
CODE OF ETHICS

УКРЗАЛІЗНИЦЯ

АКЦІОНЕРНЕ ТОВАРИСТВО
УКРЗАЛІЗНИЦЯ

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Chapter I

GENERAL CONDITIONS

The Code of Ethics of JSC "Ukrainian railways" (hereinafter – the Code) is developed in accordance with the Constitution of Ukraine, the Civil Code of Ukraine, the Commercial Code of Ukraine, the Labor Code of Ukraine, the Laws of Ukraine "On Transport", "On Rail Transport", "On Preventing Corruption", other laws of Ukraine, Statement on Discipline of rail transport workers approved by the Resolution of the Cabinet of Ministers of Ukraine dated 26.01.1993 No. 55, the Charter of the joint stock company "Ukrainian railways", approved by the Decision of the Cabinet of Ministers of Ukraine dated 02.09.2015 No. 735 (in the edition of the Decision of the Cabinet of Ministers of Ukraine dated 31.10.2018 No. 938), and other regulations of JSC "Ukrainian railways" (hereinafter – the Company), based on the values of the Company. This Code sets basic principles and standards of behavior of the officials, employees of the Company (hereinafter – the Employees, We), set rules of their conduct both within the Company and with state and local authorities, business partners and other parties. The statements of this Code shall also be adhered to by parties acting on behalf of or in the interests of the Company. All terms and definitions used in this Code are used according to Ukrainian laws.



Chapter II

PURPOSE OF CODE

The purpose of this Code is the development and improvement of the corporate culture, effective interaction of the Employees with each other, as well as with state and local authorities, business partners and other parties.

The Code contains obligatory standards and expectations that We impose on the day-to-day behavior of the Employees and parties, acting on behalf of or in the interests of the Company, to achieve ethics of behavior. These principles are obligatory for Chairman and members of the Supervisory Board, Chairman and members of the Management Board, directors, other officials and employees. Managers have a special obligation to act as a pattern of compliance with this Code.



Chapter III

MISSION OF COMPANY

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To build a stable and prosperous business dedicated to support the development of Ukraine's economy and the well-being of our employees by providing best-in-class quality, safe, reliable, efficient, competitive and customer-oriented railway transportation services.

Chapter IV

OUR VALUES

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The Code is developed taking into account corporate values of the Company, which include:

Efficiency and Results Orientation.

We are efficient and effective in running our business with a focus on results, developing our personnel and supporting the economy of the country.

Quality.

We strive to have high quality of our services and management of the Company.

Responsibility.

We care for our employees, partners and society on the principles of unconditional priority of safety in carrying out our activities, as well as obeying the laws of Ukraine, and expecting from all of our employees to follow the same principles.

Unity.

We work as a united, coherent team for achieving our common goals and results.

Openness and Integrity.

We are transparent in opening decision-making and processes to a wide dialogue and collaboration, and act with professional and personal integrity.

Chapter V

STATUS OF CODE

The principles, standards and rules established by this Code are general and can be detailed by policies, methodologies, guidance and other regulations of the Company.

The Supervisory Board approves this Code, introduces amendments and additions to it, as well as determines ways of implementing the Code, including by submission of the Company's Management Board.

This Code applies to all Employees, regardless of the position they occupy, including Head and members of the Supervisory Board, Chairman and members of the Management Board of the Company. While execution their duties Employees must comply with the Ukrainian laws, rules of ethical conduct established by this Code, and other regulations of the Company.

Each Employee must familiarize himself/herself with this Code, which is confirmed by signing the declaration of familiarization and obligation of the Employee of JSC "Ukrainian railways" about compliance with the Code of Ethics, the approved form of which is presented in the Annex to this Code. Such confirmation of familiarity and obligation to abide the Code is to be issued upon hiring the Employee, adoption of this Code and amendments thereto. In order to ensure the compliance with the Code, the Employee provides confirmation on following it on a regular basis, at intervals of at least once a year, by signing an Employee of JSC "Ukrainian railways" declaration on compliance with the Code of Ethics.

Human resources management departments are responsible for familiarization and collecting Employees' declarations on compliance with this Code.

