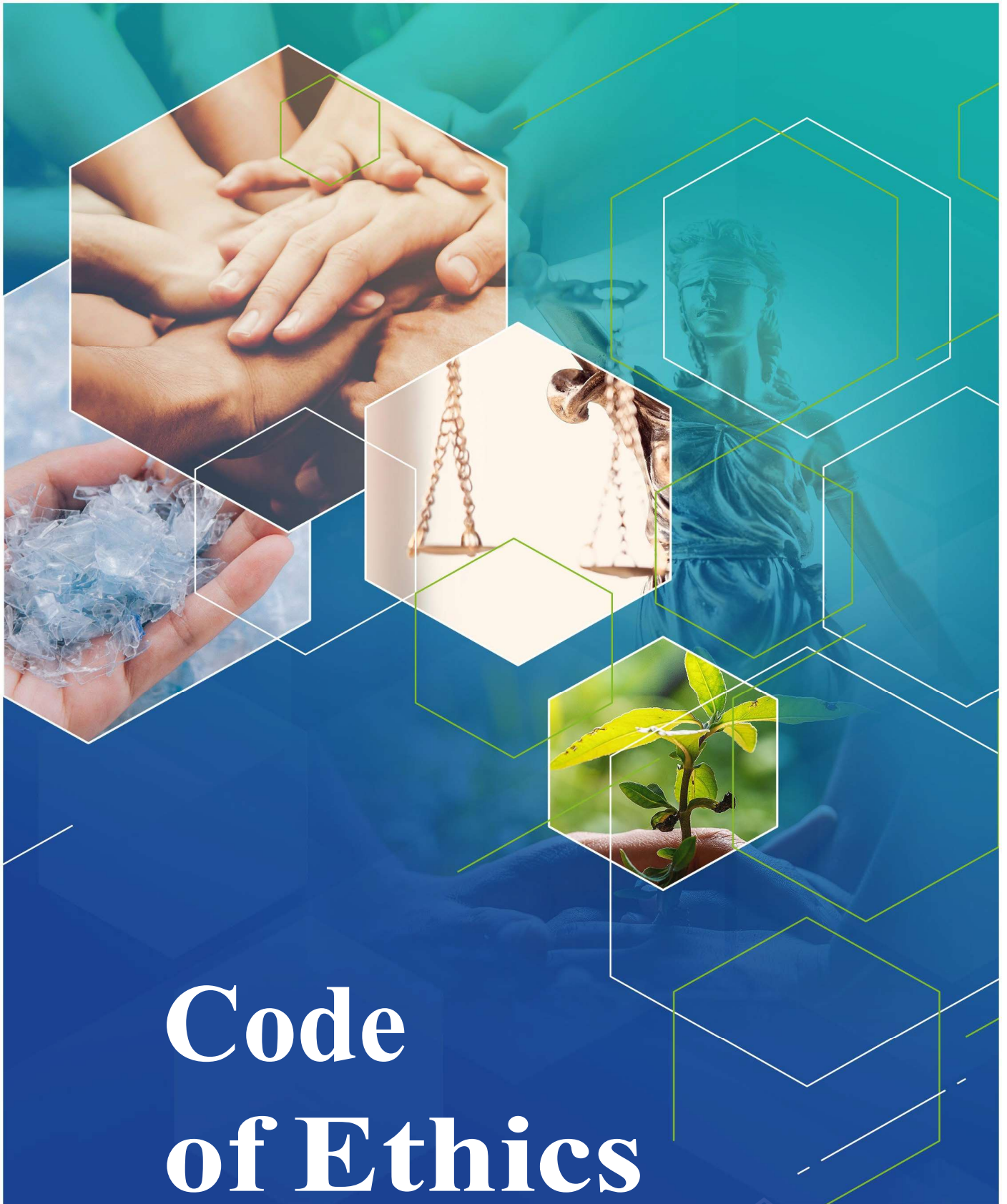


APPROVED
by Tesil Fibres s.r.o. Supervisory Board
at 28.11.2024 meeting
(Minutes No 23/2024)



Code of Ethics

<https://www.tesilfibres.eu>



TESIL[®]
FIBRES

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MISSION

A company's reputation is the reputation that we all create, jointly and severally. It includes the clear and shared vision of our managers, the trust of our customers, the reliability of our suppliers, and the commitment and conscientiousness of our employees – all supported by creativity and loyalty.

As a global company Tesil Fibres s.r.o. (hereinafter also – Tesil) corporate culture, communication and self-presentation is more visible than they often appear at first glance. Our work efficiency is reflected in our market position on a daily basis, in dealings with business partners.

We are all responsible for our behavior, inside and outside the company. This Code of Ethics defines the behavior expected of all employees. Let it also serve as a guide in situations that present moral dilemmas and lead to unethical behavior.



GENERAL RULES

“Open door” approach

As part of the “open door” approach, employees can have open and frankly discussions with the managers and rely on their support.

