

## **SUMMARY**

Zotefoams expects its business to be conducted with the utmost regard to the standards of ethical business practice. We will apply these standards to all dealings with our employees, customers, suppliers and other stakeholders.

This Ethics Policy has been approved by the Board of Zotefoams plc and is reviewed annually. The Policy applies to every employee and contractor within the Zotefoams Group, regardless of where they work within the Zotefoams Group.

Our Ethics Policy has been developed to ensure that our business is conducted in adherence with the highest ethical and legal principles and sets standards of professionalism and integrity for all employees and operations wherever we operate in the world.

In summary, our Ethics Policy is the following:

- All employees have the responsibility to ensure, and the right to expect, that Zotefoams' business is conducted with the highest ethical standards and legal principles;
- We will operate within the applicable law;
- Any discrimination or harassment will not be tolerated;
- We do not make political donations;
- We do not make or receive bribes;
- We avoid situations that might give rise to conflicts of interest;
- We aim to be a responsible company within our local communities; and
- Employees are encouraged and supported to report, in confidence, any suspicions of wrong doing and a process is provided for that to be done.

Our internal control process includes the review of appropriate ethical behaviours.

## **INTRODUCTION**

We do not intend to summarise here every instance in which we may be called upon to observe and practise good business ethics. This summary aims to remind us that if we follow and abide by basic ethical principles in our day-to-day business conduct, we will promote an environment of mutual trust and respect, and continue to be known as an organisation for its integrity.

We believe that trust promotes long-term business relationships which are built on honesty, openness and fairness. All aspects of our business must be based on the highest ethical standards. Key to our success is our employees. We are all part of the same team, so we must all take responsibility for our own actions and conduct. As managers are the leaders of our business, they should be familiar with how this Ethics Policy applies not only to them, but to those who report to them and others that they may work with on Company business. Everyone in the organisation is required to adhere to this Ethics Policy. No one has the authority to waive any part of it and any attempt to do so may result in immediate disciplinary action, including termination of employment.

Being a company that trades globally, we have to follow applicable laws and regulations in all locations where we do business. Where a law might not explicitly address an ethical matter, we should use our good judgment to ensure that we not only adhere to the spirit of the law, but follow the principles of honesty, integrity, and common sense. Where a local law is stricter than our Ethics Policy, we should follow that law, but, where it is not, we will follow our Ethics Policy to protect our reputation.

If you have any questions about how this Policy affects you or if you are aware of what you believe to be inappropriate, unethical, or unlawful conditions, please contact your manager or local HR

Manager. If you have any queries or concerns that you would rather not raise at a local level, you may contact the Company Secretary, the Group CEO or the Group CFO or another member of the Board of Zotefoams plc.

## **EMPLOYMENT, DISCRIMINATION AND HARASSMENT**

Subject to any local practices and business operational requirements, we aim to offer unambiguous and fair terms of employment and to provide employees with appropriate opportunities to learn and develop their skills and for career progression. We will honour all applicable terms and conditions of employment.

We will provide working conditions which promote good health, safety and environmental practices. Copies of such guidelines in respect of these matters are available from local management. Employees are encouraged to report immediately any health, safety or environmental concerns either to their line manager or their safety officer in order to safeguard the welfare of themselves and their colleagues.

Employees have a duty to act in a responsible manner in the workplace, having due regard for their colleagues' health, safety and general welfare.

We value the diverse backgrounds and nationalities of our employees from around the world and believe that diversity forms a strength to our business. All employees, regardless of their nationality, race, religious beliefs, marital status, sexual orientation, disability or age, should be treated fairly and honestly with both respect and dignity. Harassment or bullying of any kind, whether sexual, physical, mental, abusive or offensive, will not be tolerated. Where an employee is found to have acted in a discriminatory manner or bullied or harassed another person, they will be subject to disciplinary or grievance procedures. All employees are strongly encouraged to report any such incidents.

We will respect the human rights of all employees, including:

- Ensuring employees have the freedom to join a union, associate or bargain collectively without fear of discrimination against the exercise of such freedoms;
- Not using forced labour or child labour; and
- Respecting the rights of privacy of employees and protecting access and use of their personal information.

## **CONDUCT AND BEHAVIOUR STANDARDS**

All employees are expected to contribute to the success of Zotefoams by performing their jobs as required and conducting themselves in a professional manner consistent with the Company's business philosophy, values and standards of business conduct.

Employee honesty and integrity are essential to ethical business practices. Employees are required to prepare all reports, including expense reports and time sheets, accurately and truthfully.

Any conduct that is considered to be detrimental to the best interests of the Company may result in immediate disciplinary action, including possible termination of employment.