The Code shall come into force from the moment of its approval by the decision of the Supervisory Board of the Company, unless

otherwise stipulated in the decision.

The Code is to be placed on the Company's official website.

The Compliance Officer or other authorized by the Company person annually submits to the Supervisory Board of the Company a report on the status of compliance with this Code by officials and employees of the Company the rules of ethical conduct stipulated by this Code. Information about this Code and its compliance is an integral part of the Company's annual report and has to be published in accordance with the requirements of the laws of Ukraine.



Chapter VI

SOCIAL RESPONSIBILITY

1 HUMAN RIGHTS IN SPHERES OF LABOR AND LABOR RELATIONS

Carrying out Company activities, We are guided by the Constitution of Ukraine, the Labor Code of Ukraine and other laws, normative legal acts and regulations of Ukraine, international legal and regulatory documents on the implementation and protection of rights and freedoms of our Employees, including the Universal Declaration of Human Rights of the United Nations and International Labor Organization Conventions (ILO) ratified by the laws of Ukraine.

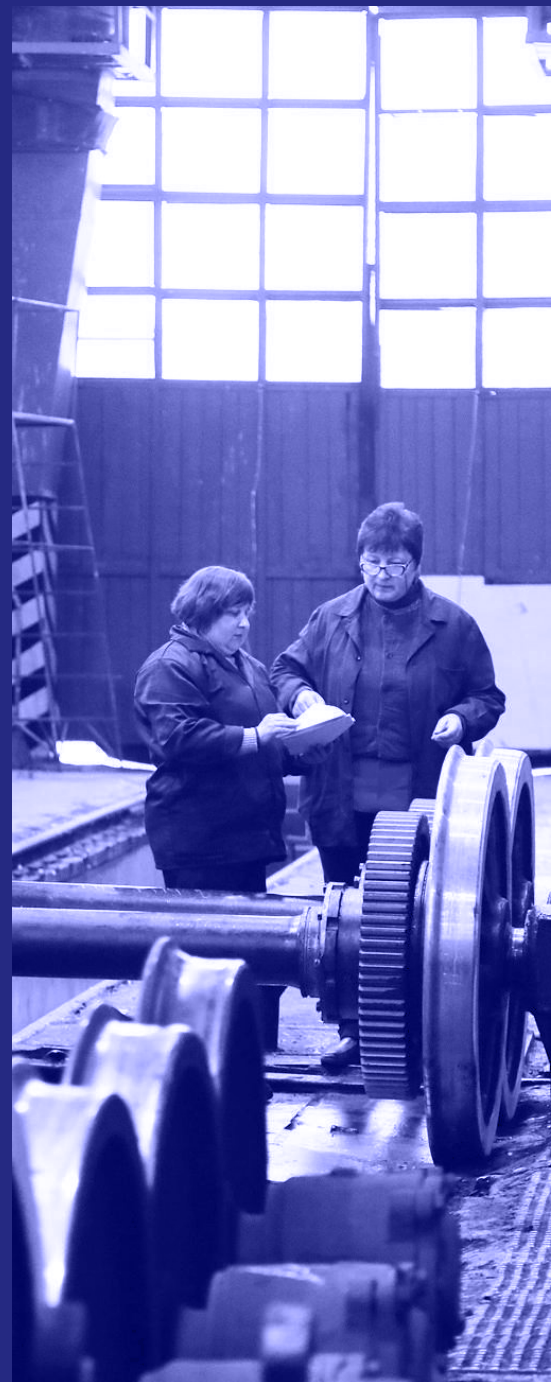
We guarantee the rights and freedoms of an individual and a citizen who works for our Company, and do not allow the use of child labor and any type of forced labor. We endeavor to provide comprehensive and legal support to our Employees while executing their professional duties.

2 EQUALITY OF OPPORTUNITIES, GENDER EQUALITY AND NON-DISCRIMINATION

The staff structure of the Company reflects the diversity of the society, its languages and cultures. We respect and develop this diversity because it guarantees our closeness to the society and clients, as well as openness to new ideas.

