

BUSINESS ETHICS POLICY



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BUSINESS ETHICS POLICY

DOCUMENT METRICS

TITLE	BUSINESS ETHICS POLICY
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DOCUMENT VERSION	1.0
APPROVAL DATE	30.08.2024
APPROVED BY	Paweł Gurgul
LAST REVIEW DATE	-----
REVIEW PERIOD	No less frequently than every 24 months or in the event of significant changes in regulations, industry standards, or organizational structure
STATUS	In force
METHOD OF DISCLOSURE	Publication on the website www.formika.com.pl , disclosure in the Sustainability Report in compliance with the ESRS regulation, and training and workshops for employees.
ABSTRACT	<p>The Formika Business Ethics Policy sets forth standards and principles of conduct aimed at promoting integrity, transparency, and accountability within the company and among its employees. This policy is designed to foster an organizational culture rooted in ethics, trust, and respect, contributing to the company’s positive reputation and ensuring compliance with applicable laws and regulations. Through the Ethics Policy, the organization can more effectively manage risks, avoid conflicts of interest, and strengthen relationships with stakeholders.</p> <p>The policy includes the following components:</p> <ul style="list-style-type: none"> • Anti-Competition Policy • Anti-Corruption Policy • Conflict of Interest Policy • Anti-Money Laundering Policy • Fraud Prevention Policy <p>Each of these policies outlines both qualitative and quantitative objectives aimed at achieving the overall goals of the Business Ethics Policy, as well as the allocation of resources dedicated to their implementation.</p>
RESPONSIBLE FOR IMPLEMENTATION	CEO (Chief Executive Officer)



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ANTI-COMPETITION POLICY

Formika LLC is committed to conducting its operations in compliance with the principles of fair competition, avoiding the abuse of a dominant market position, and adhering to applicable antitrust laws. This document constitutes a key element of the company's strategy to build trust among customers, business partners, and society at large.

Scope of the Policy/Exclusions:

The policy applies to all departments of Formika LLC. The policy does not cover marketing activities that comply with local legal regulations and the ethical standards of the industry, provided they are not intended to restrict competition.

Assumptions and objectives of the policy:

- **Adherence to Fair Competition Principles:**

Formika LLC undertakes actions that promote healthy competition in the labor market while avoiding practices aimed at restricting competition.

- **Avoidance of Abuse of Dominant Position:**

In cases where Formika LLC holds a dominant market position, the company commits to refraining from actions intended to exclude competitors, impose unfair trading terms, or restrict market access.

- **Employee Training:**

Formika LLC is committed to raising employee awareness regarding fair competition principles and the risks associated with their violation. By the end of 2026, the company pledges to train all employees who may influence competition relations, business operations, or legal compliance (including management personnel and employees in the sales and marketing, procurement, R&D, HR, and finance departments).

The objectives have been established based on an analysis of anti-competition risks and the legal regulations in force in the markets where Formika LLC operates.



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To monitor the implementation of the above objectives, Formika LLC has established the following key performance indicators (KPIs):

- Number of reported cases of competition law violations: The baseline for 2022 is zero cases, and the objective is to maintain this indicator at the level of zero.
- Training completion rate: The ratio of trained employees in specific categories to the total number of employees scheduled for training.

Key Implementation Actions

- **Training:** Conducting regular, annual training sessions for employees on the principles of fair competition and the risks associated with their violation.
- **Awareness Campaign:** Developing and distributing informational materials on the anti-competition policy to employees by the end of 2025.
- **Grievance Reporting System:** Every individual engaged in a business relationship with Formika is granted the opportunity and bears the responsibility to report incidents related to unfair competition under the existing grievance reporting program. Information about the available reporting channels is provided at the end of this policy and is also accessible on our website.

Standards and Regulations:

The policy refers to the following standards and regulations:

- ISO 37001: Anti-Bribery Management System,
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions,
- Act on Competition and Consumer Protection of February 16, 2007.

The CEO declares the allocation of necessary investment (CAPEX) and operational (OPEX) resources for actions required to implement this policy.

The Administrative Manager is responsible for implementing the policy's objectives at the operational level.



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ANTI-CORRUPTION POLICY

The Anti-Corruption Policy of Formika LLC represents the company's commitment to preventing corruption in all aspects of its operations. Formika LLC is dedicated to creating a business environment where corruption is not tolerated, and all forms of unethical behavior are consistently eliminated.

Scope of the Policy/Exclusions:

The Anti-Corruption Policy of Formika applies to all employees, the management board, contractors, suppliers, and any other third parties cooperating with our company. It does not exclude any products, groups of people, or geographical areas.

