

# CODE OF CONDUCT

of the Slovenian Railways Group



**Slovenske železnice**

Valid from 01/01/2021  
Ljubljana, November 2020

## DATA ABOUT THE REGULATION

WRITTEN BY: Martin Logar, MA, Head of Business Compliance and Risk Management

DATE: 05/11/2020

SIGNATURE: on the original copy

REVIEWED BY: Andrej Vidic, Head of Legal Affairs

DATE:

SIGNATURE:

APPROVED: Dušan Mes, Director General

DATUM:

SIGNATURE:

NUMBER OF PAGES: 17

NUMBER OF ANNEXES:0

ISSUED BY: SLOVENSKE ŽELEZNICE, d.o.o.

## TABLE OF AMENDMENTS

Amendment sequence number	ISSUE/short description of the amendments	Valid from

# INDEX

DATA ABOUT THE REGULATION	2	
TABLE OF AMENDMENTS	3	
INDEX	4	
1	PURPOSE	5
2	CORE VALUES	6
2.1.	Fairness and legality	6
2.2.	Trust and respect	6
2.3.	Integrity of management	6
2.4.	Independence, objectivity and impartiality	6
3	BASIC PRINCIPLES	7
3.1.	Corporate management	7
3.2.	Economy	7
3.3.	Protection of corporate information	7
3.4.	Avoiding the conflict of interest	8
3.5.	Zero tolerance to corrupt practices	9
3.6.	Prevention of money laundering	9
3.7.	Information security management	9
3.8.	Restrictions of accepting and giving gifts	10
3.9.	Special benefits and discounts	10
3.10.	Reporting unethical or illegal conduct	10
3.11.	Loyalty to the company	11
3.12.	Public relations	11
3.13.	Communication on social networks	11
3.14.	Personal data protection	12
3.15.	Respect of human rights	12
3.16.	Suppliers and business partners	12
3.17.	Sustainable development and environmental care	13
3.18.	Helping local communities and the company's humanitarian activities	13
4	MUTUAL RELATIONS	14
4.1.	Attitude towards co-workers and other stakeholders	14
4.2.	Internal meetings	14
4.3.	Transfer of information	14
4.4.	Personal appearance and dress code	15
4.5.	Orderliness of the work environment	15
4.6.	Working under influence of alcohol, drugs or other illegal substances	15
5	FAMILIARISATION AND IMPLEMENTATION OF THE CODE	16
6	BUSINESS COMPLIANCE OFFICER	16
7	TRANSITIONAL AND FINAL PROVISIONS	17

Pursuant to Article 21 of the Act on establishment of the company Slovenske železnice, d.o.o., the management board of Slovenske železnice, d.o.o. hereby adopts the following

# CODE OF CONDUCT OF THE SLOVENIAN RAILWAYS GROUP

## 1 PURPOSE

The Code defines the basic principles of acceptable conduct and behaviour of employees of the Slovenian Railways Group (hereinafter referred to as the SŽ Group). By respecting the Code, we enhance the reputation of our employees and the Company as a whole, strengthen the integrity and responsibility, and limit the risk of corruption as well as illegal and unethical activities. The SŽ Group is committed to conducting its business in accordance with the highest ethical standards.

Mutual relations of employees of the SŽ Group are based on respect, dignity and personal integrity. We are committed and thoughtful in finding the ways and solutions to increase our efficiency and improve our services, we are responsible, open and honest, we fulfil our promises and the adopted tasks on all levels, and we respect the Constitution, international treaties, laws, regulations and good business practices. We strive to enhance solidarity, openness, mutual help and exchange of experience, respect for the elderly and encouragement of the young, and the awareness that the best way of achieving results is satisfaction of our employees, business partners and the decision-making bodies, on whom the fulfilment of our mission depends.

The Code of Conduct follows the guidelines of the Code of Corporate Management of companies with equity investments of the State (SDH 2020) and the Code of Ethics of SDH (2020).