Managers at all levels are required to:

- implement these principles in practice;
- listen to the employee in order to decide, together with others, on the type of measures to be taken by observing the terms of the Code of Ethics.

As part of the “open door” approach, employees can also request a meeting with the Managing Director or another senior Tesil Fibres employee.

At first the employee contacts his or her direct supervisor. The senior manager or the company’s Managing Director is invited to a meeting if the employee has not been able to resolve the situation together with his or her immediate superior or if the matter in question concerns the immediate superior.

Integrity

No form of illegal conduct, such as theft, embezzlement, deception, fraud, or misuse of the name, brand, product, property, or information of Tesil will be tolerated. As these actions are illegal, they can lead to criminal prosecution and termination of employment.

Examples of conduct that is not tolerated in our company:

- misuse of Tesil Fibres credit cards or cash;
- deception in connection with the reporting of business trips, time or leave;
- theft of goods, materials, building equipment;
- slandering.

Politics

Tesil Fibres does not wish to support political parties or the interests of political parties. Therefore, the following applies to us:

- It is not permissible to use company letterhead/postal or electronic addresses to distribute personal political opinions, or to use Tesil Fibres trademarks in connection with political parties or any of their activities;
- It is not permissible to provide financial or other forms of support to political parties on behalf of Tesil Fibres;

- Company's assets and working resources must not be used for personal involvement in a political party. The name of the company is Tesil Fibres property.
- Notwithstanding the prohibition on political contributions and/or political donations on behalf of Tesil Fibres, Tesil Fibres shall not restrict the right of its employees to engage in private political activity subject to prior notification to the Managing Director and Ethics Commissioner (e-mail address: etika@ecobaltia.lv). Private political activities must be carried out outside working hours or, if this is not possible, during working hours, if that is agreed in advance with the manager.
- If there are any doubts as to whether the respective political activity complies with the requirements of the Code of Ethics, the Managing Director and Ethics Commissioner should be consulted before the activity commences.

TESIL FIBRES AND EMPLOYEES

Tesil Fibres is an honest and fair company. Therefore, all Tesil Fibres employees are expected to act loyally and in accordance with these values. Tesil Fibres encourages open dialogue and honest feedback between employees and managers. Tesil Fibres declares truthfulness both inside and outside the company. Managers are expected to treat employees with respect, honesty and fairness, and the same is expected in relationships between colleagues.

Tesil Fibres supports employees in their right to organize and associate freely, just as it recognizes the right of employees to bargain collectively. It respects the labour union's opinion and supports a partnership approach based on constructive dialogue.

Equal treatment and equal opportunities

Tesil Fibres respects individual and cultural differences and treats each of its partners with dignity and respect. Tesil Fibres refuses to tolerate any form of discrimination and ensures that it does not expose its employees to any form of discrimination regardless of their position within the organisational structure.

Therefore, the following applies:

- Equal treatment must be ensured and all must be assessed according to their qualifications, effort and performance;
- Gender, age, nationality, ethnicity, religion, sexual orientation, disability, etc. must not be taken into account when making decisions about employees, pay regulations, career opportunities, further training or mass redundancies, except in situations where there is a benefit, such as ensuring diversity in the workplace, etc.

Prevention of forced labor

Tesil Fibres rejects any form of forced labor. Child labor is prohibited. The minimum age of employees is governed by the applicable national legislation and labor union agreement. Tesil Fibres expects our suppliers to actively monitor the risk of modern slavery in their supply chain and will request remediation if it occurs.

Occupational safety and working environment

It is the Tesil Fibres policy to have a safe working environment. Employees are regularly trained in occupational health and safety. Tesil Fibres guarantees compliance with legal

standards in the area of employee safety and strives to minimize the risks of occupational accidents and diseases. Tesil Fibres continually improves the working environment to minimize the risk of occupational injuries or any disease. Employees themselves contribute significantly to creating a safe and pleasant working environment.

Therefore, the following applies to us:

- We need to be informed about safety in the workplace and interested in up-to-date information;
- We have to follow the instructions given;
- We wear personal protective equipment when the job requires it;
- We identify potential occupational injuries and contribute to their prevention;
- We understand that we are collectively responsible for creating a positive working environment at Tesil Fibres;
- We protect the environment. We treat resources with care and save energy to minimize the environmental impact of our production.

Use of working time, equipment and property

Tesil Fibres does not tolerate waste, vandalism or destruction of company's property.

Therefore, the following applies to us:

- We must all treat Tesil Fibres assets with due respect and care and avoid waste.
- The company's property, equipment and working resources may be used only for the performance of work tasks and duties and in accordance with applicable laws and Tesil Fibres internal regulations.
- We do not use the name Tesil Fibres, e.g. letterheads or other company documents, for personal purposes.
- We devote our full capacity and abilities to the work we do.

Privacy policy

Tesil Fibres respects employees' right to privacy. We are fully aware that the processing of employees' personal data requires caution and that personal data is your valuable asset.

