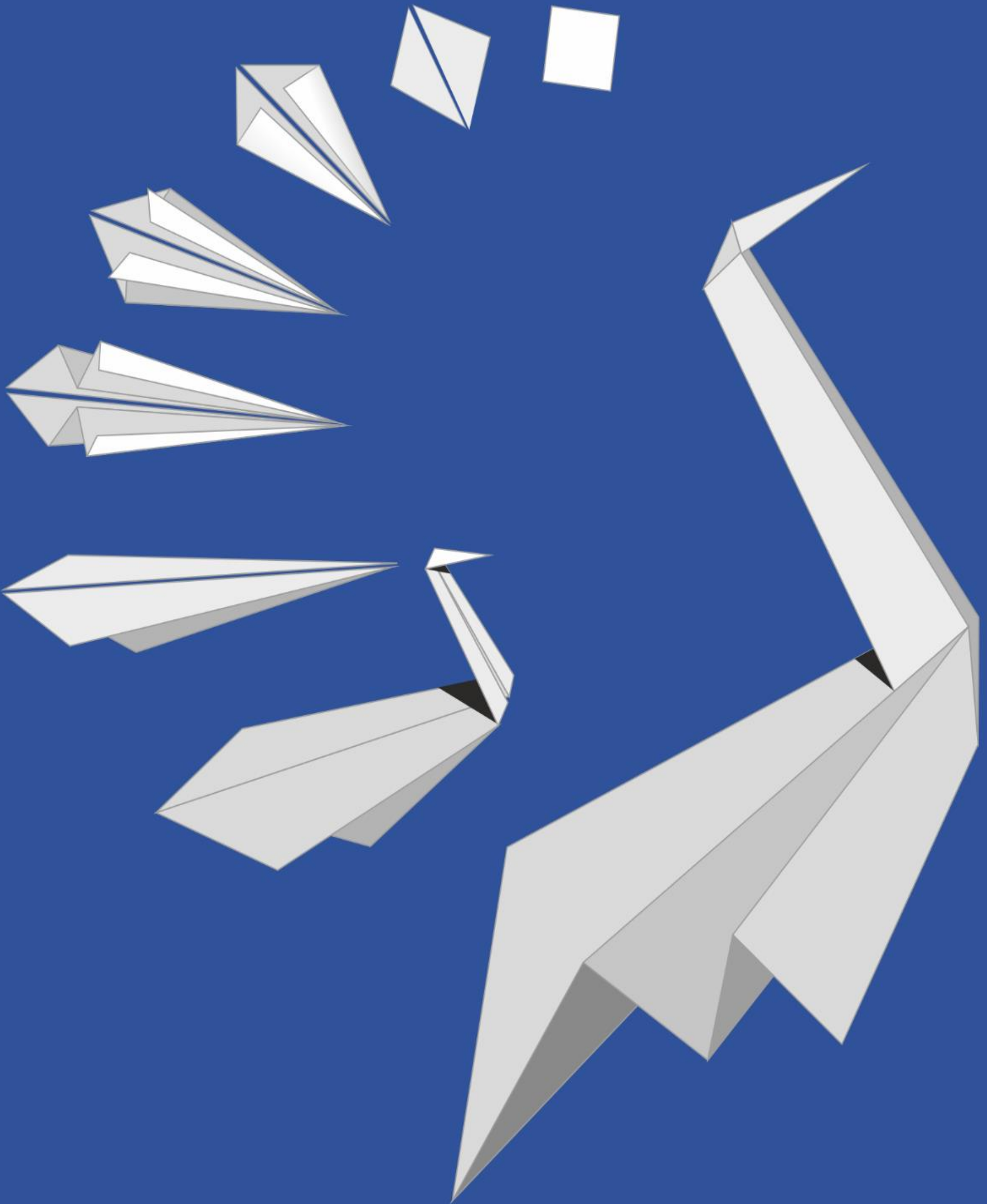




THE CODE OF ETHICS



LOCATIONS OF OUR COMPANY



WHO IS SHP GROUP?

We are a producer of high-quality tissue paper products - toilet paper, hankies, napkins and kitchen towels.

Our strategic goal is to continuously increase the quality and selection of our products, provide more and more complex services to our customers, make our production more economical and environmentally friendly, thus ensuring the financial and economic stability of our company.

We, all the employees of SHP GROUP, act in accordance with the Code of Ethics and create a working environment in which we act in accordance with our values which is crucial for the long-term functioning of our company and fulfilling our purpose and strategy.

OUR VALUES

Our values represent what we believe in and what defines our company's culture. They determine desirable behavior and establish how we should behave and what we should avoid in order to fulfill our purpose. We are guided by the following four values.



THE CODE OF ETHICS

The Code of Ethics of SHP Group has been designed in accordance with the Code of Ethics of ECO-INVESTMENT Group – the majority owner of SHP Group. The Code of Ethics contains the basic frameworks of our conduct, which means the way we implement our strategy and the way we live by the values of SHP Group and utilize them in our everyday activities. At the same time, the Code of Ethics is a guide to the expected/desired behavior which we implement when dealing with internal and external environment.



OBJECTIVES

The main objective of the Code of Ethics is to define relations with the internal and external environment and the ethical responsibility of all employees of SHP Group.

