

**CODE OF
BUSINESS
CONDUCT
and
POLICIES**

I	CODE OF BUSINESS CONDUCT	4
	Foreword by Marinko Došen, President of the Management Board	
	Our foundations	
	Code of Business Conduct	
	Basic principles	
	Employees and human rights	
	Business partners	
	The community	
	Property and information	
	Avoiding conflict of interest	
	Corruption	
	Responsibility with regard to the environment	
	Declaration of acceptance of the Code of Business Conduct	
II	ANTI-CORRUPTION POLICY	22
III	ANTI-MONOPOLY POLICY	24
IV	ENERGY MANAGEMENT POLICY	26
V	SUSTAINABLE SUPPLIER MANAGEMENT POLICY	28
VI	QUALITY POLICY	30
VII	ENVIRONMENTAL PROTECTION POLICY	32
VIII	OCCUPATIONAL HEALTH AND SAFETY POLICY	36

IX HUMAN RIGHTS PROTECTION POLICY38

Principles of the AD Plastik Group
Policy against human trafficking

X CORPORATE SECURITY POLICY42

XI DIVERSITY AND EQUAL OPPORTUNITIES POLICY44

Business principles to which AD Plastik Group undertakes

XII CODE OF ADVERTISING46

Legality
Decency and Honesty
Veracity
Environment
Social Responsibility
Privacy
Safety
Children and Youth
References to Third Parties
References to Recognition
Gifts
Recruitment
Advertisements



CODE OF BUSINESS CONDUCT

Second edition

Foreword by Marinko Došen, President of the Management Board

Our foundations

Code of Business Conduct

Basic principles

Employees and human rights

Business partners

The community

Property and information

Avoiding conflict of interest

Corruption

Responsibility with regard to the environment

Declaration of acceptance of the Code of Business Conduct

Foreword by Marinko Došen, President of the Management Board

Dear Colleagues,

It is the duty of all of us for our conduct towards all stakeholders to be responsible, conscientious and in accordance with the values of our company so that we may maintain and develop the reputation of the AD Plastik Group.



The Code of Business Conduct of the AD Plastik Group lays down standards the ethical conduct of our company is based on, ensures mutual respect, openness, transparency and honesty in day-to-day business activities with our associates and business partners. The Code is applied to all business activities of the company and in every country we do business in, taking into account cultural diversity. The reputation of the company is based on the trust and respect of all stakeholders, which we can earn with quality and model business conduct of every individual. *The Code of Business Conduct* will be helpful in guiding us. However, it is us who bear a part of the responsibility because sometimes we have to make personal

judgements based on the values of our company.

At the AD Plastik Group, we strive to meet our strategic goals as well as achieve further growth, development and financial results. We can achieve the desired results only by respecting excellence, responsibility, innovation, dedication, unity and reliability in business as the key values of the AD Plastik Group. Therefore, we must conform to the high corporate and sustainable development standards of our company.

The Code of Business Conduct of the AD Plastik Group is binding for all employees. If you discover any conduct that does not conform to the Code and values of the company, please report it.

Your support and dedication are extremely valued, while respecting the values of the AD Plastik Group and *the Code of Business Conduct* will make us even prouder of our company, through which we have been achieving successful results together.

A handwritten signature in blue ink, which appears to read 'Marinko Došen'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Marinko Došen
President of the Management Board

Our foundations

ADP vision statement

To be the market leader in the development and production of automotive components in Eastern Europe.

ADP mission statement

With innovative and creative solutions, as well as constant improvement of product research and development, we wish to contribute to the quality of the final product and to the success of our customers. We meet our goals by applying the principles of socially responsible and ethical business to the satisfaction and benefit of all our stakeholders.



Values

Reliability

We base our relationship with all our stakeholders on trust, and open and frank communication. Continuous creation of long-lasting partnerships with all our stakeholders is based on mutual respect.

Excellence

In every business segment, we strive to meet the highest quality standards, regardless of whether our attention is aimed at products, working methods or the competences of the people performing the work.

Innovation

With our own ideas and creativity, we are working to improve and develop the company and each individual segment within it every day, following the developments and trends on the global market.

Responsibility

The responsibility rests with us, and is an important requirement for the development, growth and results of the company. We show it every day in our relations with each individual, work, partners, stakeholders and with our actions toward the society, nature and community in which we operate.

Dedication

Loyalty, productivity and satisfaction are indicators of dedication that we encourage with a conscientious approach to the company. We wish our employees to identify themselves with the company and its values.

Unity

We encourage mutual cooperation on all levels, including teamwork, which is necessary for the success of the company as well as each individual. Sharing ideas and knowledge, a multicultural environment, mutual respect and solidarity are the key elements of the unity that we are developing.

Code of Business Conduct

The Code of Business Conduct of the AD Plastik Group lays down rules in accordance with the values of the company, laws and regulations in force, and standards of the industry in which we operate. This Code provides instructions on how to behave in the everyday business environment, and concerns every person working for the company, regardless of the location, position or job description.

In order to ensure compliance with the Code of Business Conduct, it is necessary to conscientiously and continuously seek the balance between the economic, social and environmental aspects of business when making business decisions.



Individuals

Every individual is expected to conduct themselves in accordance with the Code and applicable laws in every situation. Ignorance may not be an excuse for non-compliance, therefore read it and be sure you have understood it. If you are uncertain about individual decisions, seek additional clarification, but do not forget that each of us is responsible for their own actions.

Managers

Managers, in particular, must promote the culture of ethical conduct and the rules laid down by the Code, and must set an example for other employees. They must make sure that employees are acquainted with the Code, talk to them about it, ensure an environment in which they can report doubts without fear and uncertainty, respect the Code and company policies, and always do everything so that employees will respect them.

