

# ANTI- CORRUPTION POLICY IN CD PROJEKT GROUP



## INTRODUCTION

---

Preventing corrupt practices is one of the ethical foundations underlying CD PROJEKT Capital Group operations.

The purpose of this Anti-Corruption Policy is to establish basic principles of recognizing, preventing and limiting the risk of corruption and associated abuses, both within CD PROJEKT S.A. and its related companies within the CD PROJEKT Capital Group.

This Policy is implemented throughout the Group in order to unify standards of fairness and ethical conduct, both in business relations and in any relations with public authorities in the context of generally applicable national regulations and key international legal standards. The CD PROJEKT Group follows the “zero tolerance” principle for any hallmarks of corruption, whether in the ethical dimension as a demoralization factor or in legal terms.

If you have any questions or doubts concerning this Anti-Corruption Policy, please contact us at [compliance@cdprojektred.com](mailto:compliance@cdprojektred.com)



## DEFINITIONS

**Policy** – this Anti-Corruption Policy;

**CD PROJEKT Group** – the CD PROJEKT Capital Group;

**Company** – any Group company;

**Employee** – any natural person hired by the Company irrespective of the contract type;

**Privacy & Compliance Team** – individuals designated to coordinate compliance management activities in CD PROJEKT S.A.;

**Management Board** – members of the Company's management board;

**Business Partner** – a natural person or a legal person being a party to a business transaction or to business negotiations with the Company;

**Financial Benefit** – any increment in your or someone else's property that may be expressed in money terms, e.g., gifts, invitations, favorable contracts, coverage of travel expenses, or cash;

**Personal Benefit** – any increment in personal prosperity, e.g., hiring for work, promoting at work, or awarding a trade distinction;

**Benefit** – a Financial or Personal Benefit;

**Conflict of Interest** – a situation where the Employee's private interests influence his or her business interests. It may take the form of an actual conflict (a real contradiction between private and business interests) or the form of a potential conflict (the impact of the given

circumstances is possible on the occurrence of a contradiction between private and business interests);

**Gifts** – any kind of souvenirs, tickets or invitations to participate in meetings, events or trips of recreational nature; favorable conditions of buying products or services, free-of-charge performances, securities, alcohol, good products, and non-standard advertising gadgets;

**Person Performing a Public Function** – a Public Official, a member of a local government body, a person employed in an entity using public funds - unless he or she performs only service activities - or a person whose public obligations are determined statutorily or under an applicable international agreement; e.g., a doctor or a teacher;

**Public Official** – a person who is an employee of the central government administration, of another state or local government authority, including the President, an MP, a senator, a councilor, a member of the European Parliament, a judge, a juror, a prosecutor, a notary, a debt collector (bailiff in GB), a probation officer, a receiver, a court supervisor or mandatory insolvency administrator, an employee of a state inspection authority or of a local government inspection authority - unless he or she performs only service activities - an officer of a public security agency or of the Prison Service, an active military serviceman or servicewoman; or a person whose job corresponds to the definition of an "official", a "public officer", a "mayor", a "government minister" or a "judge" in the internal law of the country where the given person performs his or her function;

**Small Gratuities** – Benefits provided in order to accelerate or ensure the performance of certain actions, including payments exceeding the determined remuneration, whenever there is no obligation to give the same to any Persons Performing Public Functions.

## COMPLIANCE WITHIN CD PROJEKT GROUP

This Policy applies to all the Group Companies, including all the Employees, who are obliged to comply with it in their contacts with other persons, entities or institutions with whom or which the Company is establishing or maintains relationships. The Management Board of each CD PROJEKT Group Company is responsible for implementing this Policy.



## WHAT IS CORRUPTION?

The notion of corruption covers conduct consisting of providing, accepting, extorting or promising a Benefit, also in the form of Small Gratuities, in order to be preferentially treated or to influence the other person's actions, irrespective of whether the Benefit is actually provided or of its value.

All actions corruptive in nature are prohibited, including those taken:

- Directly or by way of third parties,
- Within the Group's internal structures,
- In relations with third parties, Business Partners and Persons Performing Public Functions, including Public Officials - domestic and foreign.

Due to the global reach of the Group's operations, in addition to the absolute requirement to apply the local anti-corruption law, each Company must comply with anti-corruption regulations and standards arising from appropriate international arrangements.

### WHAT DOES IT MEAN?

Corruption can be found also in a private company. Whenever somebody uses his or her position, takes a decision or influences another person in exchange for undue benefits, that person acts unlawfully.

#### EXAMPLE

An IT company refers to you with a proposal of long-term cooperation. In exchange for the contract execution it offers you a "commission". If you accept their proposal, you accept a bribe.



## RISK OF CORRUPTION

### 1. Accepting and giving Gifts

As part of developing and maintaining business relations, the Company allows the possibility to accept or give Gifts, within the constraints set out in this Policy.