- The Code of Ethics of SHP Group binds all employees of the individual locations of SHP Group regardless of their job title, position, and type of work or status
- The Code of Ethics focuses on employees relations with customers, suppliers, competitors, government, local authorities and the society
- In the Code of Ethics you can find guidelines on how to act or behave correctly in individual situations that you may come across with.

EMPLOYEE RELATIONS AND WORKING ENVIRONMENT

RESPONSIBILITY AND MUTUAL RESPECT

- Our main objective is to create a safe working environment where we respect the opinions of other people
- We provide equal opportunities to all employees regardless of sex, race, skin color, nationality, religion, sexual orientation, ethnicity or other differentiating characteristics
- We do not tolerate discrimination and behavior which is contrary to our values.
- We understand that, as employees, we also represent SHP Group outside of the working hours and we act and behave accordingly.
- We deal responsibly and correctly with members, partners and other entities with which we have business relations and contractual obligations. We are reliable in keeping our promises.
- All employees representing SHP Group act responsibly when dealing with third parties and are aware of the consequences of their actions. We always verify data accuracy on which we base our decisions.
- The process of hiring, development, remuneration and dismissing of employees in SHP Group is carried out with any discrimination based on race, religion or nationality and it is in line with the current and future needs of our company. All employees are entitled to fair compensation based on their work performance.
- We provide constructive feedback. We act directly and openly.
- Physical or mental harassment is unacceptable and contrary to the Code of Ethics. We also do not tolerate sexual harassment in the workplace.

CONFLICT OF INTEREST

- All employees and all persons representing SHP Group must ensure their personal interest is not in conflict with their obligations to SHP Group or to customers of SHP Group. A conflict of interest may arise in connection with the acceptance of gifts, invitations, or contracts, corruption, fraud or financial transactions.

INFORMATION PROTECTION

- We respect the confidentiality of any information (personnel, financial, technical, and commercial). When processing such information we follow our security policies to prevent misuse, alteration or destruction of information. We understand that providing information about our company's strategic activities without the consent of the Board or the Executive Director is unacceptable.
- Our IT policies and procedures include safety features that we review regularly.
- We do not try to obtain information about other companies' businesses by dishonest means.

FINANCE

- All business transactions must be recorded in accounting records of the locations which are a part of SHP Group, and in line with accounting practices.
- We are committed to provide truthful, correct, comprehensible and complete information.

RELATIONS WITH COMPETITION, CORRUPTION, BRIBERY

- We do not tolerate corruption, bribery or unfair competition.
- While carrying out the business activities of our company, we will not, directly or indirectly, provide rewards or benefits to any entities or persons in order to secure a business opportunity.
- We will not, directly or indirectly, demand any rewards or benefits that would force us to act in contrary to the law or morality
- Neither the company, nor its employees or persons acting on its behalf may facilitate illegal business transactions or other illegal activities. We do not tolerate acceptance or offering of any bribes.
- We reject corrupt practices and we neither accept, nor provide any money, valuable gifts, services or anything that might be considered a bribe. We respect small gifts or hospitality only if they are not binding and may be reciprocated at the same level.

RELATIONS WITH THE GOVERNMENT, LOCAL AUTHORITIES AND THE SOCIETY

- We respect human rights and democratic institutions. We support them wherever and whenever we can.
- We cooperate with those who in any way improve the level of health and education of the society.
- We support charitable activities in the region and society, as well as cultural, moral, educational, technical and infrastructure-based development.
- We strive to be good citizens and members of the community, taking into account the wider social environment, including national and transnational principles.
- We care about the transparency of all financial transactions, we pay taxes correctly and we knowingly do not commit tax evasion. We adhere to legislative standards.
- Through our activities, we commit to promote the reputation of the region and country. We support the constant, two-way communication within the industry, as well as communication with competent authorities, both at the national and international levels. We communicate openly, directly and accurately.
- In our activities, we do not participate in anything that might endanger the environment.
- Each employee makes decisions in a way that ensures the protection of the environment.
- SHP Group is politically neutral and does not make any donations to any political parties or candidates. It is not allowed to use the company name as part of political campaigns or in the promotion of political parties or candidates.

HEALTH & SAFETY

- We strive to create a safe and sanitary working environment. This is why we adopted a comprehensive health, safety, and environmental policy.
- We are required to acquaint ourselves and comply with all applicable regulations, both in our own interest and in the interest of the company and for the benefit of other employees. We do not work with any equipment without having been trained for it.
- We provide a safe and healthy working environment and strive for continuous improvement.
- In our company, we follow the workplace safety rules and we ask our colleagues to do the same.
- Employees must report to their supervisors any conduct that may constitute a safety hazard in the workplace.

FINAL PROVISIONS

- Managers are responsible to follow the Code of Ethics and the policies that are consistent with the company values. Managers lead by example.
- All employees respect the company values and follow the Code of Ethics. All employees are familiar with and understand the content of The Code of Ethics.
- We also expect our business partners, suppliers, consultants and distributors to follow procedures and policies that are identical or similar to the Code of Ethics. Our partners, suppliers, consultants, distributors and external employees are all familiar with the Code of Ethics.
- Should any business partner, supplier, consultant, distributor or external employee act in contrary to the standards and principles identical or similar to the ones set out in our Code of Ethics we will require corrective action.
- SHP Group will not cooperate with persons who do not act in accordance with the principles set out in this Code of Ethics.