

Warsaw, 24th September 2024



PKP CARGO S.A. under restructuring

Grójecka Street no. 17

02-021 Warsaw

Reference number C.073.77.2024.1

Ms Livia Spera

European Transport

Workers' Federation

Galerie Agora Rue du Marche

aux Herbes 105, bte 11

B-1000 Brussels

Dear Madam,

We regret that such a respected organization as ETF is distributing false and unverified information in the public space concerning the situation at PKP CARGO S.A., which is undergoing restructuring. It appears that your position is based solely on the perspective of one trade union and disregards the views of other trade union organizations. Furthermore, the information you provided suggests a lack of understanding regarding the organization of the rail sector in Poland and Polish restructuring law.

To date, the restructuring efforts of PKP CARGO S.A., conducted in full compliance with the law, aim to prevent the company from going bankrupt and to protect the jobs of all PKP CARGO S.A. employees. The current extremely challenging situation is understood by other trade unions within the company, who are supportive of these efforts to save the business. I hope that the ETF will also assess the situation objectively and avoid relying solely on the viewpoint of a single trade union.

The information about alleged violations of the law or employees' rights during the ongoing group layoffs at PKP CARGO S.A. is false. The company would like to emphasize that all activities related to group layoffs are in strict accordance with the law. The termination of contracts with certain representatives of trade union

organizations is being carried out in line with the regulations and applicable law, just as it is for all other employees. It is also untrue that PKP CARGO S.A., during restructuring, is dismissing pregnant women.

PKP CARGO S.A., in the context of group layoffs, operates in full compliance with legal standards.

- All decisions are made in accordance with the Labor Code and the Restructuring Law. The initiation of sanitation proceedings suspends the protections typically afforded to employees nearing retirement age, union activists, and pregnant women.
- Article 300 of the Restructuring Law, Article 32 of the Trade Union Law, and relevant Labor Laws collectively regulate the circumstances that PKP CARGO S.A. faces during restructuring. Under these provisions, it is legally permissible, among other things, to terminate the employment of employees who are typically protected. This allows the Company to end employment relationships with individuals who do not provide long-term service.
- We would like to emphasize that, although the law permits such actions, PKP CARGO S.A. is not dismissing pregnant women. If termination notices were issued before the employer was informed of the pregnancy, they are being withdrawn once this information is received.

The criteria for selecting employees for layoffs primarily focus on labor demand.

- The Company has developed several criteria for selecting employees for layoffs, with one of the key factors being the necessity of their work. This particularly applies to individuals who are not performing their duties. As a result, selected individuals, including those under special protection who are not providing work, are laid off to safeguard necessary jobs and maintain operational continuity and growth potential.
- The layoff process was preceded by an analysis of all positions, with economic factors, including work efficiency, relevance to key operations, and potential adaptation within new organizational structures, being taken into account.
- The methodology for aligning resources, including human resources, with the current level of transport work and market conditions was based on an analysis of

transport volumes over several years. Data from 2016 to 2024 was evaluated, focusing on mass transport and employment levels at each facility. From this analysis, labor efficiency was determined based on the ratio of transported mass to employment levels. The efficiency metrics for each facility informed reasonable employment needs for the expected transport volume.

- These same criteria were applied to the termination of union representatives, particularly considering long-term inactivity.

Protective measures:

- The Management Board of PKP CARGO S.A. has signed 14 letters of intent regarding the employment of the Company's workers. As a result of these agreements, more than 2,000 jobs are available for PKP CARGO S.A. employees affected by restructuring. These opportunities apply to employees in professional groups such as traction teams, shunting teams, technical review, maintenance, and rolling stock repair and overhaul.
- PKP CARGO S.A. has also launched a comprehensive support program for employees leaving the company. This program includes courses and training sessions, assistance with the recruitment process, job fairs, handbooks, as well as telephone and email support provided by the Human Resources Management Office.
- Job fairs have already begun, where employees can meet with advisors from Labor Offices and representatives of companies with which PKP CARGO S.A. has signed letters of intent for future employment.

Your sincerely,

Marcin Wojewódka,

acting CEO PKP CARGO under restructuring