Misuse of the Company's property, including equipment, supplies, e-mail, intranet, and IT and voicemail systems can constitute unethical conduct. These tools and resources are intended to assist employees in conducting legitimate company business. Any other use of such property is discouraged.

Any of the following conduct by any employee, including by the Chairman, the Group CEO, the Group CFO, must be reported immediately to the Company Secretary. If the Company Secretary is alleged to be involved in the conduct, then the report shall be made to the Group CEO, unless he is allegedly implicated as well, in which case the report shall be made to the Chair of the Audit Committee.

- Violation of the Company's revenue recognition policies and procedures, or any other Company policies or procedures designed to ensure full, fair, accurate, timely and clear disclosure of company information as required by the London Stock Exchange or any other applicable governmental law, rule or regulation.
- Failure to disclose fully, fairly, accurately, clearly and timely to the appropriate individual(s) within the Company any and all information that relates to the Company's business, operations or financial condition that might need to be reported or disclosed to the London Stock Exchange or pursuant to any other applicable governmental law, rule or regulation.
- Misrepresentation, concealment, falsification or destruction of any documents or other information relating to the Company's business, operations or financial condition that might be required to be reported or disclosed, or used to prepare documents required to be reported or disclosed, to the London Stock Exchange or pursuant to any other applicable governmental law, rule or regulation.
- Any other activity or conduct that could cause an individual, the Company or any of its officers or directors to violate any applicable governmental law, rule or regulation relating to full, fair, accurate, timely and clear disclosure of information required to be disclosed to any third person.

## **COMPLIANCE WITH THE LAW**

At all times we will stay within the laws, rules and regulations of the countries, states or other jurisdictions in which we operate. It is our policy to co-operate fully with relevant public authorities and regulatory bodies as appropriate.

The senior management team of each operating unit or subsidiary company is responsible for ensuring that legislation is complied with and that requirements are appropriately communicated to the staff.

If there are any doubts or uncertainties about ethical questions or compliance with the law, an employee should contact his or her immediate manager or supervisor for guidance prior to taking any further action. The Company has an 'open door' policy to bring any such queries, if necessary, to a higher level of management.

The Company has an established system of controls in place to ensure that all declarations made to the London Stock Exchange or governmental bodies accurately represent local data and, where applicable, that of the Zotefoams Group.

In certain areas the relationship with affiliates might preclude companies from tendering for certain governmental contracts or making certain types of grant application. Extra care must be taken not to infringe these rules.

## **ETHICS IN THE MARKETPLACE**

In promoting ourselves we shall be clear, honest and truthful, but at the same time respecting that we may need to maintain confidentiality of certain matters that are not yet public. Customers, suppliers and others shall be treated with respect and competition with peer companies should be fair and ethical. The following lists some of the major issues regarding ethics in the marketplace:

- There is nothing to be gained through misrepresentation, exaggerated claims or other forms of false advertising. Our products and services must stand on their own merits and quality.
- The Company will not tolerate collaboration with competitors to establish, set or maintain prices or to restrain trade unlawfully.
- Customers should be given factual information about prices, schedules, services and other terms of business. Suppliers, subcontractors, advisers or representatives also deserve to be treated fairly, honestly and in accordance with agreed terms.

- Customers, suppliers, advisers or representatives may, occasionally, divulge confidential information. It is our duty to respect these confidences in accordance with any applicable contractual and legal requirements.
- Complaints from customers, suppliers, subcontractors, advisers or representatives should be dealt with respect and promptly and fairly.
- Whilst we should strive to gain an understanding of our competitors so that we can perform in the market place, we will not tolerate any industrial espionage.
- We will not knowingly infringe the copyright, trademarks, patents or other properly registered intellectual property of others.
- Management should have due regard as to how entering into new contracts or arrangements with others will affect the reputation and ethics of Zotefoams.

### **POLITICAL CONTRIBUTIONS**

It is our policy that we will not make any political donations of any kind. We will not use any corporate funds, whether in cash, goods, services, equipment, or otherwise, to make contributions to political candidates, political parties or committees, or political entities.

### **BRIBES OR OTHER PAYMENT TO INFLUENCE BUSINESS TRANSACTIONS**

The giving or receiving of any bribe or payment to influence others is not only illegal but is indefensible. The Company will not tolerate bribery and prohibits bribes of any kind, including facilitation payments and 'kickbacks', to be made to or accepted from customers, suppliers, politicians, government or foreign officials, advisers or representatives.

For further information please refer to the Anti-Bribery and Corruption Policy.

