Social engagement

Socially responsible business (CSR) combines a responsible attitude towards employees, business partners and the natural environment with professional realization of business goals.

CSR benefits can be observed in the following three areas:

- Organizational, including raising the level of the company's organizational culture and increasing work productivity and transport security;
- Customer relations, including increasing competitiveness and customer loyalty;
- Employee relations, including building a positive image of the employer; reduction of employee turnover; raising employee awareness regarding the processes operated by the Company.

102-12 Among the CSR projects carried out in 2018, particular emphasis should be placed on the following:

"Post-accident Psychological Support"

The purpose of the project is to increase rail traffic safety through psychological support of the human factor.

The project is carried out in all organizational units and covers over 7000 employees. It is dedicated to members of train crews and other employees directly involved in rail traffic and rail traffic safety, as well as members of permanent rail commissions.

The project's main deliverables include:

- The Psychological Support Helpline staffed by specialist psychologists;
- A psychologist consultation;
- In 2017, training held devoted to the psychological aspects of railway accidents. The training will be continued in 2019.

Education in the area of psychological aspects of rail accidents – including Acute Stress Disorder (ASD) and Post-Traumatic Stress Disorder (PTSD) is of a long-term character. In 2018, the Company organized the next stage of communication activities designed to disseminate and promote the Post-Accident Psychological Support project and knowledge in this area. Our activities in this area have also been recognized by the Responsible Business Forum, which discussed the PPS in its annual Best Practices Report.

PKP CARGO as the patron of rail technology history

For 15 years, PKP CARGO S.A., as the largest Polish cargo rail operator and main patron of rail technology history, has been maintaining historic rolling stock in Chabówka, Małopolskie Voivodship, and has been co-funding, jointly with the local governments of Wielkopolskie Voivodship, the operations of more than 100-years old Wolsztyn Railway Roundhouse, which has had the status of the Cultural Institution since 1 January 2017.

PKP CARGO S.A. also promotes the rail traditions by organizing the following events in Chabówka:

- "Parowozjada" an annual event featuring working steam locomotives, which attracts thousands of railway fans from Poland and abroad. In 2018, to celebrate 100 years of Poland's Independence, a unique program based on Polish history was prepared;
- "Summer with Steam Locomotives" an educational program addressed to children and entire families, which popularizes historical and modern trains through education and fun activities. Besides Chabówka, the program is also carried out in the Museum Station, in the Wolsztyn, Jarocin and Skierniewice Roundhouses, and - for the first time in 2018 - in the Open-Air Museum of Locomotives in Zduńska Wola Karsznice;
- "Tourist Trails of Małopolska" a very popular tourist destination provided with the Małopolska Marshal Office. Every year over 10,000 people take a trip on retro trains as part of the program, which operates 40 trains. Besides a trip on a historical train, the program also offers artistic performances, picnics, and local guided sightseeing tours;
- The Open-Air Museum in Chabówka it contains the largest Polish collection of historical rolling stock, including steam locomotives, diesel and electric engines, passenger and freight wagons, snow plows and rail handcars. Some of the steam locomotives are maintained in operating condition. They are used to operate tourist trains on the most picturesque trails of Małopolskie Voivodship. The Museum in 2018 celebrated 25 years of work as a museum.

PKP CARGO also cooperates with non-profit community organizations working to protect monuments of rail history, as well as the development of rail tourism and tourism promotion, by offering financial and technical support.

"We run to help"

As a "Running-Friendly Company", PKP CARGO promotes a healthy life style and integrates Employees working in different locations in Poland and in different positions. The campaigns organized by the Running-Friendly Company initiative also have a positive impact on strengthening the work and life balance. In addition, it supports Employees in adopting pro-social and help-oriented attitudes. For a few years now, PKP CARGO S.A. has been carrying out a project entitled A Running-Friendly Company, which is supported on three pillars.

- sport and integration promotion of a healthy and active life style. Under this pillar of activities, team of PKP CARGO S.A. employees take part in running initiatives, as well as marathon and half-marathon events organized in Poland and across the world;
- charitable running, employees help beneficiaries of the foundations they work with. For three years now, the Company has taken part in the national charitable event Poland Business Run, with the money paid as the entry fee in the run going to a foundation supporting people with motor disabilities. The extensive geographical structure of the Company lets it find runner employees in almost all locations in which the Poland Business Run is held;
- symbolic/historical commemoration of important anniversaries and jubilees, celebration of significant events in Poland's history, with the memory of those events integrating both the Company's employees and their families. This role was well served, for example, by the project 100 PKP CARGO Runners for the Centenary of Poland's Independence.

Year 2018:

- 200 employee participants across Poland;
- 1000 kilometers ran for the Independence Centenary (2 Employees ran the distance of 100 km);
- 20 marathon participants in Poland and across the world;
- **7** cities in which 85 employees ran for charity to support the beneficiaries of the Poland Business Run Foundation.

Rail Freight Forward and Noah's Train

PKP CARGO S.A. is a member of the Rail Freight Forward, a coalition of European cargo rail transport companies which have undertaken to significantly reduce the negative impact of cargo transport on the planet and increase mobility through innovation and better transport structure.

The coalition's ambition is to increase the share of rail freight up to 30% by 2030, as the better macroeconomic solution for Europe's development. Rail Freight Forward seeks to attract rail companies, infrastructure managers and decision makers across Europe to participate in the activities designed to achieve this change. For this purpose, in December 2018, the coalition signed a Vision for Rail Freight 2030 and a manifesto, in which they have undertaken to significantly reduce the negative impact of freight transport on our planet and mobility.

Another expression of the coalition's climate-related undertakings was the launch of the Noah's Train, the longest, evolving and mobile work of art in the world. Designed by European street artists and inspired by the biblical tale, the work symbolizes hope that rail freight symbolizes for our common future.

About other initiatives you can read more in Social Capital chapter.