Gifts should be accepted or given in good faith, as an expression of courtesy, should conform to the adopted social and cultural standards, should not cause embarrassment or any obligations or expectations on the recipient's part. Keeping the customary form of accepting or giving a Gift involves modest forms of politeness, and its value cannot cause an impression of being non-standard or disproportionately expensive. In CD PROJEKT Group accepting, giving or promising a Gift, an invitation to participate in a meeting or an event is prohibited whenever the nature of those actions is improper, in particular:

- There is a reasonable suspicion that it is to exert improper influence on the recipient;
- It constitutes a form of remuneration in exchange for a specific decision, action or inaction;
- It involves a Public Official irrespective of the position held;
- It does not conform to the [Business and Ethical Standards in the CD PROJEKT Group](#);
- It could for other reasons adversely affect the Company's image;
- It involves cash or a cash equivalent.

#### WHAT DOES IT MEAN?

Gifts may show ordinary politeness to prove successful cooperation. Remember that when accepted or given in an improper manner, they may be viewed as an attempt to exert improper influence and may cause a suspicion of corruption.

#### EXAMPLE

You are about to place a large order to furnish a room. While researching the market you receive an expensive product from one of the companies and in exchange you place an order with that company, although its products are more expensive than the same quality products offered by another supplier. This action is inappropriate.

### 2. Conflict of Interest

CD PROJEKT Group Employees are obliged to exercise due care in situations where their private interests are or may be in conflict with the Company's interests, in particular where personal matters affect bias-free and objective performance of occupational obligations. Circumstances that may give rise to a Conflict of Interest comprise in particular:

- Another employment relationship or sole proprietorship (potentially) leading to a breach of occupational obligations towards the Company;
- A considerable shareholding in, the employment with, or the provision of advisory services to entities competing or cooperating with the Company;
- Cooperation with a Business Partner whose shareholder, member of the managing staff, proxy, employee or decision maker is closely related to the Employee;
- Personal decisions taken in the Company about an individual closely related to the Employee.

**WHAT DOES IT MEAN?**

A Conflict of Interest always arises where personal interests may affect decisions taken in the workplace. As a result of a Conflict of Interest, the person taking biased or discretionary decisions is unable to act objectively, as the decision consequences will personally affect him or her. A Conflict of Interest does not always have to entail corruption but may lead to it.

**3. Relationships with third parties**

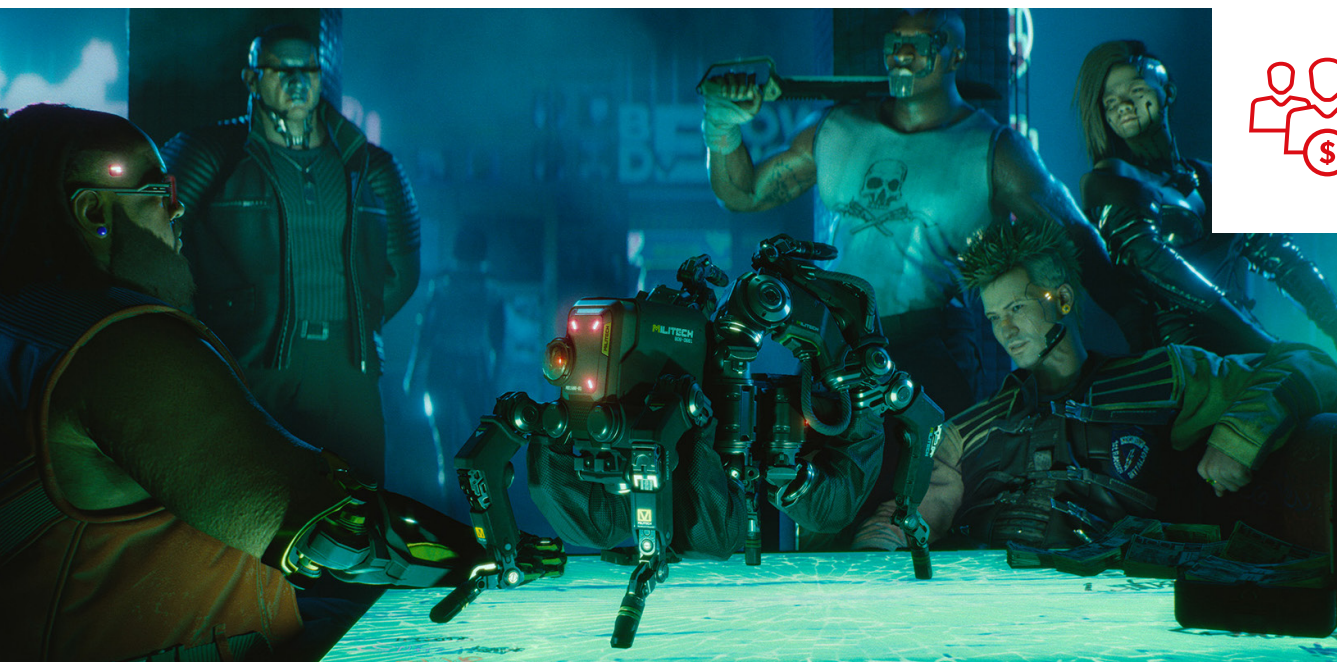
All the relationships and contacts with third parties-both Polish and foreign business counterparties and Persons Performing Public Function-are established and continued while applying the principles of transparency and ethics and in accordance with the applicable law. Employees who participate in the process of choosing a business counterparty are obliged to follow the principles of fair competition, taking into account the price, quality and other objective criteria applicable to the products and services offered. Influencing or inciting directly or indirectly third parties to take an administrative or a business decision in violation of applicable regulations or ethical standards is prohibited in the Company.