Therefore, the following applies to us:

- We will only process personal data in accordance with the pre-defined purposes;
- If we need to process personal data, we will process it in a way that respects the confidentiality and security of your personal data;
- We will ensure the rights foreseen by the applicable laws, such as right to access personal data that we are in possession of, to request that these data be rectified, deleted, that the processing of personal data be restricted, to object to the processing of personal data, withdraw a consent to personal data processing (if such was given);
- We take appropriate measures to process personal data in accordance with applicable laws and to ensure that personal
- data are not accessed by third parties without appropriate legal grounds for processing your personal data.

Confidential information

The confidential relationship between Tesil Fibres and its employees requires that confidential information is not accessible to unauthorised persons.

Confidential information is generally defined as information that is not normally available to third parties, that is critical to Tesil Fibres business, or that cannot legally be presented to third parties. Confidential information is restricted information (in any format, including verbal, written, electronic, including images) intended for a limited number of persons in connection with the performance of their duties or other obligations existing between Tesil Fibres and the person concerned, the disclosure or loss of which, due to the nature and content of the information, makes or may make Tesil Fibres activities more difficult, harms or may harm the legitimate interests of the Company or Group company and persons.

Therefore, the following applies to us:

- We must not use confidential information about Tesil Fibres for personal use.
- We must not disclose confidential information relating to Tesil Fibres matters to third parties without concluded respective confidentiality undertakings.

- We may not disclose confidential information obtained from business partners to third parties.
- We keep in mind that inappropriate use of Tesil Fibres information can cause high damage. We only entrust the management of sensitive, personal or highly confidential information to those who are trained to do so.

Pay particular attention to situations where information is exchanged, such as when giving advice to suppliers or providing information to competitors' employees.

Conflict of interest

Tesil Fibres expects employees to inform Tesil Fibres if there is or appears to be a potential conflict of interest between individuals and the interests of the company.

Any situation of conflict of interests should be declared in writing - in paper or electronic report form by indicating at least the name, surname of employee and position held by employee, description of conflict of interests as detailed as possible (inc., indicating, e.g., name, surname of relative of employee involved, company related to it, potential or existing transaction with this company, as well as other risk factors).

Conflict of interests shall be deemed to be a situation when personal or economic interests of an employee may be in conflict with or is in conflict with interests of Tesil Fibres and decisions or activity adopted by the employee may cause damage Tesil Fibres.

Situation of conflict of interests may occur between:

- Tesil Fibres and its employees;
- Tesil Fibres and its cooperation partners;
- Employee and cooperation partners of Tesil Fibres;
- Among Tesil Fibres employees.

Conflicts of interest can take many forms. Situation of conflict of interests may be:

- 1) Actual - an employee is involved/ faces real (happening) situation of conflict of interests;
- 2) Potential - an employee is in a situation that during development may lead to real/ actual conflict of interests;
- 3) Apparent - an employee is in a situation that appears to be/ may be deemed to be as conflict of interests, even if it is not.

The following cases, for example, may be deemed as conflict of interests:

- Establishing personal employment relationship - situations when a person is employed or employed under immediate supervision that has close or family relationship or other relationship generating personal benefit with employer or direct manager.
- Particular favour/ gifts - situations when particular favour is granted to a cooperation partner in exchange for personal benefit. For example, cash, material gifts, receipt of goods or services for reduced price in the case a decision favourable to a supplier. Action with gifts is described more in the regulation regarding giving and receiving material benefits.
- Promotion of personal financial interests - situations when an employee or his/her family members get personal benefit from business opportunities to which Tesil Fibres has rights, or situations when an employee uses business information at his/her disposal for personal benefit, not in the interests of Tesil Fibres.

- Parallel employment – situation when an employee in addition to work in Tesil Fibres is employed in other company, society, entity without written consent of the employer or acts in the interests of any other company on the basis of authorisation as a shareholder, member or voluntarily, except cases when Tesil Fibres has authorised the employee to represent its rights in other company, society or entity.
- Suspicious transactions – situations when prima facie disadvantageous goods and service exchange transactions refer to acquisition of financial or other benefit of employee, or situations when an employee cooperates with companies, organisations or other legal persons and entities that are directly or indirectly related to his/her family members.

Within the meaning of this Code of Ethics, family members of an employee shall be deemed to be:

- 1) First-degree and second-degree relatives (parents, children, grandparents, grandchildren, brothers/sisters);
- 2) Spouse or person equivalent to spouse.

