b>Example:</b> offering an official tickets for a sporting event in return for a reduced fine or not imposing it on Forte</p>	This act is punishable by imprisonment of 6 months to 8 years.

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<p>Article 230a</p> <p><b>PAID PROTECTION</b></p>	<p>Any employee, in particular those responsible for relations with persons performing public functions</p>	<p>This provision prohibits offering Benefits to Persons performing public functions in return for their assistance in "handling" a matter within their authority. It consists in unlawfully influencing a decision, act or omission by that official as part of their official function.</p> <p><b>Example:</b> providing a financial Benefit to an official of the National Labour Inspectorate in return for them issuing a favourable ruling or not initiating an inspection</p>	<p>This act is punishable by imprisonment of 6 months to 8 years.</p>
<p>Article 296a</p> <p><b>MANAGERIAL BRIBERY</b></p>	<p>Management Board, managerial staff, directors</p>	<p>It consists in accepting or demanding a financial or personal Benefit by a person holding a managerial position, or making a promise of such Benefit, in return for them abusing or failing to exercise their authority. Such an act must cause financial damage to the company.</p> <p><b>Example:</b> A manager who has an impact on the recruitment process hires a person regardless of their competencies in return for a personal Benefit</p>	<p>The act is punishable by imprisonment of 3 months to 5 years.</p>

## 5. HOW TO PREVENT CORRUPTION?

### 5.1 GENERAL RULES FOR PREVENTING CORRUPTION



Directors and managers of the Group are obliged to identify the risk of corrupt behaviour in the area they supervise – they pay attention and react to any situation that may trigger corrupt behaviour.



Directors and managers of the Group educate their subordinate Employees: they communicate to Employees that they show no tolerance for certain actions and indicate the appropriate course of action.



Reacting to corrupt behaviour is the responsibility of each Employee.

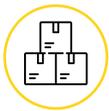


Each Employee or Contractor starting their cooperation with FORTE is obliged to read and observe the anti-corruption rules in force in the Company.



Each Employee is obliged to participate in onboarding and recurrent anti-corruption refresher trainings at least once every 2 years. Any additional training needs in this respect should be reported to the Legal and Compliance Department.

### 5.2 RELATIONSHIPS WITH EXTERNAL ENTITIES



#### Decision to purchase goods or services

When deciding to purchase goods or services, we **do not favour** any Contractor. From among the submitted proposals, we select the one that is most advantageous for FORTE in terms of price, quality, capabilities and trust towards a given Contractor. In our evaluation, we only consider the interests of FORTE, not of any particular individual.



#### Verification of Contractors

Before starting cooperation with a Contractor, we verify it to exclude the risk of FORTE's unintentional involvement in irregularities and the related liability. We perform, among others, the following actions:

- we **verify the need** for cooperation;
- we **assess the Contractor's reliability** on the basis of verification methods adopted at FORTE;

- we obtain assurance that the Contractor will comply with the Group's internal rules and/or we include appropriate **clauses** in contracts under which the Contractor is obliged to comply with anti-corruption and compliance standards and we have the right to audit the Contractor during our cooperation;
- we assess the **credibility of persons representing** these entities.



### Cooperation with Contractors

We treat Contractors of similar categories **equally** and evaluate them on the basis of **merit** and the quality of services they provide.

**We do not engage in corrupt practices** in return for a favourable outcome, contract, purchase of our services or other unethical activities.

We do not cooperate with entities that, to our knowledge, may have been involved in corrupt activities. If such an activity has occurred in the course of cooperation with Forte – **we take corrective actions**, which may entail termination of cooperation with that Contractor.

**We communicate on business matters.** Employees immediately inform their superiors about any non-business contacts with Contractors that may affect business relationships and that may constitute a conflict of interest.

We **require** all our Contractors to:

- a) comply with the rules of ethics and the applicable laws, in particular anti-corruption regulations,
- b) comply with the Group's internal rules, in particular anti-corruption rules,
- c) perform their duties in a transparent, substantive and honest manner,
- d) be guided by the interests of the organisation they represent and not by personal interests and not to expect benefits for themselves, their relatives or friends,
- e) immediately inform us of any potential corruption risks that may affect our cooperation as part of ongoing or negotiated business relationship.

## 5.3 RELATIONSHIPS WITH EMPLOYEES

We adhere to the following rules of conduct in our relationships with Employees:

- a) we respect and trust each other,
- b) we cooperate in pursuit of mutually agreed upon goals,
- c) we evaluate the way our Employees perform their duties in a fair and honest manner,
- d) we expect efficiency at work, achieved in an ethical manner.

FORTE hires, promotes and rewards Employees, taking into account their **actual performance**, the qualifications required for a given job and Employee's **motivation** to develop their qualifications and improve their skills.

FORTE does not accept any behaviour that might indicate that such decisions have been taken in return for any Benefits or other improper actions.

### EXAMPLE

**Situation:** Promoting an Employee in return for a promise of a financial Benefit.

**Situation:** Making a decision on an Employee's reward or bonus conditional on the return of part of it to the superior who decides on such reward or bonus.

