

MISSION: *Our mission is to deliver our customers products and services of the highest level, completely tailored to their needs and wishes.*

VISION: *Our vision is with precious employees by continuously improving technologies that we use in our production process as developing and applying innovative solutions to create continual advantage in the market and to consistently deliver top quality products and services to our customers.*

To achieve this vision and fulfil our mission, we have strategic goals and we follow the rule that "Joined forces create great works – Roof; Façade; Construction – in Croatian short form: KFK".

Preamble

The employees of the KFK have jointly developed a mission statement. The mission statement expresses what our Company stands for. We are customer-focused.

We develop innovative products and services that create sustainable infrastructures and promote efficient use of resources. We strive to keep with our customers long-term and mutually successful business relationships. In order to achieve continuity of service of the highest level, we introduce into our business the most modern business standards, specific departments and working procedures, control and test mechanisms in the production process.

Our people are capable, technical experts who have won the highest level of ethical code of conduct.

We are entrepreneurs, with high confidence, with passion to create the best products, and have courage to aim to be best in class. This is based on the dedication and performance of every team member. Employee development is especially important. Employee health and workplace safety have top priority.

We share Common Values. We serve the interests of the Company. Our interactions are based on transparency and mutual respect. We are responsible corporate citizens.

Our essence is defined and we achieve the fundamental qualities as they are integrity, credibility, reliability and consistency.

The role of responsible corporate citizen as described in the mission statement also involves making an active commitment to sustainable development, which we support by subscribing to the ten principles of the United Nations Global Compact. We are also committed to the United Nations Universal Declaration of Human Rights and the core labour standards of the International Labour Organization (ILO).

Rules and regulations for special situations and circumstances in the work environment are clearly formulated in the corresponding policies. These policies are unconditionally valid and binding for all employees of KFK. Any employee who fails to comply with the Company policies must expect corresponding consequences under internal rules and legal regulations.

On the basis of the above, this Code of Conduct summarizes the main principles and rules governing our activities as well as the standards we set ourselves in dealings with business partners.

Place and date: Rugvica, May 8, 2020

On behalf of KFK d.o.o.:

Emil Krajcarek
Director



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1 CONDUCT IN BUSINESS

1.1 Compliance with the law

Compliance with laws, rules and regulations, in force in all countries we operate, is for us an essential principle of responsible business conduct.

We operate in accordance with legal regulations and requirements at all times, even if this involves short-term business disadvantages or difficulties for the Company or individuals.

1.2 Avoiding conflicts of interest

At KFK business decisions are made exclusively in the best interests of the Company. Any conflicts of interest with personal matters or other business or non-business activities, including those of relatives or other related parties, should be avoided. Should such conflicts nevertheless occur, they must be resolved in accordance with the law and Company policies. Conflicts must be dealt openly and transparently.

1.3 Fair competition

We are committed to promoting our services honestly and competing fairly. Our conduct on the markets is based on the Compliance Program issued by the Executive Board of KFK d.o.o. KFK stands for technological competency, innovation, customer orientation and motivated, responsible employees. These factors are the basis of our high reputation and the long-term economic success in global competition. Corruption and antitrust violations threaten these success factors and will not be tolerated (zero tolerance). We would rather fail to reach internal goals than act against the law.

With its Compliance Program and Quality Policy, KFK has taken wide-ranging measures to ensure compliance with anti-corruption and antitrust regulations. A violation will not be tolerated and will result in sanctions against the persons concerned. All Executive board members and managing directors, all senior executives and other employees must be aware of the extraordinary risks which corruption and antitrust violations can signify for KFK as well as for them personally.

1.4 Preventing money laundering

KFK fulfils its legal obligations to prevent money laundering and does not participate in money laundering activities.

In cases of doubt, all employees are required to report unusual financial transactions, especially those involving cash, which could give grounds to suspect money laundering, to the responsible finance, legal or compliance department for review.

1.5 Guarding against bribery and corruption

At KFK, we are committed to conducting business fairly and ethically. We expect our suppliers to have zero-tolerance for corruption and to ensure compliance with all United Nations (UN) and Organisation for Economic Co-operation and Development (OECD) conventions against corruption, and with all governing anti-corruption laws. In particular, our suppliers are expected to ensure that their employees, subcontractors and agents do not offer, promise or grant any advantages to any of KFK employees or related parties with the goal of securing an order award or any other form of preferential treatment in their business transactions.