## 2 CORE VALUES

### 2.1 Honesty and legality

The employees fulfil their tasks honestly, responsibly, in accordance with the rules, in a politically neutral and legal manner, and by respecting the values and principles of this Code. We work in accordance with the applicable legislation, regulations, internal acts and legal practice, and by meeting the internal and legislative deadlines.

### 2.2 Trust and respect

Our work must inspire trust and respect. Our behaviour and professionalism contribute to good relations with all of our stakeholders. The results of our work must be professionally flawless and economical.

### 2.3 Integrity of management

Through their work and managing style, the management and the executives represent a model business and working environment that enables all stakeholders to follow the regulations and ethical norms. We are aware of the importance of setting an example through our management and activities, so we ourselves fulfil the expectations that we have towards our co-workers and other stakeholders.

Integrity is essential for permanent business success. We act in accordance with laws, regulations and internal guidelines and values. In circumstances, where we are not bound by legal frameworks, we act in the same way as we expect from others: honestly, fairly and transparently.

The management and the executives are responsible for integrity of the company. It is their duty to constantly remind the employees of the importance of appropriate behaviour and to set an example for them. All employees are responsible for their own ethical conduct and integrity. Together we strive to comply with legislation and guidelines, and to honour the company's values.

### 2.4 Independence, objectivity and impartiality

We are independent in our work. Despite our independence in activities and decision-making, we take into account the legitimate interests of our stakeholders. We objectively and impartially evaluate the legitimate interests of the stakeholders and make decisions accordingly. We found our work on impartiality, objectivity and independence.

We do not take advantage of our position, and we, both in professional and private life, avoid situations that could jeopardise our independence, objectivity or impartiality and negatively affect our personal reputation and the reputation of the SŽ Group, respectively.

## 3 BASIC PRINCIPLES

### 3.1 Corporate management

We perform our tasks with care and complete our job responsibly. We act solely in the interest of the SŽ Group. In our work we take into account both Slovenian and international recommendations in the field of corporate management. We strive to continuously improve the SŽ Group's operation to achieve more efficiency, competitiveness, quality, excellence and sustainable development. In our management, we comply with relevant internal acts, whilst in our decision-making we follow the required procedures and criteria and ensure transparency.

### 3.2 Economy

We manage the assets entrusted to us efficiently and strive to increase their value. We protect the assets of the SŽ Group and handle them with due diligence. Each individual is responsible for the assets that were given to our use and protects them in accordance with the security policy for the relevant area.

### 3.3 Protection of business information

We handle the business information entrusted to us with care, whereby we comply with the applicable legislation and internal regulations and fulfil the duty of secrecy. We never misuse the data and information that we obtain in our work. Business secrets, confidential information, personal and internal data are valuable assets of the SŽ Group. Protecting them, including the protection of their secrecy, plays a key role in the growth and competitiveness of the company. Data and information, obtained by the employees or other persons in the course of their work for the company, are confidential and shall not be disclosed or made accessible to third parties. A piece of information is confidential if marked as such. It is confidential even if not marked as such, yet it is obvious that a significant harm would occur if it was disclosed to an unauthorised person.

Business secrets include undisclosed expertise, experience and business information that meet the conditions set out in the applicable law and the **Rules on determination and protection of business secrets in the SŽ Group**.

### 3.4 Avoiding the conflicts of interest

In our work, we disclose circumstances that could lead to conflict of interest. The latter is consistently avoided. We do not use our employment, position or information, obtained in the course of our work, to pursue a forbidden private interest for ourselves or others. When we perceive a potential conflict of interest in our work, we immediately inform the business compliance officer and remove ourselves from the decision-making process. By working in the SŽ Group, we pursue our common vision and goals, and thus also our personal goals and allowed interests. We do not pursue forbidden interests or interests of natural or legal persons that are associated with us.

Our activities outside the SŽ Group, which we choose to undertake with complete freedom, shall not interfere with the interests of the SŽ Group or affect our decisions within it in a way that would contradict its goals.