Therefore, the following applies to us:

- Employees of Tesil Fibres may not be always able (or it is not useful) to avoid situations of conflict of interests. In such cases, an employee is obliged to declare (disclose) a situation of conflict of interests to Ethics Commissioner (e-mail address: etika@ecobaltia.lv);
- Situation of conflict of interests should be declared as soon as an employee has slightest suspicion of possibility of such conflict and, whenever possible, before involvement therein;
- New administrative employees of Tesil Fibres shall be obliged to declare potential situations of conflict of interests;
- Employees of Tesil Fibres are obliged to observe loyalty in relation to employer and its interests and not engage in activities for another company if those activities are inconsistent with the commitment to Tesil Fibres;
- Employees of Tesil Fibres should be able to identify situations of conflict of interests and avoid them, whenever possible;
- We never abuse our position at Tesil Fibres or the Tesil Fibres name for personal gain;
- We may not be employed by or receive personal benefits from customers, suppliers or competitors who do business with Tesil Fibres;
- We inform our direct manager if a relative or close acquaintance has a financial interest in or works for a customer, supplier or competitor who does business with Tesil Fibres.

TESIL FIBRES AND ITS PARTNERS

Customers and suppliers

Tesil Fibres accepts full responsibility for its products and services. In the event that they do not meet quality and safety standards, the company will:

- promptly investigate a complaint filed in a timely manner;
- inform customers about the procedure and results of the complaint handling;
- analyse the reasons for the complaint and remedy it.

Customer comments on our products and services are the impetus for us to improve and adjust our offer to meet customer needs and expectations.

Procurements and examination of cooperation

Procurement shall mean purchase of any goods or services for the needs of Tesil Fibres in the amount exceeding EUR 2,000 (excluding VAT).

In order to ensure efficient use of the resources and reduce the risks relating to cooperation partners, reputation and financial risks, the following general principles of procurement procedure apply to all Tesil Fibres employees and all procurements made between Tesil Fibres and other individuals or legal entities, as well as participation in public procurements organised by state or municipal institutions and business companies. The procurement process must meet the following criteria:

- Any procurements ensuring economic activity of Tesil Fibres shall be performed in accordance with approved Tesil Fibres budget or in accordance with relevant decisions of the Supervisory Board;
- The procurement process must be transparent, fair, objective and seek to attract the widest and most diverse range of tenderers possible;
- No corrupt or illegal actions in the selection of tenderers or participation in public procurement are allowed;
- Procurement must comply with good business practice, considering the interests and experience of the company;
- The procurement must comply with the requirements of regulatory enactments;
- Procurement must be in line with socially responsible, diverse and ethical business practice;
- The selection of applicants is based on transparent and objective criteria that are not

related to the personal interests, political influence or other factors of any employee of Tesil Fibres;

- The content of an agreement has been agreed with lawyer prior to signing;
- The procurement process does not involve cash transactions;

In order to be able to commence business relations with or eligible to participate in tenders or price inquiries, a supplier must meet the requirements set out in the separate Procedure for Assessing Counterparty and Transaction Risks, including, but not limited to:

- a counterparty is not insolvent, not under liquidation or legal protection, its business activities have not been suspended;
- it has no registered considerable tax debts;
- it has all necessary permits and all technical and material resources to fulfil taken or planned liabilities;
- a counterparty, its shareholders, members of management bodies and beneficial owners are not subject to national and international sanctions.

With regard to participation in public procurements, Tesil Fibres is bound by additional requirements, including the prohibition of any communication with competitors, coordinating participation and information to be submitted, as well as unforeseen communication with procurers.

Internal procurement procedure must be initiated in the following cases:

- When commencing purchase of new goods, property, equipment, and/or services;
- If the current contract has expired and it is necessary to continue receipt of goods/ services to continue the company's economic activity;
- If, pursuant to the conditions of the contract, the supplier wants to significantly increase prices of the good or services, or unfavorably change other provisions of cooperation, if quality of the goods or services has decreased, or other cooperation aspects dissatisfying the customer have arisen.

In above mentioned cases at least three potential suppliers must participate (if there are no such partners in the relevant area, a smaller range of tenderers may be surveyed) and Tesil employee who is the procurement organizer maintains sufficient procurement documentation to be able to confirm compliance of the performed procurements that include at least the following:

Proposals submitted by the tenderers – in document or e-mail format; Summary – document containing general conclusion and assessment of the tenderer's proposals, and measurable characterization of reasons for the selection of the winner of the respective procurement.

Mentioned documentation for procurements up to EUR 10,000 a year, must be stored 1 year after the completion of the procurement and for procurements exceeding EUR 10,000 a year, must be stored 3 years after the completion of the procurement. These provisions for procurement procedure may be partially applied in the following cases:

- Procurement of raw materials;
- Organisation of logistics services;
- Purchase of spare parts and receipt of services during the guarantee period, as well as for daily needs for the amount up to EUR 10 000 (excluding VAT) to avoid idle standing of equipment in case of breakdown;
- Involvement of a provider of legal, IT, marketing or communication and other services in an emergency situation. Afterwards, the responsible employee must assess the performance of the involved service provider.

Partial application of the Procurement procedure shall mean that in any way the general principles of the Procurement procedure and appropriate procedure for making and coordination of decisions, requirements of the procedures for the Assessment of Risks of Business Partners and Transactions, and, as far as applicable – arrangement for entering into the contracts stipulated in this procedure are complied with.