Assumptions and objectives of the policy:

The overarching objective of the Anti-Corruption Policy is the elimination of corruption within Formika LLC.

The Anti-Corruption Policy of Formika LLC is a key element of our sustainability strategy, aimed at ensuring a fair and transparent working environment. We encourage all employees and stakeholders to actively participate in its implementation and monitoring.

Preventing corruption through the implementation and enforcement of strict ethical standards and promoting a culture of integrity and transparency at Formika LLC.

Quantitative Objectives:

- By the end of 2024, we plan to conduct a corruption risk assessment across all departments of Formika LLC.
- By the end of 2025, we aim to conduct training for employees in roles identified as having high or medium exposure to corruption risks.

The objectives of the Anti-Corruption Policy have been established based on an analysis of corruption risks within the industry and a review of best market practices. During the goal-setting process, stakeholder feedback, complaints, commendations, and suggestions were taken into account.



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To monitor the implementation of the above objectives, Formika LLC has established the following key performance indicators (KPIs):

- **Number of reported cases of corruption:** The baseline for 2022 is zero cases, and the objective is to maintain this indicator at the level of zero.
- **Percentage of positions covered by corruption risk assessment:** The ratio of positions for which corruption risks have been identified to the total number of positions scheduled for assessment.

Key Implementation Actions

- **Training:** Conducting regular, annual training sessions for designated employees on corruption prevention.
- **Awareness campaign:** Developing and distributing informational materials on the Anti-Corruption Policy to employees by the end of 2024
- **Grievance Reporting System:** Formika LLC operates an internal grievance reporting system, enabling all employees, as well as non-employees such as representatives of clients, suppliers, and service providers, to report violations, including those related to corruption. Information about the available reporting channels is provided at the end of this policy and is also accessible on our website.
- **Collaboration with victims:** Formika LLC is committed to cooperating with individuals harmed by corruption, offering legal and psychological support. Ongoing dialogue with stakeholders is maintained to prevent the recurrence of such issues.

Standards and Regulations:

The policy refers to the following standards and regulations:

- United Nations Convention Against Corruption (UNCAC),
- ISO 37001 Standard - Anti-Bribery Management Systems,
- Global Reporting Initiative (GRI) Guidelines for reporting on anti-corruption issues.



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The CEO declares the allocation of necessary investment (CAPEX) and operational (OPEX) resources for actions required to implement this policy.

The Administrative Manager is responsible for implementing the policy's objectives at the operational level.

CONFLICT OF INTEREST POLICY

The Conflict of Interest Management Policy at Formika LLC aims to ensure that all actions and decisions within the company are made objectively, transparently, and in the best interests of the company and its business partners.

Introduction:

A conflict of interest arises when an individual holding a position or performing a function within Formika LLC, or an external representative of Formika LLC, makes decisions or knowingly undertakes actions on behalf of Formika LLC that provide or could provide undue benefits (financial or personal) to themselves or related entities, thereby raising doubts about their impartiality.

A conflict of interest also arises when the interests of an individual whose position is subject to conflict-of-interest assessment within Formika LLC, or an external representative of Formika LLC—due to legal or factual relationships connecting them to another entity—affect or could affect their judgment, decisions, or the execution of assigned tasks. The nature of such legal or factual relationships raises reasonable doubts regarding the impartiality of the individual or the external representative.

Individuals who may be affected by a conflict of interest:

In Formika LLC, declarations of independence and statements regarding identified conflicts of interest are submitted by individuals holding positions or performing functions within the company or representing it. This includes those who are employed, appointed, or promoted to such positions, as well as external representatives who act on behalf of Formika LLC in relations with business partners.



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An external representative of Formika LLC is any external entity representing Formika LLC in dealings with business partners, suppliers, clients, or governmental or municipal institutions. It also includes any external entity supporting Formika LLC in acquiring clients or selling goods, products, or services on behalf of the company. External representatives are individuals or entities acting in the name or interest of Formika LLC based on a legal act.

Types of relationships subject to assessment in conflict of interest management:

Relationships that may indicate a conflict of interest, arise if an individual holding a position subject to conflict-of-interest assessment within Formika LLC or representing Formika LLC has, within the last five years:

- Been personally or financially connected to another entity or a person holding managerial, supervisory, or controlling functions within that entity, or simultaneously held managerial, supervisory, or controlling functions within Formika LLC and that entity;
- Directly or indirectly participated in the management, control, or supervision of another domestic or foreign company or held shares or equity in that company.
- If the entity mentioned above qualifies as a business partner as defined in this Policy.