Cases of non-compliance with the Code

Report cases of non-compliance with the Code or suspicion that it is being violated, but also report if someone asks you to violate the Code. Everything will always be done for a maximum protection of the confidentiality of the report. Respecting the ethical standards of the company is the obligation of every one of us, therefore we must immediately report any sus- →

- pected violation of the Code. The company will protect each individual who reports a suspicion in an honest manner. However, deliberate false accusations, obstructing an investigation or refusal to cooperate in an investigation will also be considered a violation of the Code.

Irregularities

Irregularities may be reported orally, in writing or anonymously.

You can address your superiors directly, contact the Legal Service of the AD Plastik Group, or send a letter to adpkodeks@adplastik.hr, or make an anonymous report to the **ADP post box**.

The Code refers to other company policies, procedures and guidelines. Violating the code or the prescribed policies may lead to disciplinary action.

The Management Board of the AD Plastik Group will ensure that the Code of Business Conduct is available to all employees, and that everyone respects it in order to preserve the reputation of the AD Plastik Group, a company with a high level of integrity and confidentiality.

The Code of Business Conduct ensures:

- high business standards
- definition of acceptable and professional behaviour
- clear definition of responsibilities for individual actions
- promotion of organisational values
- avoidance of situations in which employees can be exposed to unethical or unacceptable conduct

Basic principles

Honest business practices and adherence to the law

The AD Plastik Group hires employees in accordance with the regulations in force in the countries in which it conducts business, guided by the principles of prudence, fairness, honesty and integrity. Employees must not encourage activities that violate the Code of Business Conduct of the AD Plastik Group, and must not abuse their business position for personal gain. In order to preserve their reputation in the professional public, employees must conduct themselves responsibly and conscientiously. The AD Plastik Group will not tolerate any form of bribery or corruption.

Responsibility for reputation

All employees of the AD Plastik Group represent the company. Their conduct and actions in the public have an impact on its reputation.

Communication with associates

The personality and dignity of each individual must be respected. The corporate culture of the AD Plastik Group is shaped daily by all employees and their interpersonal relations based on respect, honesty, transparency and tolerance. Employees of the AD Plastik Group are reliable associates who keep their word.

Management

All managers within the AD Plastik Group must set an example for other employees, and must earn their trust and respect through their conduct. They must be ready to advise their colleagues and to support them in their independent performance of the tasks that fall within their job description, set clear and realistic goals, and fulfil organisational and other obligations. When performing their tasks and fulfilling their obligations, all employees must respect the Code of Business Conduct. Managers' responsibility does not cease after delegating tasks and organising work.



Employees and human rights

Employees are the greatest value of the AD Plastik Group. Each individual has equal right to work regardless of their religion, sex, skin colour, nationality, citizenship, sexual preference and disability. We hire according to abilities, competences and experience, approaching each individual with respect. The AD Plastik Group shall respect human rights according to the General Declaration of Human Rights of the United Nations and International Labour Organisation (ILO).

Adherence to the law

All members of the AD Plastik Group and their employees shall respect the local laws and regulations in force in the country they operate in. In countries in which there is a conflict between the laws and this Code, the laws shall prevail and apply.

Respect and dignity

Employee shall treat each other with respect and dignity, encourage cooperation and team work. Each job at the AD Plastik Group should be marked by mutual respect. No form of harassment or discrimination on the job shall be tolerated. Any kind of abuse, sexual harassment or any other form of direct, indirect, physical, psychological, verbal or non-verbal harassment is forbidden. No discrimination of any kind shall be tolerated at the AD Plastik Group. Each employee of the AD Plastik Group is ap-

proached equally, with dignity and respect, regardless of their race, religion, political beliefs, sex, age, nationality, sexual preference, marital status, disability or any other characteristics protected by national laws. Competence shall be the basic requirement for employment, development and promotions.

Human resource management

Human resource management is one of our priorities. Accordingly, we encourage our employees to actively participate in their professional development. We set challenging goals, ensuring everyone has equal opportunities for



professional development and mobility. Each employee of the AD Plastik Group shall be trained for proper performance of their tasks and the improvement of the quality of their work throughout their entire career. We en-

Employees and human rights (continued)

- courage geographical and professional mobility within all members of the AD Plastik Group. We contribute to the creation of a stimulative working environment, develop transparent systems of rewards, and create a balanced business environment that encourages diversity.

Wages and working conditions

The AD Plastik Group respects the laws and regulations on minimum wages and honest remuneration for work, overtime work and other workers' rights, as well as regulations governing working hours, days off and paid leave in each country it operates in. At the same time, we promote employment of the local population as a contribution to regional development.

Conscientiousness

All employees of the AD Plastik Group must be conscientious in their dealings with shareholders, suppliers, customers, creditors, agencies, state bodies, competition, trade unions, associates, colleagues and society as a whole. Deliberate harm to one of the stakeholders of the AD Plastik Group, careless work and unfair competition are strictly forbidden.

Privacy

The AD Plastik Group shall respect the privacy of its employees, and shall require and protect their personal data necessary for work or required by the country in which it operates.

Access to employees' private data is restricted to authorised persons within the company, exclusively in cases where business requires it. We consider keeping employees' private data to be extremely important, particularly for the creation of mutual trust, which is our priority.



Trust

We develop a relationship of trust on all levels by motivating our employees to freely express themselves.



➔ Association

The AD Plastik Group supports the right of employees to association and establishment of trade unions of their choice, or workers' representation in accordance with the applicable laws in the countries where the association takes place. The AD Plastik Group promotes the culture of dialogue and collective bargaining with trade unions. Any form of discrimination of members and representatives based on their membership in a trade union shall not be tolerated.