Giving and receiving material benefits

In many countries, it is common business practice to exchange gifts as a sign of respect and courtesy. The line between what is perceived as appropriate and inappropriate can be very thin. Extensive gifts can be perceived as an attempt to gain undue advantage or influence a decision. We believe that Tesil's employees will use common sense and judgment when giving or receiving gifts and entertainment and will never make a gift to gain a competitive advantage.

If, as a Tesil Fibres employees, we find ourselves in a difficult ethical situation, especially in a situation involving the receipt of material benefits or the use of any courtesy, gifts or other material benefits, or if we have any doubts in such situations, we should follow the relevant internal regulations and contact the Managing Director or Ethics Commissioner.

As employees of Tesil Fibres, we in particular:

- seek to ensure that significant business discussions are conducted by at least two Tesil's representatives;
- we take brief minutes of the business meeting;

- report to the relevant senior employee any offers of bribes or other benefits made to us and keep a written record of these facts.

Therefore, the following applies to all employees as well as other persons acting on behalf of Tesil Fibres (agents, consultants, distributors, partners, etc.):

- The material benefits received or provided must be of an appropriate size.

Restrictions do not apply to:

- 1) Gifts (*valuable item given or offered for personal benefit of an employee or his/her family members free of charge or for a charge, which is lower than the actual value thereof*) and hospitality (*offer of a trip, accommodation, food or drink, or invitation to any event (for example, a concert or sports event in the capacity of a viewer or participant)*), whose single nominal value does not exceed EUR 75.00 (including VAT) and which is not offered, presented more frequently than semi-annually to the same natural person or legal entity.
 - 2) Private gifts and hospitality among Tesil Fibres employees or employees and Tesil Fibres (for example, on birthdays, in Christmas and New Year parties, Sports Games etc.), low value representation items of certain type – gifts containing trademark, logotype of Tesil Fibres or other information (for example, pens, calendars, T-shirts, mugs and other souvenirs), hospitality of certain kind intended for the guests, cooperation partners and customers of 3) Tesil Fibres presentation on the company's premises (for example, drinks, snacks, candy presented to the customers in the waiting room, during a meeting or joint event).
- Any gift or hospitality presented, received or offered in relation to Tesil Fibres or on behalf thereof, MUST BE:
 - A legal, justified kindness of entrepreneurship, which may not be directly or indirectly related to gaining any advantages or other benefits from third parties;
 - Presented openly;
 - With a clear purpose, without causing an impression that the employee or the company will provide or receive something in return;
 - Honest and proportionate, without prejudice to limitations of value and frequency stipulated in the Code of Ethics;
 - Accounted and approved according to the requirements of this policy and procedure.

- Any gift or hospitality MAY NOT:

- Affect or give an impression that it affects independence of the recipient thereof in adoption of decisions;
 - Be presented, received or offered to the cooperation partner, customer during business negotiations or entering into the contract, if it may potentially affect the company's decision or negotiations;
 - Include cash or equivalents thereof, for example, coupons, payment or gift cards, companies' shares (stock) etc. – regardless of the amount;
 - Look luxuriously, offensively or inappropriately or violate the generally accepted norms of ethics.
- Within the context of the purposes of Code of Ethics, it shall be considered that a presentation of gifts and provision of hospitality in to the extent permitted in this Code of Ethics – i.e., complying with the stipulated limits of amount, frequency and type of presents – do not threaten objectivity of the officials in adoption of decisions and are not to be related to gaining of personal or company's benefit.
 - Employees or their family may not accept or give gifts in the form of money or loans from business partners.
 - No gifts, trips or other favours may be accepted in connection with negotiations with a current or potential business partner. It is forbidden to offer or present gifts and hospitality, including any benefit of material or other kind, for example, services, granting or transfer of rights, release from a duty, waiver from any right and other activity, whose direct or indirect beneficiary is a public official, and which may result in gaining company and/or personal benefit.
 - If employees receive a gift of more than €75, they must inform their supervisor immediately.
 - If the employee has uncertainty regarding status of the potential recipient of the gift or hospitality, he/she shall be obliged to consult with the Managing Director or Ethics Commissioner before offering such a gift or hospitality.
 - When receiving a gift, hospitality or offer thereof, each employee shall independently consider the gifts received or given, compliance of hospitality or offer thereof with the requirements of this Code of Ethics, and, in case of doubt, refrain to present or reject it; in case of doubt, the employee may Managing Director or Ethics Commissioner.
 - All the presented, accepted or rejected gifts and hospitality, including all the events

organised by the Group companies, where participation of cooperation partners, customers or other third-party companies, which exceeds the limitations stipulated above is planned, must be registered in the Gift and Hospitality Register maintained by Ethics Commissioner. Tesil employee shall be obliged to prepare a Gift and Hospitality report on every presented, received or rejected gift and hospitality, which exceeds the limitation of amount stipulated above, not later than within 5 business days after the receipt or rejection by sending the report to the e-mail address specified by Ethics Commissioner.