Our conduct ensures that other employees know that we are working fairly and perceive us this way. The employees avoid all activities and circumstances that lead to conflicts of interest that could affect our judgement, objectivity or loyalty to the company, when acting on behalf of the company.

In particular, the circumstances that may lead to conflicts of interest include: private interest of the employee or the persons associated with them, when the employee acts on behalf of the company; conducting business with the associated persons (family members); the employee's activity that is subject to the definitions, procedures, rules and the rights and obligations under non-competition clauses and non-competition restrictions in the employment contract and the law. If we know that an immediate family member – spouse, partner, child, sibling, parent – is involved in contract negotiations on the part of the business partner, this shall be immediately reported to the superior manager and the business compliance officer.

Any equity investments by the directors and executives or any ownerships in the companies that exceed 20% may have a crucial impact on business decisions, so they shall be reported to the business compliance officer. This also applies if the owner or shareholder is a close relative – spouse, partner, child, parent, sibling.



### **3.5 Zero tolerance to corrupt practices**

As we are aware of the risks of corruption, we are creating a culture of zero tolerance towards it. If we become aware of someone in any way proposing or requesting to obtain value or benefit, directly or indirectly, we shall immediately inform our superior manager and the business compliance officer.

We shall reject any promise or offer of a benefit that contravenes the applicable legislation, internal rules of the SŽ Group and general ethical principles. To ensure integrity of the company, we comply with provisions of the **Integrity and Prevention of Corruption Act**.

### **3.6 Prevention of money laundering**

Money laundering is, according to the **Prevention of Money Laundering and Terrorist Financing Act**, any handling of money or property, derived from criminal offence, including the exchange or any transfer of money or other property, derived from criminal offence, and/or hiding or concealing the true nature, origin, location, movement, disposition, ownership or rights in relation to money or other assets, derived from criminal offence.

We only do business with business partners who are engaged in legal activity. We strive to prevent and detect potential illegal payment methods and, in particular, to prevent third parties from using the company's financial transactions for money laundering.

### **3.7 Information security management**

Information security management ensures smooth and secure business operations, with each individual contributing to the latter through responsible handling of information.

At the SŽ Group, we protect information against unauthorised access. We ensure their confidentiality, integrity and availability. We fulfil the requirements of both **Umbrella information security policy of the SŽ Group** and sectoral information security policies, whilst aligning the information security with the business needs.

### **3.8 Restrictions on accepting and giving gifts**

We observe prohibitions and restrictions on accepting gifts. In our professional and personal lives, we avoid situations where the gift received could create an appearance of influencing our independence. When accepting a protocol gift or an occasional gift of small value, we comply with the **Rules on receiving gifts in the SŽ Group**.

The employees, irrespective of our position, shall not give gifts or money to representatives or directors of suppliers or contractors, officials or any other organisation with the intention of influencing their relation to the company. However, we may give business partners a gift of symbolic value, a protocol or occasional gift, if this does not contravene the law or normal business practice.

### **3.9 Special benefits and discounts**

We do not accept personal discounts or other benefits from our business partners offered in relation to the work we perform in the company, unless these discounts are offered to all employees or to a larger group of employees in the SŽ Group.

### **3.10 Reporting unethical or illegal conduct**

We do not allow unethical or illegal conduct or influence. We shall inform the business compliance officer of any illegal conduct or attempt to influence us. If we suspect any irregularity, we shall respond and report it to the business compliance officer. We shall also report alleged irregularities committed by the employees, members of bodies or working bodies within the SŽ Group, as well as improper conduct of persons who request illegal or unethical conduct from the company's employees, exercise non-public influence, pressure, mental or physical violence against them or make improper offers. Reporting is conducted in accordance with provisions of the **Rules on the method of reporting and handling of alleged breaches of corporate integrity in the SŽ Group**.