**WHAT DOES IT MEAN?**

Act fairly and transparently in any relationship with a third party, whether it is a Business Partner or a Public Official.

**EXAMPLE**

Your task is to file an official application. The application is examined for quite a long time, so you propose that in exchange for giving your application priority treatment and for examining it favorably, you will give the clerk one of our games. By making such a proposal you are committing a crime, as you are attempting to exert influence on the clerk in exchange for his or her decision.



## STANDARDS OF CONDUCT IN CD PROJEKT GROUP

---

### 1. Accounting books and documentation

CD PROJEKT S.A., as a public company listed on the Main Market of the Warsaw Stock Exchange, is obliged to keep accounting books in a reliable, error-free and verifiable manner, on an ongoing basis, and the Group's operations are based on the adopted accounting standards. Within the CD PROJEKT Group it is inadmissible to use Company money for corruption purposes (to establish a "corruption fund"). All the Company Employees are obliged to protect the data contained in documents connected with the operations of the Group Companies from being lost or improperly used.

### 2. Payments

Any payments due to Business Partners must be made in accordance with generally applicable law and the Company's standards of financial control. Payments should be made in the amounts specified in contracts or accepted proposals, to the bank account of the natural or legal person entitled to receive them. Any additional payments must be justified and appropriately documented, and the scope of services or products provided outside the payment conditions determined by a contract or proposal should be indicated.

### 3. Recruitment process

The CD PROJEKT Group's recruitment and employment process is governed by defined standards in order to ensure an accurate evaluation of the candidates' competence required on particular positions. A decision to employ a new person requires positive recommendations of at least two Employees, including one HR team Employee.

### 4. Financial engagement

A donation, whether in cash or in specie, requires verification of the organization to which it will be transferred. Donations need to be properly recognized in accounting books in accordance with the approved budget. If the Company undertakes charitable initiatives, the detailed rules for making donations are set out in the relevant internal regulations of each Company.

The CD PROJEKT Group considers it unacceptable to make donations to entities related to a Public Official in a way that could give rise to a Conflict of Interest.

Any payment for political purposes, including any action intended to provide a political party with an economic benefit or any other benefit on the Company's behalf, is prohibited.

### 5. Internal communication and training courses

Information about implementing this Policy is disseminated both within the internal structure - to the Employees of the CD PROJEKT Group Companies, and within external relations with stakeholders. Each Employee is obliged to familiarize himself or herself with this Policy. The Policy is available in electronic form on the Intranet of each Group Company.

The CD PROJEKT Group ensures the Employees appropriate training in the identification of corruptive events and the prevention of corrupt practices. The objectives of the training courses is to mitigate the risk of abuses and to increase the awareness of corruption matters and of other abuses in business.



## RED FLAGS

In performance of any actions, attention should be paid to circumstances indicating the possibility of irregularities or abuses. To this end, the Privacy & Compliance Team or a Management Board member should be each time notified of the occurrence of red flags raising the suspicion of corruption and covering in particular:

- The inability to verify the Business Partner's basic details or doubts about his or her reputation;
- The refusal to issue an invoice or a request for a non-typical payment method (e.g. payment in cash or payment to a bank account unrelated to the Business Partner);
- A refusal or unwillingness to enter into a written agreement in a situation where such a need has been reported;
- An unconventional or unclear corporate (shareholding) structure of the Business Partner;
- Non-typical requests leading to the concealment or falsification of any information;
- Lack of the authority to act as a Business Partner representative;
- Business Partner's proposals concerning non-market-based discounts on products or services for the Employee's private needs.

### REMEMBER

The members of teams involved in the procurement, business, and administrative processes are particularly exposed to attempts of exerting improper influence. Irrespective of your team and the tasks entrusted to you, always pay attention to suspicious behavior, proposals or circumstances that seem improper to you.





## DISCOVERED OR SUSPECTED CORRUPTION

---

Anyone who received a corruptive proposal in relation to CD PROJEKT Group, possesses information about a breach of this Policy, or reasonably suspects that such an event occurred or may occur in the future, should send a notice in accordance with the method adopted in each Company or contact the Privacy & Compliance Team at [naruszenia@cdprojektred.com](mailto:naruszenia@cdprojektred.com).

## FINAL PROVISIONS

---

This Policy enters into effect for each Group Company upon the adoption of an appropriate resolution by its Management Board.