- Disclosing the value of the gift increases the attention around these matters, ensures transparency and protects Tesil Fibres employees from suspicion of corruption or bribery.

Attendance at social events

As employees of Tesil Fibres, we attend social events and informal gatherings organized by our business partners, taking care that such attendance does not negatively affect Tesil Fibres position and planned or ongoing transactions. When participating in social events and informal meetings, we adhere to the ethical principles, Tesil Fibres core values and rules of decent behaviour.

Corruption

Tesil Fibres has determined zero tolerance to any activities related to bribery and corruption or referred thereto. Corruption is a summary term for unethical behaviour that involves the abuse of a position of trust for personal gain. Corruption includes, but is not limited to, bribery (any activities related to bribe-taking, bribe-giving, embezzlement of bribe, mediation in bribery and any other action of the persons, who have been entrusted the responsibility and who violate their duties, as well as perform activities aimed at obtaining undeserved advantages for himself/herself, other persons), money laundering, extortion, kickback payments or so-called facilitation payments (small bribes or gifts given to receive or expedite an activity in favour of the giver), distortion of competition, e.g. through price fixing, and nepotism (when someone favours their relatives or friends where access to resources or services is given priority to people being in family or friendship relations). Most of these practices are illegal and can result in criminal prosecution. If a Tesil Fibres employee is involved in corrupt behaviour, it can have very serious consequences for both the company and the employee.

Therefore, the following applies to us:

- Employees are forbidden to give, offer, request, demand or accept, directly or indirectly, anything that may be considered as a bribe and affect the objectivity of its recipient in the decision-making process.
- It must be ensured that persons acting on behalf of Tesil Fibres do not engage in or contribute to any form of conduct that could be called corruption.
- There must be no built-in incentives to engage in corruption or bribery in commercial contracts.
- If we are in doubt about whether something is right or wrong, then we are obliged to discuss the matter with the Managing Director or Ethics Commissioner.

Bribery

Tesil Fibres does not tolerate bribery. Bribery is when you give something and expect the recipient to give you an undue advantage in return; and vice versa when you receive something for which you are expected to give an undue advantage.

Therefore, the following applies to us:

- It is not permissible to engage in or contribute to any form of bribery. Engaging in bribery will result in disciplinary sanction or termination of employment and, due to the illegality of bribery, may lead to criminal prosecution.
- We must refuse any request for payment that does not correspond to the service Tesil Fibres is obliged to provide.
- We must not enter into special favour agreements with public officials, customers or suppliers.
- We will report any attempted bribery to the Managing Director and Ethics Commissioner.

Facilitating payments

Tesil Fibres employees and representatives does not engage in facilitating payments as they are a grey area in terms of bribery. Facilitating payments involve paying a small nominal amount to a lower level public official in certain countries to perform routine tasks that could cause significant delays or other difficulties for the company if the amount is not paid. For example, paying extra to cross a national border or to obtain a visa. Therefore, the following applies to all employees and persons acting on behalf of Tesil Fibres:

- We must not pay for facilitation unless non-payment would cause unreasonable consequences to our health or safety. If payment is necessary in such a situation, we will try to reduce the amount to the minimum and obtain proof of payment. If the amount has been paid, we must report it to the Managing Director and Ethics Commissioner, stating the date, reason and amount paid. Furthermore, the payment must be properly recorded in the accounting system so that Tesil Fibres acts in accordance with local legislation.

Blackmail and extortion

Tesil Fibres employees and representatives does not pay criminals for protection from violence against persons or vandalism to property unless non-payment would cause unreasonable consequences to our health or safety. In particular, we should be aware of our security when we refuse an unauthorised payment.

If we are required to make such a payment, we are required to report it to the Managing Director and Ethics Commissioner.

Fair competition (antitrust)

The Act on Protection of Competition of Czech Republic prohibits all forms of agreements or concerted practices with competitors regarding price, market and customer allocation, abuse of a dominant market position or any other situation that prevents or restricts free competition.

Therefore, the following applies to us:

- We do not enter into any contracts or reciprocal agreements with competitors that could be deemed as an illegal agreement.
- We do not take advantage of the dominant position that Tesil Fibres holds in certain markets.

In particular, we keep in mind:

- We do not put ourselves in a position that might lead others to believe that we are engaging in any kind of plan with competitors.
- We do not exchange any sensitive business information (e.g. prices, price increases, rebates, etc.) with competitors or competitors' representatives.

Lobbying activities

Lobbying is intentional and systematic communication with state and municipal institutions in order to affect the decision-making process for pursuing interests of specific business sector or segments. Decision-Making Process – process where object of public authority adopts, amends or cancels laws and regulations or policy planning documents as well as prepares them, supports or refuses proposal and objections to them.