Alleged unethical conduct and alleged breaches of corporate integrity can be reported to the business compliance officer or anonymously to the email address [prijave.nepravilnosti@slo-zeleznice.si](mailto:prijave.nepravilnosti@slo-zeleznice.si).

### **3.11 Loyalty to the company**

We are loyal to our employer in our professional and personal lives. We present it in a positive light in public, whilst avoiding its unconstructive criticism.

### **3.12 Public relations**

In accordance with its business policy and access to public information, the SŽ Group communicates and provides to the media information about its current operations, new services and activities, as well as its long-term strategic goals, and responds to the questions of journalists in a timely manner.

The media play an important role in creating the company reputation by helping to shape public opinion through their reporting. Providing information to the media or any communication with them is only allowed to the Director General of SŽ, d.o.o. and the Head of Corporate Communication of the SŽ Group, in accordance with the principles of truthfulness, uniform information and transparency.

The employees who, in an organised manner or accidentally, provide information about the SŽ Group to the public, thereby shape the public image of the Group and are thus co-responsible for its reputation. We must be aware that even in our private relations with the public our behaviour and comments maintain and create the company's reputation. Therefore, we only comment what we are competent for.

### **3.13 Communication on social networks**

On social networks we communicate thoughtfully and in line with values and principles of the company, as we are aware that, as employees of the SŽ Group, we also represent the company. We never communicate on behalf of the Slovenian Railways Group. When posting publicly about the SŽ Group online, we always make it clear that we are expressing our own opinion and not the opinion of the SŽ Group.

### **3.14 Personal data protection**

Access to personal data is only allowed to the employees who need it for their work and are authorised for that. The employees with an access to personal data shall protect their confidentiality from unauthorised persons, store, process and keep records of them in accordance with the law, the internal personal data protection act and their specific authorisation. We are aware that the right to privacy is one of the most important human rights, so we also respect everyone's privacy at the workplace.

Any breaches of personal data protection shall be reported to the data protection officer in accordance with the Rules on personal data protection in the SŽ Group, or anonymously to the email address [sdpo@slo-zeleznice.si](mailto:sdpo@slo-zeleznice.si).

### **3.15 Respect of human rights**

Respect for human rights, as prescribed by the Constitution and other legislation, is a fundamental principle of the company. The SŽ Group employees also pay special attention to promotion of human rights as determined in the **National action plan for the respect of human rights in economy sector**. Special attention is paid to the respect of human rights in the field of precarious work, mobbing, equal opportunities for women and men, work and employment of people with disabilities, health and safety at work, consumer rights as well as human trafficking for the purpose of exploitation of forced labour.

### **3.16 Suppliers and business partners**

We regularly check our customers, suppliers and other business partners and effectively manage the risks arising from our business relations with them. By doing so, we prevent loss or damage to our reputation. We expect our suppliers to respect human rights and create a work environment that respects dignity and privacy of the individual; to reject all forms of forbidden labour; to implement internal controls, risk management and conflict of interest systems and to inform us immediately about conflicts of interest that could directly or indirectly affect the SŽ Group, and to comply with anti-corruption and competition legislation and manage the risks of fraud and abuse.

### **3.17 Sustainable development and environmental care**

We act in accordance with the principles of sustainable development, whereby we try to fulfil today's needs without compromising the ability of future generations to fulfil their own needs. We strive to achieve the right balance between business success, environmental protection and social responsibility. We take environmental impact into account in our decisions, we ensure rational use of energy and resources, and we support projects and activities that contribute to sustainable development.

### **3.18 Helping local communities and the company's humanitarian activities**

Local communities are our important partners, so we maintain and develop good relations with them and contribute to development of the areas directly related to the railway network. The SŽ Group expresses its responsibility towards the wider social community and supports humanitarian, cultural and sports projects through donations and sponsorships in accordance with the adopted internal and published criteria.

