



Tvornica tekstila Trgovišće d.o.o.
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Veliko Trgovišće, December 30th 2024

CODE OF CONDUCT

1. Introduction and Purpose

This Code of Conduct sets out the principles and standards of behavior expected from all employees, managers, members of the management board, and business partners of Textile Factory Trgovišće (hereinafter: the "Factory"). Its purpose is to ensure that our operations are conducted in compliance with applicable laws, international standards, and our corporate values, while safeguarding integrity, reputation, and sustainable development. The Code serves as a practical guide in daily operations and supports sound decision-making in situations involving ethical or business dilemmas.

2. Scope of Application

This Code applies to all employees of the Factory, regardless of contract type or position, including senior management. It is also binding on all business partners, suppliers, and subcontractors. All parties are expected to familiarize themselves with this Code, act accordingly, and accept it as an integral part of collaboration with the Factory.

3. Compliance with Laws and International Standards

The Factory conducts its business in compliance with the laws of the Republic of Croatia, European Union regulations, and internationally recognized standards, including the principles of the International Labour Organization (ILO), the UN Convention on the Rights of the Child, the OECD Guidelines for Multinational Enterprises, and the UN Global Compact.

4. Ethical Business Practices and Integrity

Our operations are founded on ethics, honesty, and accountability.

- We prohibit all forms of bribery, corruption, or favoritism.
- Decisions are taken solely in the best interests of the Factory and its stakeholders.
- Conflicts of interest must be avoided or disclosed transparently.
- Employees and partners are expected to act in good faith and protect the Factory's reputation.
- Confidential information, trade secrets, and personal data must be safeguarded in line with applicable legislation, including the EU General Data Protection Regulation (GDPR).

5. Human Rights and Working Conditions

5.1 Prohibition of Child Labor

The Factory does not employ individuals below the legal minimum age. All employees must provide valid proof of age. In line with ILO Conventions 138 and 182, we strictly enforce the prohibition of child labor across our supply chain.



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5.2 Prohibition of Forced Labor

The Factory strictly prohibits all forms of forced or compulsory labor, including bonded labor, debt bondage, coercion, or abuse of recruitment intermediaries. All employment must be freely chosen and based on written contracts. Employees have the right to leave their jobs in compliance with statutory notice periods, and personal documents or property may never be retained by the employer. We expect the same from all our suppliers, in line with ILO Conventions 29 and 105.

5.3 Equal Opportunities and Non-Discrimination

Employment, training, promotion, and all aspects of the employment relationship must be based on qualifications, skills, and performance. Discrimination on the grounds of gender, age, ethnic or national origin, language, religion, disability, sexual orientation, marital or family status, political opinion, or any other personal characteristic is strictly prohibited.

5.4 Freedom of Association and Collective Bargaining

The Factory respects the right of employees to freely associate, join trade unions, and bargain collectively in accordance with applicable laws and international standards.

6. Occupational Health and Safety

The Factory is committed to providing a safe and healthy workplace for all employees. Preventive safety measures, regular training, and risk assessments are systematically implemented. Suppliers and subcontractors are required to adhere to equivalent occupational health and safety standards.

7. Environmental Responsibility

We recognize the environmental impact of our operations and are committed to minimizing it.

- We strive to use raw materials, energy, and water efficiently.
- We work to reduce waste and emissions across our production processes.
- Employees are required to handle chemicals and machinery responsibly and in accordance with environmental safety standards.
- We promote the use of sustainable and certified materials and expect the same from our business partners.

8. Relations with Suppliers and Business Partners

We expect suppliers and partners to comply with this Code and to adopt similar standards in their own operations. Our relationships are based on transparency, fairness, and mutual trust. Serious or repeated breaches of this Code may result in the termination of business relationships.

9. Reporting and Whistleblower Protection

All employees and partners have the right – and responsibility – to report any suspected violation of this Code.

- A confidential reporting channel is provided, with the option of anonymous reporting.



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- Whistleblowers are protected against retaliation or adverse consequences when acting in good faith.
- All reports will be treated seriously, reviewed impartially, and followed by appropriate corrective measures.

10. ESG Policy and Committee

The Factory will adopt an integrated ESG (Environmental, Social, and Governance) policy.

An ESG Committee, chaired by the Management Board, will oversee implementation and compliance. The Committee is responsible for:

- defining and approving ESG goals and performance indicators,
- monitoring compliance with environmental and social regulations,
- conducting annual supplier assessments, including social and environmental criteria,
- coordinating internal policies related to ESG (child labor prohibition, forced labor prohibition, equal opportunity, occupational health and safety),
- reporting to the Management Board and relevant stakeholders on ESG performance and progress.

Through this structure, the Factory ensures that environmental, social, and governance matters will be systematically integrated into business processes.

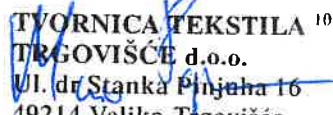
11. Implementation, Monitoring, and Sanctions

The Management Board is responsible for implementing this Code, ensuring regular reviews, and updating it in line with legislative changes and best practices.

- Violations by employees may result in disciplinary measures, including warnings, suspension, or termination of employment.
- Violations by business partners may result in termination of cooperation.

All employees and partners are required to comply with this Code of Conduct.

Effective Date: This Code enters into force on January 1, 2025, replacing all previous versions of the Textile Factory Trgovišće Code of Conduct.


TVORNICA TEKSTILA¹⁰
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