Ethics and Anti-Corruption Policy

1. Introduction

Teda Pack EAD, as a leading manufacturer of packaging solutions in Bulgaria, is committed to conducting its business affairs with the utmost integrity, honesty, and transparency. This Ethics and Anti-Corruption Policy serves as a guide for all employees, officers, directors, and agents of the company to uphold the highest ethical standards and comply with all applicable laws and regulations, including those of the European Union and the Republic of Bulgaria.

2. Compliance with Laws and Regulations

It is the policy of Teda Pack EAD to comply fully with all laws, regulations, and standards relating to ethics, anti-corruption, bribery, and business conduct. This includes, but is not limited to, adherence to the following EU regulations:

- EU Directive 2019/1937 on the protection of whistleblowers, which sets out rules for the protection of persons reporting breaches of EU law
- EU Anti-Corruption Report, which outlines the EU's efforts to prevent and combat corruption across its member states
- EU Directive 2014/57/EU on criminal sanctions for market abuse, which aims to ensure the integrity and transparency of financial markets

3. Anti-Corruption Prohibition

Teda Pack EAD strictly prohibits any form of bribery, corruption, or unethical behavior in its business dealings, whether domestic or international. This includes the offering, giving, soliciting, or acceptance of bribes, kickbacks, or other improper payments, directly or indirectly, to or from any person or entity, including government officials, customers, suppliers, and competitors.

4. Gifts, Entertainment, and Hospitality

As a company committed to upholding the highest standards of integrity and ethical conduct, Teda Pack EAD recognizes the significance of ensuring that our interactions and exchanges of gifts, entertainment, and hospitality adhere to the strictest principles of transparency, fairness, and legality. While acknowledging that cultural norms and business practices may vary across different contexts, it is incumbent upon all employees to exercise prudence and discernment in engaging in such activities, with a steadfast commitment to preserving the integrity and reputation of our organization.

It is the policy of Teda Pack EAD that the exchange of gifts, provision of entertainment, or offering of hospitality should never compromise our ethical standards or give rise to any perception of impropriety. Therefore, all employees, regardless of their position within the company, are required to adhere to the following guidelines:

4.1. Modest and Customary Nature

Gifts, entertainment, or hospitality offered or accepted in the course of business dealings should be of modest value and customary in nature. This ensures that our engagements remain focused on fostering professional relationships and advancing legitimate business objectives, rather than on the exchange of extravagant favors or undue influence.

4.2. Compliance with Applicable Laws and Regulations

All gifts, entertainment, and hospitality exchanges must comply with relevant laws, regulations, and industry standards, including but not limited to those governing anti-corruption, bribery, and conflict of interest. Employees should familiarize themselves with the legal requirements applicable in their respective jurisdictions and seek guidance from the appropriate authorities or legal counsel when in doubt.

4.3. Disclosure of Gifts Over €100

To promote transparency and accountability, employees are required to disclose any gifts received or offered with an estimated value exceeding €100 to their immediate supervisor or designated compliance officer. This reporting requirement applies to both tangible items and intangible benefits, such as invitations to events or trips, that may influence or be perceived to influence business decisions.

4.4. Avoidance of Influence or Obligation

Employees must exercise caution to ensure that the exchange of gifts, entertainment, or hospitality does not create an obligation or expectation of preferential treatment, bias, or undue influence in business transactions. Acceptance of such gestures should not compromise the independence, objectivity, or impartiality of decision-making processes within the company.

4.5. Recordkeeping and Documentation

All transactions involving the exchange of gifts, entertainment, or hospitality should be accurately recorded and documented in accordance with internal accounting and compliance procedures. This includes maintaining detailed records of the nature, value, purpose, and participants involved in such exchanges, which may be subject to internal audits or regulatory scrutiny.

5. Reporting and Non-Retaliation

Employees who become aware of any violations or potential breaches of this policy are encouraged to report such concerns through established channels, including but not limited to the company's whistleblower hotline or designated compliance officer. Teda Pack EAD prohibits retaliation or adverse action against individuals who report suspected misconduct in good faith, and every effort will be made to protect the confidentiality and anonymity of whistleblowers.

6. Training and Awareness

Teda Pack EAD is committed to providing ongoing training and education to employees on the principles and requirements of this policy, as well as the importance of ethical decision-making and compliance with anti-corruption laws and regulations. By fostering a culture of integrity and accountability, we strive to uphold the highest standards of ethical conduct in all our business activities.

7. Conflicts of Interest

Employees, officers, and directors of Teda Pack EAD must avoid situations where their personal interests conflict, or appear to conflict, with the interests of the company. Any actual or potential conflicts of interest must be disclosed promptly to the appropriate supervisor or management for evaluation and resolution. Transparency and disclosure are essential to maintaining the trust and integrity of our business operations.

8. Reporting Violations

Employees are encouraged to report any suspected violations of this policy or any unethical or illegal behavior they encounter in the workplace. Reports can be made through the company's designated whistleblowing channels, which are designed to protect the confidentiality and anonymity of whistleblowers. Retaliation against individuals who report violations in good faith is strictly prohibited and will not be tolerated.

9. Consequences of Non-Compliance

Violations of this policy, including breaches of ethics, anti-corruption laws, or related regulations, will result in disciplinary action, up to and including termination of employment. Additionally, individuals found to have engaged in corrupt or illegal behavior may be subject to civil or criminal penalties under applicable laws and regulations.

10. Raising Concerns

Should any member of staff or associated persons encounter or be approached with a bribe, or wish to report any concerns or allegations related to bribery, they are encouraged to report the matter promptly and confidentially to the Chief Executive Officer.

To facilitate the reporting process, the following "red flags" have been identified, which must be promptly reported if encountered (not limited to):

I. The third party has a reputation for engaging in improper business practices
II. The third party insists on receiving a commission or fee payment before committing to a contract
III. The third party requests payment in cash or refuses to sign a formal commission or fee agreement
IV. The third party requests that payment is made to a country or geographic location different from where they reside or conduct business
V. The third party requests an unexpected additional fee to facilitate a service
VI. Staff are offered an unusually generous gift or lavish hospitality by the third party.

11. Responsibilities of the Chief Executive Officer

In the event of reports of bribes or suspicions made by personnel, the Chief Executive Officer shall be responsible for analyzing the basis of these reports. Where a decision is made not to contact relevant authorities, a detailed record of the decision-making process and rationale shall be maintained internally.

Under EU laws and regulations, the benefit gained by virtue of a payment of a bribe may constitute criminal proceeds. Therefore, Teda Pack EAD's Chief Compliance Officer will assess whether to report such matters to the relevant authorities, taking into account legal obligations and potential implications under EU anti-money laundering legislation

12. Monitoring & Review

Teda Pack EAD is committed to the ongoing monitoring and evaluation of its bribery prevention procedures to ensure their effectiveness in mitigating bribery risks and maintaining compliance with relevant laws and regulations. As part of our compliance monitoring program, regular assessments will be conducted to assess the adequacy and efficiency of our anti-bribery measures.

A formal update and review of the risk assessment will be conducted every 2-3 years, in alignment with the existing fraud risk assessment process. This review process will take into account any changes in the business environment, including alterations in business partners or lines of business, to identify and address emerging bribery risks promptly.

13. Conclusion

Teda Pack EAD is committed to upholding the highest standards of ethics, integrity, and corporate governance in all aspects of its operations. By adhering to this Ethics and Anti-Corruption Policy, we reaffirm our commitment to responsible and sustainable business

practices, thereby preserving the trust and confidence of our stakeholders and contributing to the long-term success of our company.