We do not allow racial discrimination in all its forms and ensure the equality of each Employee before the law, regardless of race, skin color, national or ethnic origin, political activity, religion, sexual orientation or because of their age, gender or limited functionality (people with disabilities). In particular, concerning the right to work, we guarantee free choice of profession and kind of employment, proper, safe and healthy working conditions, the right for salaries not lower than established by law, the right for professional training and social security.

We take all appropriate measures to eliminate discrimination, because of equality of men and women, against women in order to ensure equal rights to work and employment, free choice of occupation or kind of employment.



3 COLLABORATION/INTEGRITY

Our cooperation and relationships within the Company, with state and local authorities, business partners and other parties are determined by mutual respect, transparency and honesty. We provide interaction and positive working atmosphere. The Company supports and encourages continuous professional and personal development of its Employees.

4 SAFETY

The safety of our Employees as well as business partners and passengers, their cargo and luggage is the core tool of implementing Company's values, and We work together to provide it.

5 LABOR SAFETY AND HEALTH

We strive to avoid dangers and help protecting our Employees' lives and health. The safety and security of our Employees is a key focus of our corporate responsibility. Labor safety is also a part of the personal responsibility of each individual Employee. This is necessary for Employees to avoid risks through predictable, cautious and safe behavior.

6 ENVIRONMENTAL PROTECTION

Environmentally safe transport and environment protection are one of our core tools of implementing Company's values. We strive for increasing energy efficiency, using renewable energy, reducing emissions and any other negative impacts of rail transport and our business activity on the environment.



Chapter VII

RULES OF EMPLOYEES' BEHAVIOR

1 CONFIDENTIALITY

Employees are forbidden to disclose personal data of individuals, confidential and other restricted access information as established by the laws and regulations of the Company.

Any information about the Company's activities, that was not disclosed and is not open in accordance with the laws of Ukraine, is considered as information with restricted access. Such information includes, for example, information about business partners that became known in connection with the execution of the official duties by the Employee, including time after the termination of labor (contractual) relations, except for the cases established by the laws of Ukraine. Employees who have access to state secrets are responsible for disclosure of state secrets and other violations of the requirements of state secrets protection laws. The Employees of the Company are responsible for the illegal obtaining, use, disclosure in any form of personal data, state secrets, confidential and official information in accordance with the law.

The Employees must not use any information about internal processes, any information obtained while working for getting personal benefits or to harm the Company.

The official communication of the Company is carried out by authorized representatives of the Company. The Employees of the Company must avoid any statements or judgements contradicting the official position of the Company and that may harm its reputation.

2 CONFLICTS OF INTEREST

The Employees must avoid situations when their private interests conflict with the Company's interests, business partners or other parties. In conflict situations, the interests of the Company should not be harmed. This in no way affects the



combination of career and family life. The Employee must immediately notify the Compliance Officer and Head of economical and informational security unit or other authorized by the Company person about occurrence of any conflicts of interest or the risk of their occurrence.

3 USE OF FUNDS AND PROPERTY

The Company provides its Employees with necessary resources, means and tools for carrying out their professional activities. Such property is of the Company's ownership and must be used honestly and fairly. Each Employee must ensure the lawful and effective use of the funds, assets, resources and instruments entrusted to him/her to execute their duties.

We ensure proper management and operation of the equipment, its maintenance in working condition to ensure safety of the Employees, business partners and other parties.

4 GIFTS AND ENTERTAINMENT

The Employees (directly or through other persons) are not allowed to demand, request, to accept gifts for themselves or third parties from legal entities or individuals in connection with execution of their duties or their position and related opportunities.

The Chairman and members of the Supervisory Board, Chairman and members of the Management Board, other Employees may accept gifts that are in accordance with generally accepted notions of hospitality if the value of such gifts does not exceed one living wage for an able-bodied person in Ukraine as of the day when the gift was obtained, occurring once; and total cost of gifts obtained from a person (a group of people) within a year must not exceed two living wages for an able-bodied person established as of January 01 of the year when gifts were obtained.

The limitation of gifts value stipulated by this paragraph is not applied to gifts that are:

- presented by close people;
- obtained as public discounts on goods and services;
- prizes and bonuses open for general use.