Forced labour

In accordance with ILO (International Labour Organisation) Convention No. 29 and No. 105 on forced labour, the AD Plastik Group shall ensure freedom of choice of employment, and shall not use any form of forced and mandatory work.

Child labour

The AD Plastik Group enforces the rule against child labour in all countries it operates in.

Occupational health and safety

All employees deserve a safe working environment where nobody is exposed to danger. Therefore, we implement active policies and methods in order to prevent risks that may have adverse effects on the health and safety of workers. Their correct application and efficacy are routinely checked. The AD Plastik Group shall continuously improve the protection of health and safety in accordance with the ILO standards from that area, and shall offer to employees the necessary training and information with regard to risk management in their field of work.



The AD Plastik Group has a separate Human Rights Policy and Occupational Health and Safety Policy, with which every company employee must be acquainted.

Employees and human rights (continued)

Employee responsibility

- to work in accordance with the values and Code of Business Conduct of the AD Plastik Group in order to fulfil its vision and mission statements
- to work in accordance with the internal regulations and company policies
- to perform their tasks conscientiously, consistently, responsibly, ethically, efficiently and professionally
- to base their attitudes and decisions on verified facts, and to make objective and independent judgements
- to be creative and proactive in day-to-day work
- to maintain and encourage cooperation, and to share knowledge and experience
- to communicate with others openly and without bias, respecting their counterpart
- to set an example to other colleagues and business partners in their work
- to pay particular attention to the protection of the property and interests of the AD Plastik Group
- to maintain and improve the reputation of the AD Plastik Group in the public with their personal example

- to take account of their conduct and proper appearance before business partners and other persons
- alcohol or drugs may not be consumed at work.

Employee conduct

It should be in accordance with the generally accepted rule of polite conduct.

- saying greetings when meeting someone
- polite manner of communication
- treating elders and the infirm with respect
- proper addressing
- apologising and correcting mistakes
- punctuality for work and meetings, respecting agreed deadlines
- appropriate business attire, high personal hygiene standards
- cleanliness and orderliness of the working space
- avoidance and active prevention of arguments and conflicts
- avoidance of participation in rumours or other forms of negative and harmful communication.

Business partners

In order to establish good business relations with our customers, suppliers, service providers or other contracting parties, the AD Plastik Group expects the highest level of professionalism with regard to the quality, price and reliability from its employees.

In order to establish and maintain relations based on mutual trust and credibility with business partners, we should follow the values of the company, and ensure a long-term and mutually beneficial relationship.

The AD Plastik Group operates on the global market in accordance with the highest ethical principles of competition. All employees must abide by that. Our mission is to contribute to the quality of the finished product and to the success of our customers, which we aim to achieve with the quality of our work and fair competition.

We encourage our business partners to respect the written standards of the AD Plastik Group and our Code of Business Conduct. We undertake to cooperate with our business partners consistently, with respect and confidentiality. We select our business partners according to the criteria

of our company, and advise them not to participate in unethical and illegal actions.

Our suppliers should respect the Code of Business Conduct of the AD Plastik Group. In case of complaints, the company will respond accordingly.



The AD Plastik Group has adopted Guidelines for Suppliers and Product Quality Policy that all suppliers and company employees must be acquainted with.

The community

By the community, we mean the local community and relations with legitimate institutions, including with the Government and state institutions in the countries we operate in. The cooperation and relations with any of the aforementioned public groups are always conducted according to the principles and values of the AD Plastik Group.

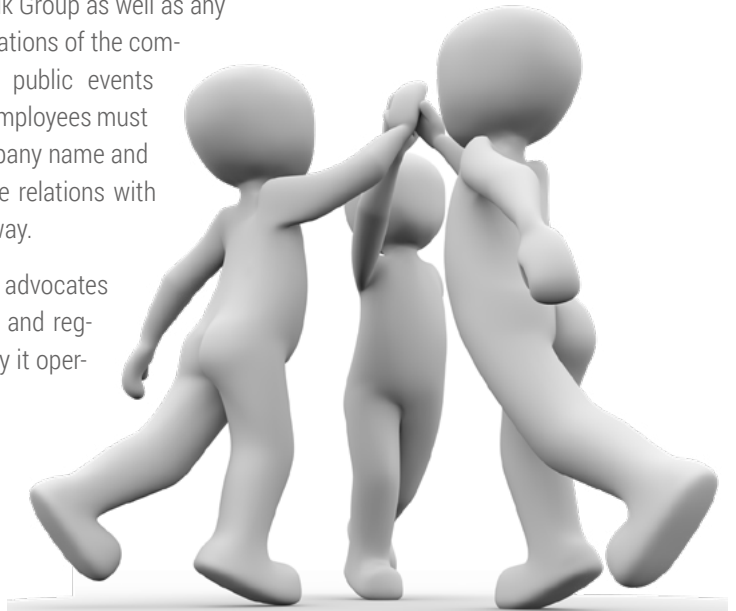
With its own contribution, the AD Plastik Group contributes to and aids the development of the community it operates in, and is a responsible member of the society. The employees of the AD Plastik Group must reflect the values of the company. Accepting personal gain when performing public duties in exchange for the support of the AD Plastik Group as well as any creation of false expectations of the company when organising public events shall not be tolerated. Employees must not jeopardise the company name and reputation, including the relations with the community, in any way.

The AD Plastik Group advocates the respect of the laws and regulations in every country it oper-

ates in, therefore each employee must refrain from committing illegal or unethical acts.