Legitimate lobbying shall be lawful, it shall be preferable as it may positively affect all parties involved. For officials, decision-making institutions and authorities a lobbyist shall be significant source of information that can:

- Provide information, facts from practice, statistics and other analytical materials not available to public officials;
- Help to understand how planned norm or procedure will work in practice;
- Verify what policy mechanisms will be effective and achieve intended purpose;
- Predict how decisions will be perceived in public.

Society representatives, non-governmental organisations, businessmen with the help of lobbying precisely:

- May achieve that their interests are taken into consideration in the process of policy making and legislation;
- Promote in order that activity of officials becomes more effective and economical;
- Decisions made shall comply with actual situation because they are prepared by harmonising with parties involved that would have to execute them.

During the process of lobbying, the following general principles should be followed by Tesil Fibres employees:

- During lobbying activities, no unjustified benefit shall be given to public and municipal officials, their relatives, societies, companies and political parties related with them or their relatives, no other political support shall be granted, sales with power shall not be supported or any corruptive activities shall not be performed;
- Lobbying shall be carried out openly, ethically and transparently; it shall be formal without threatening rights on equal treatment of interested parties;
- Aims and benefits of specific lobbying activities shall be always clear and justified for interests of Tesil Fibres and society;
- Tesil Fibres shall not make donations and shall not require also their employees and their family members to do that;
- If any of Tesil Fibres employees or their relatives are related to public or municipal official involved in making of decisions regarding Tesil Fibres or any other Group company, he or she should immediately notify the Managing Director and Ethics Commissioner and further act according with requirements for situations of conflict of interests;
- If there are any doubts regarding compliance of lobbying activities with requirements of laws and regulations, consultation should be received from the Ethics Commissioner before their performance.

Donation

Donation is a property or funds that is handed over by a person (donor) without compensation on the basis of mutual agreement to organisation for the purposes set in articles of association and with no obligation to carry activities having nature of compensation and that can be subject to tax reliefs.

Sponsoring is mutually beneficial deal between organisation that receives funds and a company that supports specific organisation from marketing or advertising expenditure budget. As a result of sponsoring, the company acquires advertisement. In the case of sponsoring, no tax reliefs shall be provided.

During the process of assessing and making donations and sponsoring, the following general principles should be followed:

- When making donation or sponsoring, no unjustified benefit shall be acquired, no political support shall be provided or corruptive actions taken;
- Employees shall not make political donations on behalf of Tesil Fibres;
- Donation or sponsorship shall not be made to employees of Tesil Fibres, officials or their relatives, except within social activities approved by Tesil Fibres (e.g., when supporting children of employees - high-potential sportsmen) or cases when any of these persons experienced accident and it has been decided to support that person.
- If any of employees of Tesil Fibres or their relatives are related to a recipient of donation or sponsorship, he or she should immediately notify Ethics Commissioner and further act according with requirements of prevention procedure for situations of conflict of Tesil Fibres;
- Process should be transparent, fair, socially liable and ethical;
- Donation or sponsorship should comply with requirements of laws and regulations;
- Donations or sponsorship should be harmonised with Ethics Commissioner.

Examination of donation and sponsoring requests

- Employee that has received proposal to donate or sponsor specific activity shall submit this proposal for examination to the Managing Director for approval, if this donation or sponsoring is relevant.
- If the proposal complies with priorities or criteria for donation or sponsorship, or in the case of non-compliance is socially supportive or interesting due to any other reasons, the Managing Director shall forward initiative for further examination to Ethics

Commissioner:

- Shall familiarise with the proposal that may give his/her opinion on that;
- Shall receive opinion of Tesil Fibres Finance Director and Group Legal Department on compliance with laws and regulations and tax issues.
- In order that a recipient could qualify for donation or sponsorship, the recipient should comply with requirements that are provided in the Procedure for Assessment of Business Partners and Transaction Risk.
- When assessing proposal of potential receiver of donation or sponsorship Ethics Commissioner must take into consideration the following factors:
 - Compliance with priorities and criteria set by the Group as well as laws and regulations;
 - Reliability of organisation, reputation, profile, activity period;
 - Beneficial owners and senior management, information on them in mass media shall be identified, as well as it shall be verified that they are not related to politically exposed persons;
 - Potential of conflict of interests;
 - Cooperation form and rules.

THIRD PARTIES ACTING ON BEHALF OF TESIL FIBRES

Third parties acting on behalf of Tesil Fibres, in particular external personnel, consultants, sales agents, etc., are obliged to respect the Code of Ethics as much as Tesil Fibres employees. In particular, the provisions relating to anti-corruption and anti-bribery, as well as confidential information, must be strictly observed, as their violation could cause damage to the company.

Therefore, the following applies:

- At all times, it must be ensured that all business transactions are documented and can be traced so that Tesil Fibres can fulfil its obligation to any relevant control authority. In connection with payments, information regarding the identity and address of the recipient must be provided.
- It must be ensured that payments to all third parties reflect the service provided under the contract and that the contract with the third party clearly and specifically defines the scope, nature and price of the services.
- The payment/settlement may exceed the market level, but only if the purpose of the excess payment/settlement is stated in the contract and there is a reasonable reason for it. Tesil Fibres has the right to terminate the contract with immediate effect if a third party is involved in bribery, corruption or illegal conduct. It is the responsibility of the business to provide this option in commercial contracts.