The Chairman and members of the Supervisory Board, Chairman and members of the Management Board, other employees, as well as individuals acting on behalf of the Company, refrain from offering gifts to state officials, people's deputies of Ukraine, deputies of local councils and other governmental representatives, business partners, their officials or representatives, and their relatives, as well as from any other behavior that can be considered as readiness to commit a corruption offense related to the Company's activities. Gifts may be allowed in cases when they meet the generally accepted notions of hospitality and their value does not exceed the amounts established by this Code.

Employees involved into the procurement process must not accept any gifts and entertainments, except those specified in the third paragraph of the article 4 of this Chapter, from any individuals, especially from ones authorized to perform functions of the state or local authorities, and ones equated with the level of individuals authorized to perform functions of the state or local authorities and other individuals stipulated in the Law "On Preventing Corruption" (hereinafter – the Law), representatives of business partners or individuals acting on their behalf and of abovementioned, from the moment of starting preparation for a tender and till determination of its winner.

Chapter VIII

BEHAVIOR IN PUBLIC PLACES AND AT WORKPLACES

THE BEHAVIOR OF THE EMPLOYEES IN PUBLIC PLACES AFFECTS THE GENERAL IMAGE OF THE COMPANY. WHILE COMMUNICATING WITH STATE AUTHORITIES, BUSINESS PARTNERS AND OTHER PARTIES, AS WELL AS WITH EACH OTHER, THE EMPLOYEES ACT POLITELY AND FOCUS ON DELIVERING HIGH-QUALITY SERVICES.

1 BEHAVIOR AMONG EMPLOYEES

The relations between the Employees are based on the principles of legality, kindness, long-term cooperation and mutual respect.

The Employees do not tolerate any discrimination against each other, strive for equality of rights and freedoms regardless of religion, nationality, ethnic origin, gender, age, marital status, health status, as well as working conditions and wages.

While working with each other, the Employees interact on the principles of orientation on an internal consumer, providing adequate information, executing mutual agreements and tasks as quickly and qualitatively as possible.

The following types of behavior are not allowed:

- aggressive behavior in any form. For example, verbal, physical, visual actions aimed at creating aggressive, intimidating environment, sexual harassment, offensive racial, ethnic, religious actions, sharing abusive images or cartoons, using e-mails or other electronic systems to share humiliating or discriminating information;
- any illegal and immoral actions;
- distortion of information;
- use of electronic communication systems or property of the Company for personal purposes;
- mass mailing of advertising correspondence or of other nature to people who have not expressed their desire to receive it;
- visiting of web sites prohibited by the regulations of the Company;
- download and installation of any software on the computers of the Company without appropriate permission;
- unauthorized use of confidential information outside the Company;
- being in the state of alcohol, narcotic or toxic intoxication in the territory of the Company;
- smoking in the territory of the Company, except for special smoking areas.

Managers of the Company:

- create the conditions necessary for Employees for successful fulfillment of their obligations, providing them with the relevant knowledge, resources and information;
- set goals and objectives for their subordinates, define terms and criteria for their achievement, organize the work of subordinates taking into account their knowledge, specialty and qualifications;
- support and encourage initiative and creativity while performing functions and responsibilities, as well as in solving non-standard tasks;
- encourage Employees to their personal and professional development;
- welcome the Employees' ideas and suggestions aimed at improving the quality of work and obtaining competitive advantages, improving the efficiency of the structural unit, optimizing working processes and interaction.

Employees are attentive to all requests of colleagues caused by production necessity, within the scope of their competence determined in the regulations of the Company. In case if the one cannot immediately pay enough attention to decide the issue, it is necessary to agree on a convenient time for each of the parties. We appreciate our working time and time of our colleagues. We adhere to the principle: «Discussion of the problem – collegial, decision-making – personified». In doing so, we take responsibility within our official competence.

We consider it unacceptable to silence or conceal problems. We consider the solution of a problem as the source of growth and new ideas.