The AD Plastik Group respects the rights of its employees to participation in various activities outside the company, including politics, but does not bear any responsibility for such actions, neither does it reflect the political position of the company. No political activities of individuals may be carried out within the premises of the company.

We are against any kind of financial support of political parties. We promote transparent public advocacy by means of business and interest organisations.



Property and information

Company property must be used only for legal business purposes, responsibly and carefully, while protecting it from loss, damage, theft, embezzlement and destruction.

Some of the most important company property is confidential, legally protected information and intellectual property of the company, therefore employees who have access to such information or who use it in their day-to-day work must be careful and protect them from access by unauthorised person. Any form of abuse is strictly forbidden.

It is forbidden to use the production or company premises for private purposes.

All financial and other reports on the company must completely reflect all transactions and processes in accordance with the company principles and values. Any inappropriate or false reporting within the company or forwarding of such information to organisations and persons outside the company are strictly forbidden.

The AD Plastik Group has adopted the Code of Market Communications that each company employee must be acquainted with.

The media, publications and public speaking

All media queries in relation to the AD Plastik Group must be forwarded to Corporate Communications. Statements for the media may be given only by the members of the Management Board or the head of Corporate Communications. Other company representatives may speak in public on behalf of the company only with the consent of Corporate Communications. All press releases or statements, interviews, publications or presentations must be approved by Corporate Communications.



Avoiding conflict of interest

Employees of the AD Plastik Group must always act in the best interests of the company, avoid situations of potential or real conflict of interest, and be loyal to their company.

A conflict of interest occurs when an individual's personal interests run contrary to the company interests. Every employee of the AD Plastik Group must report any potential or real conflict of interest, including situations that a conflict of interest might arise out of, to the Legal Service of the company. That may happen if an employee of the AD Plastik Group works or owns shares in another company – this must be reported to his/her manager, the Legal Service and Human Resources. If an employee

of the AD Plastik Group is also professionally engaged in another company with similar or the same business activities, they must consult with the Legal Service in order to avoid a potential conflict of interest.

Potential investment of the employees of the AD Plastik Group or their families, persons who live in the same household or their close kin in the partner or competition companies of the AD Plastik Group can lead to a conflict of interest. Therefore, each employee in the same or a similar situation must notify their manager, the Legal Service and Human Resources thereof, and must consult them.

Employees of the AD Plastik Group may not compete with the company, either independently or in cooperation with third parties.



Corruption

The AD Plastik Group shall conduct business in accordance with anti-corruption laws, therefore it refuses all forms of corruption within its company. All forms of bribery are considered to be extremely unethical acts, and any suspicion of such acts must be reported. Employees of the AD Plastik Group must not participate in bribery of any form in no circumstances.

Any promise, offer, obligation, lending or any other form of transfer of any value to government officials or public servants, if such contribution is illegal and intended for illegal purposes, shall be considered to be unacceptable business conduct at the AD Plastik Group.

Every member of the AD Plastik Group who is offered or offers a bribe must immediately notify their manager. Such a situation must be notified to the Legal Service.

The AD Plastik Group has adopted the Anti-Corruption Policy that each company employee must be acquainted with.

Gifts

Exchanges of gifts and extending hospitality to business partners are customary in business relations. It is important to keep a polite distance in order not to go to extremes, create an obligation or unfair advantage in business communications, especially so that the above actions are not considered bribes. With regard to different culture and countries in which we maintain business relations, it is important to become acquainted with the traditions so as not to offend partners by refusing their gifts.

At the AD Plastik Group, it is not allowed to request from a business partner or to impose conditionality on negotiations by requiring a gift, service or other benefits. Bribery and blackmail are strictly forbidden. Every employee must report to the Legal Service any form of coercion or extortion in their business relations.

When exchanging gifts, they must be legal, and their value may not exceed EUR 200. Gifts should conform to the laws and regulations of the other party so as not to cause discomfort to the other party.

When sending a price quotation to business partners, gifts may not be received. It is strictly forbidden to give gifts asking for something in return, or to give cash or cash equivalents.

Responsibility with regard to the environment

The AD Plastik Group is a socially responsible business operator, aware of its responsibility for the protection of human health, the environment and natural resources. Therefore, environmental impact management is an extremely important part of its business strategy.

The AD Plastik Group has adopted the Environmental Protection Policy and Energy Management Policy that each company employee must be acquainted with.

Environmental impact management shall be conducted by respecting, above all, every applicable law, regulation, standard and permit in relation to environmental protection.

Natural resources and energy shall be used rationally, pollutant emissions shall be reduced continuously, and material reduction, reuse and safe disposal programmes shall be developed.



Declaration of acceptance of the Code of Business Conduct

I hereby confirm that I have received and read a copy of the Code of Business Conduct, and that I understand the values and standards of conduct laid down by the AD Plastik Group. I will act in accordance with the Code of Business Conduct that every company employee must be acquainted with. If I learn of any violation of the Code of Business Conduct, I will report it according to the instructions, and will

consult the Legal Service in case of any questions or doubts. I hereby confirm that I understand that the Code is not a contract, and that no part thereof is intended to alter the existing employment relationship. Acceptance of the Code of Business Conduct contributes to the creation of a better and more professional working environment.

Place and date:

Employee name and surname:

Job:

Department:

Employee signature:



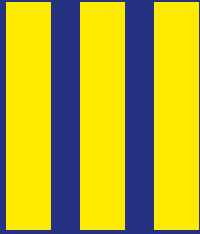
ANTI-CORRUPTION POLICY

Reputation, credibility and ethics are very important for the AD Plastik Group. They have been established through many years of work by all our employees. That is the most important capital and one of the most significant strategic advantages of our business. The AD Plastik Group has adopted the attitude of zero tolerance for any form of bribery and corruption.