Family or functional personal relationships occur when an individual holding a position subject to conflict-of-interest assessment within Formika LLC or representing Formika LLC is related to a close person who has a direct or indirect role in the management, control, or supervision of a business partner of Formika LLC.

Financial personal relationships occur when an individual holding a position subject to conflict-of-interest assessment within Formika LLC or representing Formika LLC is connected to a business partner through a person with whom they share financial relations, such as obligations or contractual arrangements that integrate their assets, e.g., partnership agreements, joint venture agreements, or franchise agreements.

Employment-related personal relationships occur when an individual holding a position subject to conflict-of-interest assessment within Formika LLC or representing Formika LLC has been connected to a business partner by virtue of employment within the five years preceding their engagement with Formika LLC, during which time they had an influence on the partner's business decisions.



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Capital Relationships

- **A direct capital relationship** exists when an individual holding a position subject to conflict-of-interest assessment within Formika LLC or representing Formika LLC owns no less than 25% of the shares or stock of a business partner.
- **An indirect capital relationship**, exists when an individual holding a position subject to conflict-of-interest assessment within Formika LLC or representing Formika LLC owns:
 - a) jointly with another related entity or entities, or
 - b) through another related entity or entities, a total of no less than 25% of the shares or stock in the business partner's equity capital.

Scope of the Policy/Exclusions:

The policy applies to all employees of our company, regardless of their position, including the management board and the supervisory board.
Situations involving conflicts of interest related to minor gifts with a value below 100 PLN, which do not influence professional decisions, are not considered under this policy.

Assumptions and objectives of the policy:

The overarching assumptions of the policy center on avoiding conflicts of interest. To achieve this, we have established the following objectives:

We commit to creating conditions in which employees consciously avoid conflict of interest situations, ensuring that all decisions and actions undertaken by employees and collaborators are free from the influence of personal interests that could affect objectivity and impartiality.

Quantitative objectives:

- Train employees in positions where conflicts of interest may arise by the end of 2025.
- Train all employees on aspects related to conflicts of interest by 2030.

These objectives have been established based on an analysis of industry best practices and the guidelines of ISO 37001.



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To monitor the implementation of the above objectives, Formika has established the following key performance indicators (KPIs):

- Number of reported cases of conflicts of interest: The baseline for 2022 is zero cases, and the objective is to maintain this indicator at the level of zero.
- Training completion rate: The ratio of trained employees to the total number of employees scheduled for training.

Key Implementation Actions

- **Reporting a conflict of interest:**

Every employee is required to immediately report any potential conflict of interest through the designated grievance reporting channels. Information about the available channels is provided at the end of this policy and is accessible on our website.

- **Assessment and remedial actions:**

The Ethics Committee conducts an analysis of reported cases of conflicts of interest and undertakes appropriate remedial actions.

- **Documentation and reporting:**

All cases of conflicts of interest and actions taken to address them must be thoroughly documented and archived in accordance with the Grievance Procedure for Reporting Suspected Unlawful or Code-Contrary Activities.

- **Support for Affected Individuals:**

In the event of a conflict of interest, the company will provide support to employees to resolve the issue and prevent similar situations in the future.

Standards and Regulations:

The policy refers to the following standards:

- ISO 37001 – Anti-Bribery Management Systems,
- United Nations Convention Against Corruption (UNCAC).

The President of the Management Board declares the allocation of necessary investment (CAPEX) and operational (OPEX) resources to support the actions required for the implementation of this policy.



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ANTI-MONEY LAUNDERING POLICY

Formika LLC is committed to preventing the concealment of the origin, ownership, or purpose of illegally or dishonestly obtained funds by integrating them into legitimate business activities to give them the appearance of legality.

Scope of the Policy/Exclusions:

The policy applies to all departments of Formika LLC. However, it does not cover activities conducted in regions where the company does not operate directly. Exclusions also apply to transactions where the company is unable to verify the source of funds.

Assumptions and objectives of the policy:

The overarching assumption of the policy is to reduce the risk of the company being involved in money laundering. To achieve this, we have established the following objectives:

A full commitment to abstain from any activities related to money laundering.

Quantitative objectives:

- Identify positions exposed to money laundering risks by the end of 2024.
- Train all employees in positions exposed to money laundering risks by the end of 2026.

These objectives were established based on risk analysis and consultations with stakeholders.

To monitor the implementation of the above objectives, Formika has established the following key performance indicators (KPIs):

- Number of reported money laundering incidents: The baseline for 2022 is zero cases, and the objective is to maintain this indicator at the level of zero.
- Training completion rate: The ratio of trained employees to the total number of employees scheduled for training.