Tesil Fibres and the surrounding environment Environmental protection

Protecting the environment is an ongoing challenge for our company. That is why we actively strive to minimise the environmental impact of the production process.

Therefore, the following applies to us:

- In our business activities, we respect the laws and standards set for waste, emissions and environmental protection.
- We have an ongoing interest in improving the quality of the environment.
- We use resources sparingly and eliminate wasteful use of water and electricity.
- We conscientiously sort waste, minimising its production.
- Where technological processes allow, we recycle production waste as part of our normal production.

Attitude towards the surrounding community

We look for ways to develop good relationships with the environment in which we do business and strive to build long-term relationships with the environment based on partnership and mutual trust.

Therefore, the following applies to us:

- We support educational, health, environmental, cultural and other community service activities in our area.
- We analyse the long-term impact of our activities on the environment in which we operate.
- We are involved in charitable activities and support projects to support families in need.
- We support initiatives that develop cooperation between different fields of activity.
- We encourage our employees to take an active part in the life of their neighbourhood, especially in charity projects.

Tesil Fibres recognizes that, in addition to economic success and environmental protection, good relations with the surrounding community in the place of business are important for the sustainable development of the business.

Relations to public authorities, municipalities and the region

In our business activities, we also consider the interests of the wider community, including national and regional interests.

Therefore, the following applies to us:

- We communicate with government authorities using truthful information about the company.
- We ensure proper accounting and timely payment of our financial obligations to state and local government authorities.
- We have an active charity policy.

Compliance with and enforcement of the Code of Ethics

Everyone at Tesil Fibres is responsible for acting in accordance with the Code of Ethics. This applies to all employees who work for Tesil Fibres: managers, regular employees and temporary employees such as agency workers, consultants, trainers and students. The Code of Ethics is also applicable in some articles to Tesil's customers and suppliers. In addition, managers in each department have responsibility for ensuring that the Code of Ethics is followed in practice. This means that managers have a responsibility to ensure that employees in their department know and understand the Code and Tesil Fibres' expectations.

Every employee of Tesil Fibres, regardless of his/her position in the organisational structure, is obliged to familiarize himself/herself with the provisions of the Tesil Fibres Code of Ethics and to comply with them. Any Tesil Fibres, employee may ask a member of Human Resources or his or her supervisor to explain the relevant provisions of the Code of Ethics. Each employee may make his or her own suggestions for solving problems encountered in the course of his or her employment.

Tesil Fibres strongly supports the initiative of its employees to propose measures that will lead to the elimination of inefficient practices or improper conduct within the company. An activity to add to or modify the wording of this Code of Ethics is also appreciated. Comments and suggestions should be submitted to the Head of Human Resources. In the performance of their job duties or in direct connection therewith, the executives and managers:

- participate in the promotion of the Code of Ethics and ethical conduct;
- strive to set an example of conscientiousness and trustworthiness for their colleagues and subordinates, while promoting such individuals;
- provide explanations of individual provisions of the Code of Ethics when requested by a subordinate;
- respond immediately and discreetly to reported violations of the Code of Ethics, including suspected violations;
- supervise employees to ensure that they comply with all the principles of the Code of Ethics.

At any time, you may contact Tesil's Managing Director and Ethics Commissioner for any additional information regarding this Code of Ethics or related issues, including references

to applicable related internal or statutory regulations. Persons directly responsible for such individual departments, such as supervisors and foremen, can also provide more detailed information regarding individual departments.

General instructions (ethics test)

If you are in doubt about whether you are complying with the Tesil Fibres Code of Ethics and feel that you do not find a satisfactory answer in the Code, then you should take the following ethics test.

Answer the following four questions for yourself:

1. Am I acting in violation of the law or any other relevant regulation?
2. Do I have a problem with my actions being public?
3. Could anyone perceive my actions as dishonest or unfair?
4. Could my loyalty to Tesil Fibres be questioned?

If the answer to one or more of the questions is “yes”, you should refrain from doing so and discuss it with your manager.

Violation of the Code of Ethics

Anyone who believes that a Tesil Fibres employee or other person acting on behalf of Tesil Fibres has violated the Code of Ethics should report the matter via email to etika@ecobaltia.lv.

Any such report will be investigated in a professional and discreet manner and the outcome of the investigation will only be reported to the appropriate level of supervisor.

An employee reporting a violation of the law or this Code of Ethics is guaranteed anonymity, which will also be ensured throughout the investigation of the report. All employees will be held accountable for their actions. This means that Tesil Fibres may terminate employment or suspend an employee who has failed to comply with the rules and Tesil Fibres Code of Ethics.