In many jurisdictions, bribery and corruption are considered to be criminal offences. Therefore, it is the duty of the AD Plastik Group, as one of the leading producers of automotive components and exporter to numerous countries across the world, to prevent, deter from and discover bribes and other corruptive business practices.

Combating bribery and corruption is our daily responsibility and a permanent obligation that we fulfil by adhering to the following principles:

- employee education and training on all levels to improve knowledge and understanding of the dangers of bribery and corruption, learning about the legal framework and recommendations; and prevention, identification and alleviation of corruption risks within the Group and the business environment
- getting employees acquainted with the duty to report any conflict of interest or corruptive practice directly to their managers, the Legal Service or Human Resources
- forbidding giving, offering, promising, accepting or requesting benefits or gifts as an incentive for some action with the aim of influencing the behaviour of some person for the purpose of gaining or maintaining commercial benefit, work etc.
- forbidding giving gifts and extending hospitality to civil servants in exchange for an advantage, preferential treatment or influence on public decision-making
- forbidding offering gifts, lunches, dinners and other forms of entertainment in exchange for some service to customers, suppliers or other business partners, or promising that such service will be rendered
- forbidding donations that do not conform with the honesty standards on the level of the AD Plastik Group, and which violate the local regulations
- applying legal provisions and other binding acts in relation to accepting and receiving bribes, and participation in any corruptive affairs.



ANTI-MONOPOLY POLICY

The AD Plastik Group respects the basic principles of free competition on the market, and accordingly forbids coordinated actions of entrepreneurs, agreements between them and decisions of associations of producers that aim to or result in a disruption of competition, and which place the company in an advantageous position in relation to the competition and customers. With such forbidden agreements between entrepreneurs, the need for the parties to the agreements to compete with prices, quality and innovations disappears, thereby harming the customers and preventing the entry of new competition on the market, which disrupts the very essence of the market economy and competition.

Accordingly, the following is strictly forbidden:

- agreements with the competition with regard to conducting business with certain customers and to forming sales prices to accommodate them
- dividing the market, customers, technologies and plants in coordination with the competition
- sharing of confidential and inside information with customers, suppliers the competition and other stakeholders
- theft of other companies' business secrets and patents, and disruption of the reputation of the competition
- imposition of unfair sales prices and other commercial terms and conditions
- restricting the production and technological development to the customers' detriment
- application of unequal conditions to equivalent jobs with different customers with the aim of putting them into a less advantageous position in relation to the competition
- imposing conditions whereby contracts are not signed with other parties unless they agree to additional obligations that are not directly related with the subject matter of the contracts.



IV

ENERGY MANAGEMENT POLICY

As one of the leading companies for the development and production of automotive components, we are aware of our influence and importance of energy consumption. Therefore, systematic energy management is the basic orientation of the AD Plastik Group for the purpose of reducing the impact on the environment. By using energy responsibly, we achieve energy efficiency along with financial and energy savings.

Conscious and conscientious energy management is our daily responsibility and a permanent obligation that we fulfil by adhering to the following principles:

- applying and respecting regulations and other binding requirements in the area of energy consumption and energy efficiency
- continuous improvement of the efficiency of the energy management system in accordance with the requirements of the ISO 50001 international standard
- harmonising production and operating processes with the best available technologies, techniques and standards
- rational use of natural resources and energy, encouraging the use of renewable energy sources
- educating and training employees on all levels, and reinforcing their motivation, awareness and knowledge of efficient energy management
- continuously overseeing the implementation energy management
- open communication with all interested parties
- ensuring the necessary organisational, professional and financial resources for the purpose of the implementation of this policy
- continuous monitoring and improvement of energy performance at all plants.





SUSTAINABLE SUPPLIER MANAGEMENT POLICY

Sustainable supplier management means managing the impacts that the supply chain has on the environment and wider social community through its product and services for the duration of the working life of the product or service.

In its work, the AD Plastik Group will raise awareness of the importance of socially responsible business operation, and will encourage suppliers to apply the following principles of such business:

- support and respect of the protection of internationally recognised human rights
- suppression of participation in human rights violations
- support of the freedom of association and real recognition of the right to collective bargaining
- suppression of all forms of forced labour and child labour
- suppression of all forms of discrimination related to employment and profession
- encouragement of a precautionary approach in terms of environmental protection
- initiatives promoting a higher responsibility towards the environment
- encouragement of the development and spread of technologies that are not harmful for the environment
- encouragement of business opposed to all forms of corruption, including black-mail and bribery.

The AD Plastik Group will incorporate the above principles in legal and other forms of cooperation with suppliers, and will supervise adherence to those principles. In accordance with the results of the supervision, the AD Plastik Group will propose improvement measures and review the list of preferred suppliers.



VI

QUALITY POLICY

Comprehensive quality management and sustainable development represent the basic business principles of the AD Plastik Group. The quality policy is based on the requirements of the IATF 16949 standard, our customers' requirements, laws and regulations, etc.

The orientation of the AD Plastik Group toward the quality management system is seen in the following:

- continuous fulfilment of all applicable principles and requirements of the IATF 16949 standard through the maintenance of the established system, continuous awareness-raising, and education of our staff on the importance of quality
- ensuring product quality in accordance with the agreed requirements, and meeting the expectations of customers and maintaining their continuous satisfaction
- continuous improvement of the efficiency of the established quality management system through an integral and comprehensive approach by establishing the responsibility of the entire staff on all levels
- maintaining a high quality level of the product we offer to our customers by following the latest technology, materials and trends, their application, and continuous investment in research and development
- harmonisation and compliance with the regulations and other requirements we are bound by, and which relate to the quality of all our products
- routine evaluation and improvement of policies and aims so that we can act in accordance with our organisation's vision statement and mission statement at all times.