## 5.4 CONFLICT OF INTEREST

It is your duty to make all decisions in the best interest of FORTE and of the Group and to avoid any conflict of interest.

**A conflict of interest** arises when you pursue your own personal interests at the expense of the interests of the Company or of the Group. A conflict of interest may, in particular, take the form of business, financial, equity or personal ties with a company competing with FORTE in the product and labour market (e.g. a supplier of similar products), a Contractor, an official or other persons who may influence decisions related to the Company's business.

It is your duty to avoid situations that could even create the impression or could be perceived as a conflict of interest.

It is your duty to inform your immediate superior of any, even potential, conflict of interest that could arise in connection with performing your duties.

## 6. WHAT TO DO WHEN YOU SUSPECT CORRUPTION?

If you notice that someone in your environment engages in corrupt activities or you yourself receive a proposal of this nature, you should **react**.

### 6.1 How should you react?

If you notice that any actions of your colleague, contractor or subcontractor with whom you work on a daily basis are abnormal and raise your concerns, **do not be afraid to point it out and report irregularities via internal channel**.



### EXAMPLE

**Situation:** Your colleague tells you that he/she went with an official who is in charge of an inspection at FORTE to a concert and tickets were financed by FORTE. He/she emphasises that this will certainly have a positive impact on the outcome of the inspection.

**Reaction:** In this case, you should point out to him/her that the inspection should be carried out based on objective criteria and not on the basis of behaviour that may constitute a form of Corruption. You should report such behaviour in accordance with the Group's whistleblowing procedure.

If you find yourself in a situation in which someone offers you a financial or personal Benefit or requests it in return for you taking an action, firmly refuse and report the situation via our internal whistleblowing channels.

### 6.2 Reporting of irregularities

You can report any behaviour that raises your suspicions via **internal whistleblowing channels**. All reports made are subject to review.

## EXAMPLE

**Situation:** A Contractor suggests that you are unlikely to do business with them unless you make a donation to an entity indicated by them.

**Reaction:** In this case, you should make it clear that FORTE makes donations based on objective reasons and that they are not conditional on a subsequent decision to cooperate. You should report such behaviour via internal whistleblowing channels.

**It is unacceptable to make reports in bad faith.** If a report is not reflected in the facts and is only intended to adversely affect the situation of another person, we will take appropriate steps. The whistleblowing system is designed for those who care about compliance with the rules in our company.

### 6.3 Who should you report to?

If you are in doubt about whether you have identified an irregularity or what rules of conduct to follow, you should refer to and follow the Anti-Fraud Procedure. You can report any further concerns to Ethics Officers, Compliance Officer or Legal and Compliance Department.

## EXAMPLE

**Situation:** You notice that one of your colleagues repeatedly acts in a way that bypasses procedures and breaches the rules of cooperation with local officials.

**Reaction:** You decide to report the behaviour anonymously. As a result, an investigation is launched. Depending on the outcome of the investigation, appropriate measures will be taken to prevent such behaviour in the future.

**You may also report any irregularities you observe to Ethics Officers or to Compliance Officer.** Each report will be investigated and your identity will be protected.

Following an investigation, if irregularities are identified, the Management Board will make a decision as to the consequences to be borne by the person who committed the irregularity.

## 7. CONSEQUENCES OF BREACHING THE RULES OF CONDUCT

Committing a breach by an Employee may trigger disciplinary and legal sanctions.

### 7.1 DISCIPLINARY SANCTIONS

In terms of disciplinary sanctions, an Employee may face penalties set out in the Labour Code or even termination of their employment.

### 7.2 Legal sanctions

If an offence is revealed by law enforcement authorities, the perpetrator may be prosecuted. This may involve imposing preventive measures set out in the Code of Criminal Procedure (such as bail or suspension of the right to practice the profession) on the accused (and not yet convicted!).

### CONTACT DETAILS ETHICS OFFICERS



#### Using the form:

<http://ww2.forte.com.pl/pl/contact#formularzZglosNaruszenie> – under the link „Report a breach”



#### To one of the following email addresses:

in Polish:

- [rzecznik.etyki@forte.com.pl](mailto:rzecznik.etyki@forte.com.pl)
- [rzecznik.ostrow@forte.com.pl](mailto:rzecznik.ostrow@forte.com.pl)
- [rzecznik.hajnowka@forte.com.pl](mailto:rzecznik.hajnowka@forte.com.pl)
- [rzecznik.suwalki@forte.com.pl](mailto:rzecznik.suwalki@forte.com.pl)
- [rzecznik.tanne@forte.com.pl](mailto:rzecznik.tanne@forte.com.pl)
- [rzecznik.bialystok@forte.com.pl](mailto:rzecznik.bialystok@forte.com.pl)

in Ukrainian:

- [rzecznik.ukr@forte.com.pl](mailto:rzecznik.ukr@forte.com.pl)



#### By post:

FABRYKI MEBLI „FORTE” S.A.  
ul. Biała nr 1  
07-300 Ostrów Mazowiecka  
in an envelope marked  
“Ethics Officer”

#### COMPLIANCE OFFICER

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