## 4 MUTUAL RELATIONS

### 4.1 Attitude towards co-workers and other stakeholders

We treat our co-workers and other stakeholders in a tolerant, collegial and respectful manner. We respect dignity of the individual, nurture good mutual relations and praise a well performed work. Any criticism shall be constructive, expressed in an appropriate way and intended to improve quality of work.

We initiate changes. We only offer to help if we can or if someone asks us to.

We acquire new knowledge, perfect it and educate ourselves. We also share our knowledge and experience selflessly. We encourage teamwork and help our co-workers to overcome challenges.

We create environment for successful mutual cooperation where each individual can contribute to achievement of the company's goals. In our work, we follow the principle of equal opportunities. We do not discriminate based on gender, age, religion, sexual or political orientation or other personal circumstances that have no basis in the branch of business and regulations.

We treat all stakeholders equally, whilst taking into account potential justified differences. In order to work more effectively, we encourage mutual cooperation and notification. We ensure development and education of workers and create opportunities to balance work and family life.

### 4.2 Internal meetings

We convene meetings in a timely and responsible manner. We respect our time and the time of other workers. We come to meetings in time, we prepare to take part in discussions, we participate actively and do not interrupt others unnecessarily. We do not use mobile phones or computers at meetings, if not required. Their use distracts our attention and gives the impression of disinterest.

### 4.3 Transfer of information

We encourage the flow of information both vertically and horizontally. We are given all information we need to perform our work, and we are also informed about important activities of the SŽ Group itself. The management board shall keep the employees informed at all time.

## **4.4 Personal appearance and dress code**

At work, we always maintain a decent appearance and dress appropriately. We choose clothes that are appropriate for the conditions, occasions and the workplace.

## **4.5 Orderliness of the work environment**

We provide organisational and other conditions for a safe and friendly work environment. In our work, we comply with provisions of the Umbrella information security policy of the SŽ Group and the Instructions on information security incident management. We maintain orderliness of the office, we keep our desk tidy and store things we do not need every day in cupboards or appropriate areas. We maintain orderliness of meeting rooms and other common areas.

## **4.6 Working under influence of alcohol, drugs or other illegal substances**

In order to ensure a safe and healthy work environment, we do not work under influence of alcohol, drugs or other illegal substances.

## 5 FAMILIARISATION AND IMPLEMENTATION OF THE CODE

All employees shall read the Code, comply with its provisions and act in accordance with them. The heads of organisational units and superior managers shall encourage their co-workers to act in accordance with values and principles of the Code and shall set an example themselves. The business compliance officer communicates the provisions of the Code and its amendments to the employees through regular education. All new employees of the SŽ Group are familiarised with the Code at the start of employment.

The employees shall report breaches of the Code to the business compliance officer. The latter can also be reported anonymously.

Breaches of the Code of Conduct are addressed and sanctioned in accordance with the Regulation on the liability of the employees for breaches of contractual and other obligations arising from the employment relationship (Regulation 621) in the SŽ Group.

## 6 BUSINESS COMPLIANCE OFFICER

The business compliance officer, together with the management and supervisory bodies, is responsible for:

- continuous assessment of compliance risk;
- coordination of relevant activities in individual business processes;
- proposal and design of an effective internal control system;
- awareness-raising, training and advising on strengthening of integrity of business operations;
- addressing the reports of alleged misconduct and breaches of applicable regulations, internal rules and ethical principles in the field of corporate integrity; and
- regular reporting to the management and supervisory bodies.

The business compliance officer shall supervise and guide the realisation of compliance of business operations and implementation of provisions of this Code. The management boards of subsidiary companies as well as the heads of sectors and departments in the parent company cooperate with the business compliance and integrity officer and are responsible for ensuring compliance within their area of competence.



## 7 TRANSITIONAL AND FINAL PROVISIONS

The business compliance officer is the administrator of this regulation. The Code shall enter into force on 1 January 2021.

With adoption of this Code, the Code of Ethics No 1.-1235/12 of 28 December 2012 shall cease to apply.

Number:

Date:

Dušan Mes

Director General of SŽ, d.o.o.