VII

ENVIRONMENTAL PROTECTION POLICY

Responsibility and raising awareness of environmental protection are an integral part of the business strategy of the AD Plastik Group. As a part of the automotive industry with pronounced standards of sustainability and quality, environmental protection is a part of the basic organisational culture of the AD Plastik Group, and particular attention is paid to it.

In order to realise our desired relationship with the environment we live and work in, we base our business operations on the following:

- respecting generally accepted principles of environmental protection
- respecting the principles of the international law of environmental protection
- respecting scientific advancements in the area of environmental protection.

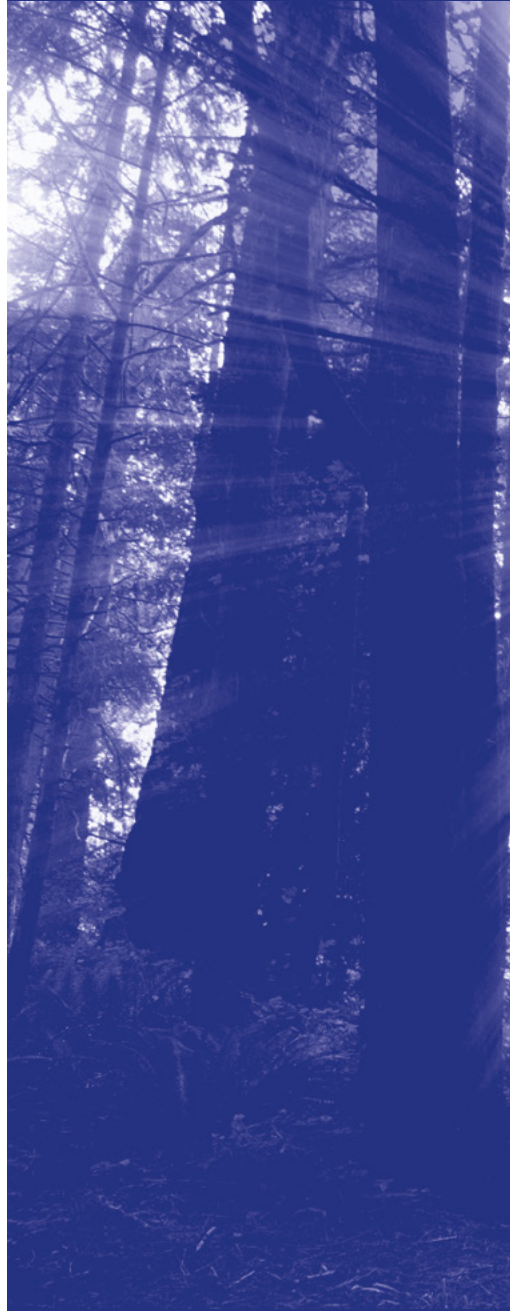


In order to protect the environment, the AD Plastik Group shall undertake the following:

- apply and respect regulations and other binding requirements in the area of environmental protection
- continuous improvement of the efficiency of the environmental protection system in accordance with the requirements of the ISO 14001 international standard
- create and apply own standards for the purpose of preventing potential risks and hazards that may harm the environment
- harmonise the production and operating processes with the best available technologies, techniques and environmental standards
- use less harmful and environmentally acceptable raw materials, and continuously work on improving the management of our products' life cycle
- rational use of natural resources and energy, encouraging the use of renewable energy sources
- reduce pollutant emissions into the air, water and soil, and prevent pollution and accidents



- ➔ • reduce, reuse and/or recycle waste and packaging material
- educating and training employees on all levels, and reinforcing their motivation, awareness and knowledge of environmental protection
- require from our suppliers to develop and apply an environmental protection policy based on the principles of sustainable development
- cooperate with state administration bodies, local self-government units, institutions and associations dealing with environmental protection
- report to all interested parties of the status of environmental protection and sustainable development of the company
- ensure the necessary organisational, professional and financial resources for the purpose of the implementation of this policy
- continuously improve the quality of life of the social community by participating in its development.





VIII

OCCUPATIONAL HEALTH AND SAFETY POLICY

An unavoidable part of the business strategy of the AD Plastik Group is a continuous promotion of a sustainable working career. By continuously improving the working conditions, and reducing the risk of injuries at work and occupational diseases, we are constantly taking care of our employees' health, providing them with healthy and safe workplaces.

The improvement and maintenance of health and working capacity of our employees is our permanent obligation that we achieve by respecting the following principles:

- identification of hazards and assessing risks for health and safety with the aim of their removal or minimisation
- application of preventive measures in order to prevent workplace accidents and occupational diseases
- application of regulations and other binding requirements in the area of occupational health and safety
- continuous improvement of the efficiency of the health protection management system in accordance with the requirements of the ISO 18001 international standard
- creation and application of own standards for the purpose of preventing potential risks and hazards that may harm the health and safety of employees
- harmonisation of the production and operating processes with the best available technologies, techniques and standards
- education and training of employees on all levels, and reinforcing their motivation, awareness and knowledge of the protection of health and safety at work
- open communication with all interested parties
- ensuring necessary organisational, professional and financial resources for the purpose of the implementation of this policy
- constant supervision of the implementation of the employees' health and safety protection measures.



HUMAN RIGHTS PROTECTION POLICY

Principles of the AD Plastik Group
Policy against human trafficking

Respecting the basic human rights is an important element of the sustainability of the AD Plastik Group. Our human rights protection policy particularly highlights respect for an individual and dignity, which are at the centre of our corporate culture, including combating human trafficking.