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Key Implementation Actions

- **Training:** Conduct regular, annual training sessions for designated employees on money laundering.
- **Grievance Reporting System:** Every individual engaged in a business relationship with Formika has the opportunity and obligation to report incidents related to money laundering through the active grievance reporting program. Information about available reporting channels is provided at the end of this policy and is also accessible on our website.
- **Support for affected individuals:** Formika LLC is committed to cooperating with law enforcement authorities and supporting individuals harmed by money laundering.

Standards and Regulations:

The policy refers to the following standards:

- United Nations Convention Against Corruption and Bribery,
- ISO 37001 Standard (Anti-Bribery Management Systems).

The President of the Management Board declares the allocation of necessary investment (CAPEX) and operational (OPEX) resources to support the actions required for the implementation of this policy.

Progress on the achievement of objectives is reported to the Management Board during regular meetings.

The implementation of the policy's provisions at the operational level is the responsibility of the heads of respective operational divisions.



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FRAUD PREVENTION POLICY

Scope of the Policy/Exclusions:

The policy applies to all employees of Formika LLC, as well as contractors and business partners. The policy does not cover minor misunderstandings arising from unintentional communication errors. It also does not apply to third parties not directly associated with the company's operations or to activities conducted outside the borders of Poland.

Assumptions and objectives of the policy:

Our company is committed to preventing all forms of fraud, understood as deliberate deception aimed at gaining an unfair or illegal advantage.

The Anti-Fraud Policy at Formika LLC aims to create a transparent and ethical work environment, minimizing the risk of fraud and providing appropriate support to affected individuals. To achieve this, the following objectives have been established:

- **Maintain full transparency** and condemn all illegal actions aimed at gaining an advantage.
- **Promote ethical behavior** among employees and contractors.

Quantitative objectives:

- Train employees involved in financial, operational, and risk management processes to recognize fraud by the end of 2025.
- Train all company employees to recognize fraud by 2030.

To monitor the implementation of the above objectives, Formika has established the following key performance indicators (KPIs):

- Number of reported fraud cases: The baseline for 2022 is zero cases, and the objective is to maintain this indicator at the level of zero.
- Training completion rate: The ratio of trained employees to the total number of employees scheduled for training.



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Key Implementation Actions

- **Employee training** on fraud recognition.
- **Reporting fraud cases:** Every employee and any individual with a business relationship with Formika has the opportunity to report suspected fraud through the active grievance reporting program. Information about the available reporting channels is provided at the end of this policy and is also accessible on our website.
- **Assessment and remedial actions:** The Ethics Committee conducts an analysis of reported fraud cases and proposes appropriate remedial actions.
- **Documentation and reporting:** All fraud cases and the actions taken in response are thoroughly documented and archived in accordance with the Grievance Procedure for Reporting Suspected Unlawful or Code-Contrary Activities.
- **Support for affected individuals:** Formika LLC is committed to cooperating with law enforcement authorities and supporting individuals harmed by fraud.

Standards and Regulations:

The policy refers to the following standards:

- ISO 37001 – Anti-Bribery Management Systems,
- United Nations Convention Against Corruption (UNCAC).

The President of the Management Board declares the allocation of necessary investment (CAPEX) and operational (OPEX) resources to support the actions required for the implementation of this policy.

Progress on the achievement of objectives is reported to the Management Board during regular meetings.

The implementation of the policy's provisions at the operational level is the responsibility of the heads of the respective operational divisions.



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Grievance reporting system



At Formika, we create an **ethical work environment** based on our values. In case of observing a breach of rules, everyone should react and report it without fear of any retaliatory actions. We always encourage direct communication with your supervisor or the HR department, or reporting to the **Ethics Committee**, which has been established in the company.

SEE A GRIEVANCE ISSUE?  REPORT IT!

REPORTS CAN BE MADE IN 3 WAYS:



The rules related to reporting violations are specified in the internal document: "

Grievance Procedure for Reporting Suspected Unlawful or Code-Contrary Activities

The document is available for review:

- IN THE HR DEPARTMENT
- ON THE SHARED DRIVE: WYMIANA 2/ HR FOLDER
- IN THE SHIFT LEADERS' KIOSKS
- ON THE WEBSITE:
WWW.FORMIKA.COM.PL



VIA E-MAIL

rzecznik-etyka@formika.com.pl



BY PHONE

Ethics Officer: +48 22 314 53 53



THROUGH AN ONLINE PLATFORM

formika.liniaetyki.com

(option to report anonymously available)