### **GIFTS AND ENTERTAINMENT**

Corporate entertaining and gifts can be acceptable when there is a clear business purpose and they are neither excessive nor offensive. Extra care must be taken in accepting or giving gifts and entertainment. These are not permitted if it would create a real or perceived conflict of interest. Neither the receipt nor the giving of excessive entertainment, substantial gifts or favours is acceptable.

Provided the gifts and entertainment are:

- Consistent with Zotefoams business practices;
- Do not violate any applicable laws; and
- The disclosure of which would not cause us any embarrassment they may be given or accepted.

For further information please refer to the Anti-Bribery and Corruption Policy and the Expenses Policy.

### **CONFLICTS OF INTEREST**

All conflicts of interest, whether actual or potential, should be avoided. Actions taken by employees should be objective and based on what is best for the Company. Examples of possible conflicts could be (the list is not exhaustive):

- Accepting a personal payment from a supplier, this could be seen to be influencing your business decision making.

- Working or providing consulting services, either directly or indirectly, for a competitor or engaging in an activity that might be competitive with the business interests of Zotefoams (including working for a supplier).
- Using Zotefoams customer lists or contacts for marketing an employee's own or third-party's goods or services, even if such goods or services do not compete with Zotefoams.
- Dealing with a business that you, or a close member of your family, may have dealings with. You should disclose any such interest to the Company Secretary. You need not disclose shareholdings in companies, provided they are not significant and do not create a conflict of interest.
- Accepting or carrying out a second job, consultancy, etc, without first seeking permission from the Company Secretary (and notification to your line manager), to ensure this will not conflict with other interests of Zotefoams.
- Undertaking any private work which might generate intellectual property in the same industry as the Company, as this might be difficult to distinguish this from the work of Zotefoams.
- Dealing in shares or other securities in Zotefoams plc, when you are in possession of information, which is not public, that could affect the share price. Notwithstanding your duty to keep price-sensitive information confidential, it might also be a civil or a criminal offence to pass such information on to others or to encourage them to deal. The Company has a Group-Wide Share Dealing Policy which you should follow. You may also be informed, normally by the Company Secretary, that you must comply with the Company's Share Dealing Code. For further information, please contact the Company Secretary.
- Accepting an appointment to the board of any other company, without first obtaining prior approval from the Chairman of Zotefoams plc.
- Mixing of personal and business relationships in certain cases may give rise to a conflict of interest. For example, having a friendship with the account manager at a major supplier to the Company or two employees, who are joint signatories on the Company's bank account, start dating. If you are unsure whether you need to disclose such a relationship, you should speak, in confidence, to your local HR Manager or Company Secretary for further guidance.

If you believe you have an actual or potential conflict of interest, please raise your concerns immediately with your manager. You should not take part in, or seek to influence, a business decision which might result in a conflict of interest arising.

## **EMPLOYEE SHAREHOLDERS**

The Board encourages employees to be owners of the Company by holding shares in the Company. However, it is essential that employees observe the guidelines laid down in the Group-Wide Share Dealing Policy, a copy of which is available from the Company Secretary and is on the intranet. Certain employees will be informed, normally by the Company Secretary, that the Company's Share Dealing Code applies to them and they should seek clearance to deal from the Company Secretary before purchasing or selling their shares or entering into other transactions in securities in the Company. The Company is not permitted to give any financial advice as regards investments.

## **PROPRIETARY INFORMATION**

Trade secrets, technology, knowhow, ideas, customer lists, unpublished financial data, marketing and pricing strategies, and business plans are some of Zotefoams' most valuable business assets. Every employee has a duty to ensure that such information remains confidential in order to protect their proprietary nature. Disclosure of such information must not be made without proper authorisation. Our trade secrets are our intellectual property. They are what make our business special and set us apart from the competition. We all have an obligation to protect our intellectual property. You may, in the course of your employment, be given or come into contact with information that is of a commercially sensitive nature, or is provided to you so that you may gain a better understanding of our business,

for example, at staff briefing meetings. Depending on the type of information disclosed, you might not be permitted to tell your colleagues of this information or divulge it to anyone else outside the organisation. Breaching of this obligation may result in disciplinary action. If in doubt, you should seek clarification from your manager, the person who provided you with the information or the Company Secretary.

You should never ever attempt to obtain or use another company's proprietary information for our benefit or otherwise in violation of law or any applicable agreement.

## **INFORMATION SECURITY**

It is the utmost importance to protect Zotefoams' information as it is vital to our continuing success. Inadequate protection of our information, or misusing it, could give the competition an unfair advantage, as well as diminish the quality of our products and services, increase the risk of litigation or otherwise harm the Company. All employees have a responsibility to our customers, shareholders, and each other to ensure that we protect our information from unauthorised access, use, modification, destruction, theft, or disclosure and must treat such information in accordance with the Company's data protection and information security policies.