The basic value of the Group is to create an environment in which all employees will be able to realise their full potential in the performance of challenging tasks. Any form of discrimination during hiring or work at the company based on race, skin colour, ethnicity or nationality, age, disability, sexual preference, political opinions, sex, marital status etc. is forbidden.

Principles of the AD Plastik Group

Dignity at the workplace

The AD Plastik Group wishes to enable a positive work environment to each individual, in which everyone is treated openly, with honesty and with respect.

The AD Plastik Group is a multicultural corporation. All employees have the right to expect their cultural and individual diversity to be fully respected, with a simultaneous creation of a strong sense of togetherness, unity and mutual support.

Providing a safe work environment

Employee health, safety and welfare are of the utmost importance at the AD Plastik Group. That includes taking all acceptable and practical measures to ensure a safe work environment at all plants of the Group.

Freedom of association

The AD Plastik Group respects its employees' right to join trade unions. Employees can freely make their decision to enter into an association without fear of harassment. We advocate an establishment of a constructive dialogue with trade union representatives, basing all negotiations on mutual respect and good faith.

Work conditions and wages

The AD Plastik Group respects the working week provided for by the law and ILO (International Labour Organisation). We respect the legal provisions on rest breaks, weekly rest periods and annual leave in each country we operate in. The wages at the AD Plastik Group conform to the law in all member organisations. The minimum starting wage is higher than the local minimum wage. We respect and promote the principle of equality between men and women with regard to wages.



➔ Child labour and forced labour

The AD Plastik Group does not employ children below 15 years of age. Any form of child labour and forced labour is strictly forbidden, all in accordance with the relevant ILO conventions No. 138 and No. 182.

Policy against human trafficking

Our basic values are founded on the principle of ethical actions within the AD Plastik Group, and on the following principles against human trafficking:

- all forms of human trafficking for any purpose are forbidden
- the use of forced labour of any kind and for any reason is forbidden
- unpaid or extremely low-paying work, in conditions contrary to elementary human dignity, is forbidden
- destruction, concealment, seizure or withholding of employees' access to their work certificates and/or immigration documents in any way is forbidden
- false or misleading employment practices are forbidden
- charging fees to candidates for employment is forbidden



Respecting the principles outlined in this Policy shall be an integral part of the obligations of all employees and suppliers of the AD Plastik Group.

The AD Plastik Group is committed to integration and application of its human rights policy in all functions and activities. In order to achieve that, we develop the appropriate systems to manage information on workers' rights and abuse and exploitation reporting mechanisms as well as programmes, training and all other guarantee procedures necessary to achieve efficacy.





CORPORATE SECURITY POLICY

The Corporate Security Policy is a document whereby the AD Plastik Group expresses its determination and readiness to protect its employees and entire corporate property with regard to their integrity, safety, confidentiality, availability, and legal and business interests of the organisation.

Corporate security encompasses personal, physical, technical, information and administrative security.

The aim of corporate security is to minimise the occurrences and impact of security incidents as well as to protect employees, property, and legal and business interests from harm caused by internal or external, deliberate or accidental, fraudulent and criminal actions and misdemeanours, thus ensuring the continuity of business and achievement of business success.

Those aims are achieved by taking preventive and corrective security measures in accordance with relevant laws and regulations, and the contractual obligations and business requirements of the AD Plastik Group and the requirements of the ISO 27001 International Standard.

The assessment and management of security risks are the basis for decisions on the necessary security measures. Security measures are applied with regard to their justification,

functionality, feasibility and efficiency, in accordance with business decisions on acceptable levels of risk.

The application of security measures must be aligned with all legal and contractual obligations of the Company, international standards and good practices. The Company will routinely carry out an awareness-raising program and will systematically educate its employees on corporate security.

Corporate security should be an integral part of all business processes, principles of action and management at the AD Plastik Group. All employees, third parties, and legal and natural persons involved in the Company's business processes in any way must comply with the security policies and requirements.

The principles of the Corporate Security Policy shall be applied in activities related to security (policies, standards, rulebooks, procedures, processes, contracts, instructions, forms), and their application shall be controlled at all levels at the AD Plastik Group.

XI

DIVERSITY AND EQUAL OPPORTUNITIES POLICY

AD Plastik Group recognizes the abilities and skills of its employees, such as creativity, innovativeness and diversity as the key to long-term business success. By respecting diversity and equal opportunities, we contribute to the development of the potential of all our employees, regardless of their individual differences.

Because of our convictions we have signed Diversity charter and thus we have accepted its principles and have become part of the EU initiative that promotes diversity. Our goal is to ensure that all our employees and those who want to become it have the same opportunities. Every employee should be treated with respect, should be appreciated and everyone should be enabled to achieve their best results.

Applying this policy, we want to undertake to a greater extent that we will provide equal opportunities to all employees and candidates regardless of age, gender, race, nationality, religion, worldview, origin, disability, pregnancy and motherhood, sexual orientation, length of service and individual differences in professional and personal experiences. All employees will be provided assistance and stimulation in developing the personal potential and usability of specific talents.