In case of a conflict, We do everything possible to treat the initiator of the conflict impartially – not to condemn or not to discredit immediately, but to listen to him/her carefully and, as much as possible, benevolently. To resolve a tough situation, We strive for a positive solution of the conflict. Mandatory condition – We use calm and even tone of voice, accuracy and thoughtfulness of what We say. Every effort

is made to restrain emotions, especially We do not allow personal insults. We clarify rough issues directly with a person concerned, but do not discuss the details of this problem with others.

To reduce stress in a problem situation, We avoid threats and manipulations, argue our point of view only by facts and look for new common interests for establishing communication.

In a situation when We are wrong, We recognize our mistake and try to offer a way out of the situation.

2

LOYALTY TO COMPANY

Employees must take a confident position aimed at defending Company's interests, focusing on realization of its strategic goals and creating positive image of the Company, realizing that the Employees behavior is the basis of reputation of both the Employee and the Company. Each of Us refrains from actions and/or inactions that may discredit the Company, cause a conflict of interest or damages to the Company or its reputation. We will take possible measures to prevent this.

3

APPEARANCE

The appearance of the Employees while executing their duties must promote respect of the Employees to each other and form positive image of the Company.

The main requirements to the appearance of the Employees: tidiness, good-looking, self-restraint, sense of proportion and balance, expediency. For the Employees, who are directly involved into the organization of train movements and passengers servicing, has to wear uniforms during the execution of their duties.

The Employees for whom wearing uniforms is not obligatory shall follow business style clothing. Employees should prefer clothes of calm shades and strict cut, moderation in jewelry and make-up, to exclude too open and sports shoes. Sports, beach, disco-style clothes are not allowed.

Chapter IX

RELATIONS WITH PUBLIC OFFICIALS AND BUSINESS PARTNERS

THE EMPLOYEES MUST TREAT PUBLIC OFFICIALS, BUSINESS PARTNERS AND OTHER PARTIES HONESTLY, RESPONSIBLY AND FAIRLY.

1

INTOLERANCE TO CORRUPTION

The Employees do not offer, give or accept, directly or through third parties any privileges, benefits or other advantages that may affect the ability of the recipients to take objective and fair business decisions.

We consider as unacceptable any demonstration of corruption and abuse in procurement, production and any other activities. We deem unacceptable any direct or indirect offer, extortion, provision or obtaining of bribe in any form. Intolerance to corruption means strict prohibition for Employees, any individuals acting on behalf of or in the interests of the Company, directly or indirectly, in person or through any mediation to participate in corruption and abuses.

2

RELATIONS WITH PUBLIC OFFICIALS

We do not participate in campaigns for agitation, political activity during working hours. Company does not finance political organizations. The Employees may conduct political, religious or social activities, which are not prohibited by the laws of Ukraine, outside the territory of the Company and off-work time. We do not allow the use of the Company's name, financial, material or any other resources of the Company for carrying out political, religious or social activities.

3

RELATIONS WITH BUSINESS PARTNERS

Any remuneration received by the Company from and/or paid to business partners shall be consistent with the services rendered and works performed by them and shall not serve to conceal the unlawful benefits to such counterparts or other parties.

We seek to avoid cooperation with business partners whose rules of ethical conduct conflict with this Code. We welcome to cooperation business partners who have impeccable reputation, are not subject to sanctions and share the same values as those set forth in this Code.

4

DONATION/ SPONSORSHIP

Any donations or sponsorship must comply with the laws of Ukraine. Donations or sponsorship must always be transparent and properly documented. Donations can be made only on a voluntary basis, without expecting privileges, benefits or other advantages in return.

Section X

RESPONSIBILITY BEFORE SHAREHOLDER

1

REPORTING

All reports and documents of the Company shall be truthful and precise in all significant aspects and conform to the applicable standards, and shall contain complete documentation of all relevant information.

In case of resigning from the Company, the Employees follow the laws of Ukraine on preservation of confidential information.

2

PERSONAL DATA PROTECTION

We collect, process and use personal data steadily following the laws of Ukraine on personal data protection and world best practices in this sphere. Documents containing personal data are treated as confidential, therefore they are carefully stored and disclosed only to authorized persons.