## **FAIR COMPETITION**

Competition laws and regulations in the United Kingdom and elsewhere around the world are intended to promote fair competition in the marketplace and to limit activities that might restrain trade. Employees must never discuss or enter into any arrangement or understanding with a competitor regarding the pricing of products, favouring or withholding business from particular customers or suppliers, or any other activity that may be seen to have anti-trust or anti-competition implications. Any questions regarding trade or competition laws or how they might affect the way we conduct business should be referred to the Company Secretary.

## **COMMUNICATION WITH THE FINANCIAL COMMUNITY AND/OR MEDIA**

The Company's reputation is the utmost importance. An innocent or unguarded remark could have a catastrophic effect on the Company. If you are approached by the media or the financial community and have not been authorised to provide information on the Company's behalf, you should refer the enquiry to the Group CEO or the Group CFO.

## **WHISTLE BLOWING**

If you suspect wrongdoing in the workplace (whether or not the suspected act has actually occurred), you should immediately report the matter to your line manager or your local HR Manager, or, if you prefer not to report it to them or feel they are unable to address your concerns or the matter is of a more serious nature, to the Company Secretary, the Group CEO, the Group CFO or the Chair of the Audit Committee.

Any reports made will be held in the strictest of confidence, although we may need to divulge your identity to the person investigating your concern. If we do so, we will discuss this with you first.

The Company does not view an employee who has 'blown the whistle' as a trouble-maker, but rather as a witness to an event. You will not suffer discrimination or persecution for raising concerns which are in the public interest, even if the concern is not proved and, if possible, you will be informed of the outcome. Discrimination and persecution of employees who raise genuine concerns will not be tolerated under any circumstances and support will be provided to whistleblowers as appropriate. However, if we conclude that an employee had made false allegations maliciously, with a view to personal gain, or the making of any allegations had not been in the public interest, that employee will be subject to the disciplinary process.

For further information please refer to the Whistleblowing Policy.

## **DISCIPLINARY ACTION**

Any employee who violates our Ethics Policy will be subject to the disciplinary process.

## **FREQUENTLY ASKED QUESTIONS**

Q. How should I respond to a potential issue which is not covered by this Policy?

A. This Ethics Policy cannot cover every circumstance where an employee needs to consider his or her conduct. Ethical responsibilities may go beyond the specific situations mentioned in this Policy. They might include the way we treat our fellow employees, how we behave in the community, how we react to local and national government and how we adhere to other policies and guidelines. Employees are asked to consider these issues before taking certain actions. If in doubt, seek advice, from your line manager or other colleagues.

Q. Can I give a copy of this Policy to a supplier or customer?

A. Yes. We are proud of our reputation of being an ethical company. You may freely distribute this Policy to anyone who may be interested in it.

Q. A new piece of legislation has been introduced and I am unsure as to whether this will affect our current business practices. What should I do?

A. We do keep abreast of changes in the law and, in some cases, seek external guidance on how best to comply with new law. When you are aware there is a change in the law, you should raise the matter with your manager to see whether we need to change our practices. Your manager may need to take this further within the organisation or, possibly, externally to ensure that our practices remain current.

Q. I have already accepted a gift from a supplier, which, upon reflection, I believe might appear to be excessive. What should I do?

A. If it is too late to return the gift, you should immediately declare the gift to the Group CEO and Company Secretary (with notification to your line manager). If possible the gift should be given to the Company so that you are beyond suspicion of making a personal gain out of a possible business transaction.

Q. My manager has asked me to do something which I believe is unethical – What should I do?

A. You should raise your concerns immediately with your manager and if you are not satisfied with his or her response, with his or her manager, or your local HR Manager or the Company Secretary. If the request would result in unethical behaviour, your manager is not authorised to require you to perform such a task and you should refuse, clearly explaining your reasons, in writing. If appropriate you should refer to the whistleblowing policy and also note that if we conclude that a whistleblower has made false allegations maliciously, in bad faith or with a view to personal gain, the whistleblower will be subject to disciplinary action.

Q. I have noticed some behaviour which, I believe, is unethical but I would rather not get involved – is it acceptable to ‘turn a blind eye’ to it?

A. No – it is everyone’s duty to remain vigilant against unethical behaviour and to report it in order to protect the mutual interests of their colleagues and the Company’s reputation. Managers who decide to ‘turn a blind eye’ to areas for which they are responsible may find themselves subject to disciplinary action when the unethical acts are eventually reported.

**Approved by the Board of Directors on 19 June 2019**

**Non Contractual**