Business principles to which AD Plastik Group undertakes:

- We create a business environment in which diversity and contribution of every individual within the company are recognized and evaluated.
- We represent a corporate culture in which respect and dignity of each individual is important.
- We promote a fair and consistent treatment of each employee and encourage employees to treat everyone with respect.
- No form of intimidation, harassment and abuse is tolerated in the workplace and all employees must adhere to these principles.
- We want to provide the environment without discrimination and unfair bias to all employees.
- We encourage our employees to report all forms of discrimination in order to take corrective measures and prevent continuation of discrimination.
- Educations, trainings, development and progress are available to all employees.
- We recognize diversity as one of our most important resources that encourages innovation, creativity and critical thinking, thus creating an environment of motivated and satisfied employees with greater efficiency and engagement.
- Human resource management practices and procedures will be reviewed regularly in order to monitor compliance with this Policy at any moment

This policy will be posted on the company's intranet and web site so that all interested stakeholders can be familiar with it. Employees will be notified about it also by means of other internal information systems. The policy has been supported by AD Plastik Group's Management Board and it will be reviewed each year and audited as and when necessary for the purpose of meeting key objectives of promoting and respecting diversity and equal opportunities on each job position. Goals achievement will be published in the company's annual report.

We create a work environment in which employees feel comfortable and have the opportunity to develop their potential. Therefore each individual is obliged to take part in creating a pleasant and proactive work environment.



XIII

CODE OF ADVERTISING

Legality
Decency and Honesty
Veracity
Environment
Social Responsibility
Privacy
Safety
Children and Youth
References to Third Parties
References to Recognition
Gifts
Recruitment
Advertisements

The Code of Advertising of the AD Plastik Group is a document supplementing the legal documents that regulate the advertising and information activities with their contents. By exercising responsible communication in advertising, marketing and provision of information, the AD Plastik Group embraces social responsibility as a model of behaviour in this segment of business as well.

The Code is applicable to all forms of market communications that aim to promote the AD Plastik Group. All persons coming into contact with marketing communications within the Company must adhere to the standards of ethical conduct that it encompasses.



Legality

Marketing communications of the AD Plastik Group may neither contain nor omit anything in violation of the laws in force, and may not encourage or condone violations of the law.

Decency and honesty

The Group's marketing communications must not entail publication of offensive messages, and generally accepted rules of decency should be respected. It is forbidden to abuse the trust of the public or its lack of knowledge or experience. Messages must be aesthetically pleasing and in accordance with the requirements of the cultural environment. They must not irritate users with their aggressiveness or inappropriate methods, scenes or expressions, regardless of the medium of publication. Messages must not offend the citizens' religious or atheist feelings.



➔ Veracity

Published claims must be true and demonstrable. In case of unusual or unrecognisable claims, the Company must take responsibility for their veracity. Messages or visual materials must not harm other producers in an unfair manner. Misrepresentations or exaggerations aiming to entertain or attract attention are allowed only if it is clear that they are humorous, fictional or obvious exaggerations, not facts to be accepted as such. Comparisons are allowed only if they do not mislead the public.

Environment

The environment and atmosphere of advertisements must be in accordance with the citizens' life opportunities.

Social responsibility

Marketing communications must not, without good reason, appeal to fear, trivialise historical monuments and events, or use the following motifs: smoking; violence against people, animals and plants; drinking; gambling; taking drugs; antisocial behaviour or unhealthy and unhygienic habits by encouraging or directly approving of them.

Privacy

Advertisements may not show recordings of people who have not consented to being recorded. Exceptions include recordings of a group of people as a background for the focus of the recording, provided that the context of the message is not offensive or compromising. In case of a justified objection by any of the persons recorded in such a manner, the video material must be taken down. Materials of a clear documentary nature are an exception.

Safety

Advertising must not encourage dangerous actions and disregard for safety, particularly if aimed at children and youth.

Children and youth

Particular attention should be paid to the creation and dissemination of messages intended for minors or of messages in which minors appear as actors and models. The natural naivety of children or their lack of life experience must not be taken advantage of. Messages may not depict children alone and without protection on a busy road unless they are old enough to look after their own safety; children may not be depicted playing on the road unless it is a closed road or a surface intended for play; children must not be depicted crossing the road while not paying attention to the traffic; children must be shown crossing the road at a zebra crossing – all with the intention not to encourage improper attitudes toward road safety. Children must not be depicted leaning

- out of a window or over a bridge railing or climbing dangerous inclines. Similarly, small children must not be depicted climbing furniture in order to reach an object, for example. In messages, children must not operate cars, tractors or motorcycles unless it is obvious that they are old enough so that it can be expected of them to do so, i.e. that they are capable of it or possess a driver's licence.

References to third parties

If messages intended for the public refer to a person or organisation that has authority in a certain area, their consent must be sought. Claims in messages used as main or additional arguments, including test results provided by different institutes, must contain the name of the institute and date of the testing.

References to recognition

Recognition of quality and other recognition in connection with a product may be used in marketing communications only if they are not obsolete or otherwise inappropriate for use. Medals, awards and diplomas and other recognition in connection with products or producers, won at various fairs, exhibitions and competitions or received from evaluation institutes, may be used only with a particular correctness.



Gifts

Means of communication aiming to stimulate sales must be within the realistic value framework customary for the products of that kind. Products must be equipped in such a way that it is completely visible that they are business gifts and not products with a market value that can be resold for unjustifiable and untaxed profit.



➔ Recruitment

Job advertisements must contain all the necessary information on the job type, conditions and location to avoid suspicious offers or offers that could harm persons or the Company.

Advertisements

They must be designed to make it clear at first glance that they are intended for such a purpose (advertising). They must be distinguishable from other news, comments or broadcasts. All advertisements in the print whose style or form might mislead readers as to their editorial nature must be marked with the following terms: advertorial, advertisement, promotion etc.; or they must be audio-visually distinguishable in a different manner. Messages may not unfairly and subjectively attack or belittle other products, brands, advertisers and their messages.





Your needs. Our drive.

Solin, January 2019

www.adplastik.hr