The Employees shall not disclose confidential information entrusted by the Company unless the disclosure of such information is stipulated by the laws of Ukraine and/or provided by the Employees in accordance with the permission granted.

3

COUNTERACTION TO FUNDS LEGALIZATION AND MONEY-LAUNDERING

We take all necessary measures to counteract funds legalization and money laundering that may or have already been obtained illegally within the scope of our sphere of influence.

4

ANTICOMPETITIVE ACTIONS

In our activities We use the principles of fair economic competition, for this purpose all Employees are obliged to avoid any agreed anticompetitive actions and to refrain from taking decisions that could lead to the abuse Company's dominant position on the market.



Chapter XI

WAYS TO ADHERE TO ETHICAL VALUES

1 ANALYSIS OF SITUATION

If the Employee has any doubts about any decision and/or action he/she must do and has not found an answer in this Code, he/she must independently consider and analyze the situation by answering questions about the conformity of actions or decisions to the laws, Code of the Company, probable negative influence on the Company, close environment, other interested parties, readiness to be responsible for own actions or decisions.

2 REQUEST FOR ADVICE

If after personal analysis of the situation, the Employee still has any doubts, the one should consult with the line manager and/or the Compliance Officer or other authorized by the Company person.

3 NOTIFYING ABOUT VIOLATIONS

If the Employee has witnessed or otherwise learned about commission or possible future commission of actions or decision-making that violate this Code or are clearly unethical, such person must perform at least one of the following actions:

- report about this to the line manager and Head of the economical and informational security unit or the Compliance Officer or other authorized by the Company person;
- call the “hotline” of the Company: 0-800-50-3222;
- leave a message on the official website of the Company send notification to anticor@uz.gov.ua or notify in any other stipulated ways.

The notification has to contain all information available to such person necessary for taking appropriate measures to investigate and prevent such violation, and eliminate negative consequences.

All Employees are obliged to notify the Compliance Officer or and Head of economical and informational security unit or other authorized person of the Company about any facts or actions that are unlawful, contradicts this Code or may harm the interests or reputation of the Company. This notification may relate to fraud, corruption, larceny, theft, damage to the environment, safety, human rights and/or other actions that are in conflict with this Code or other regulations of the Company.



Section XII

ENFORCEMENT OF CODE

1 MONITORING CODE COMPLIANCE

The monitoring of compliance with this Code is the responsibility of the Head and employees of the Compliance, Head and employees of economical and informational security unit or another person authorized by the Company.

2 INVESTIGATION OF VIOLATIONS AND IMPOSITION OF DISCIPLINARY PENALTIES

The Company has the right to investigate any cases of unethical behavior and violations of this Code. Compliance with the rules established in this Code is a necessary element to provide labor discipline in the Company, and, therefore, in case of detecting violations of this Code, the Company has the right to impose disciplinary penalties on the offender.



3 CONFIDENTIALITY AND ABSENCE OF NEGATIVE CONSEQUENCES FOR WHISTLEBLOWER

The Company guarantees to any person, who has reported on violation or possible future violation of the Code (hereinafter – Whistleblower), confidentiality of information regarding the Whistleblower personality, as well as the fact of the reporting, and the absence of any negative consequences in relation to the notification of the violation. Information about the Whistleblower may not be disclosed without the Whistleblower's consent, except cases determined by current legislation. In case of leaking of confidential information about the Whistleblower all measures aimed at avoiding occurrence of negative consequences for the Whistleblower must be taken by the Company immediately.

The Whistleblower or his/her family member may not be fired or forced to be fired, brought to disciplinary responsibility or subjected to other negative influence measures (e.g. transfer, attestation, change of working conditions, refusal to appointment to a senior position, reduction of wages (bonus), etc.) or the threat of such influence measures related with the Whistleblower's notification of violation of this Code by other person.

In case of establishing the fact of notifying knowingly false information that degrades honor, dignity or business reputation, or damages the interests of the Employee, the Whistleblower may be prosecuted and brought to justice according to the laws of Ukraine.

Procedures on protecting and motivating the Whistleblower are regulated by separate regulations of the Company.