Guarding against bribery and corruption is more extensively described in KFK's "Anti-bribery and anti-corruption policy".

1.6 Guarding modern slavery

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. At KFK we have a zero-tolerance approach to modern slavery and we are committed to acting ethically and with integrity in all our business dealings and relationships and

to implement and enforce effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or our supply chain.

1.7 Invitations and gifts

At KFK, we expect that our suppliers refrain from presenting any invitations or gifts to our employees so as to gain any form of influence. Any invitations or gifts extended to KFK employees or related parties, if any, must be reasonable and suitable with a view to scope and design, i.e. they must be of low financial value and reflect ordinary local business custom. We also expect our suppliers to restrain from asking KFK employees or related parties for any inappropriate advantages.

Giving/accepting invitations and gifts are more extensively described in KFK's "Anti-bribery and anti-corruption policy".

1.8 Preventing conflicts of interest

In our suppliers' business dealings with us, we expect our suppliers to take decisions based on objective criteria only. Any factors that might influence our suppliers' decisions due to private, business or other conflicts of interest must be prevented from the start. The same applies to relatives and other related parties.

1.9 Donations

We regard ourselves as active corporate citizens and demonstrate our commitment in a variety of ways. Donations and other forms of corporate citizenship are carried out solely in the interests of the company.

We make no financial contributions, in particular donations or sponsorships, to political parties in our home country or abroad, organizations related or similar to parties, individual office incumbents or candidates for political offices.

Donations are more extensively described in KFK's "Anti-bribery and anti-corruption policy".

1.10 Political lobbying

Our political lobbying is centralized, open and transparent. We comply with the legal requirements on lobbying and avoid at all costs unfairly influencing government policy and legislation.

1.11 Behaviour in public and communications

We respect the right to free speech and the protection of personal rights and privacy. All employees should be aware that in their private lives they can also be seen as part and representative of KFK and are therefore called upon to safeguard the Company's standing and reputation in the way they act and conduct themselves in public, above all towards the media.

1.12 Handling of information - Confidential company information

KFK is built on strong values: reliability and honesty, credibility and integrity. We therefore attach great importance to being open and truthful in our reporting and communications on the Company's business transactions to investors, employees, customers, business partners, the general public and government institutions.

Every employee shall ensure that both internal and external reports, records and other documents of the Group comply with the applicable legal rules and standards and are therefore complete and correct at all times and issued in good time and in accordance with system requirements.

We take the necessary steps to suitably protect confidential information and business documents from access and inspection by unauthorized colleagues and other third parties.

1.13 Data protection and information security

The protection of personal data, in particular of employees, customers and suppliers, is of particular importance to KFK Company. According to the EU 2016/679 General Data Protection Regulation (GDPR), we collect and process personal data only when this is absolutely necessary

to perform work-related tasks or when required by law. Personal data may be collected or processed only with the consent of the person concerned and where permitted by law.

1.14 Protection of company property

KFK is led by policy/expression: "Manners make the man".

We use the Company's property and resources correctly and carefully and protect them from loss, theft and misuse. We use the Company's tangible and intangible assets exclusively for business purposes and not for personal reasons except where expressly permitted. Our employees bear joint responsibility with their supervisors for ensuring that business trips are always appropriate in nature and scale to the purpose of the trip and are efficiently planned and carried out taking time and cost aspects into account.

2 CONDUCT TOWARDS COLLEAGUES AND EMPLOYEES

2.1 Equal treatment and non-discrimination

KFK implemented the principle of equal treatment between persons irrespective of their age, sex, religion or belief, disability, marriage and civil partnership, pregnancy and maternity, race, culture, ethnic origin or sexual orientation. A culture of equal opportunities and mutual trust and respect is of great importance to us. We promote equal opportunities and prevent discrimination in the recruitment, promotion, training and development of employees, treating all employees equally.

2.2 Anti-bullying and anti-harassment policy

Bullying may be characterised as: offensive, intimidating or malicious behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient.

Harassment is unwanted conduct related to a relevant protected characteristic (age, sex, religion or belief, disability, marriage and civil partnership status, pregnancy and maternity, race, culture, ethnic origin or sexual orientation), which has the purpose or effect of violating an individual's dignity or creating an intimidating, hostile, degrading, or offensive environment for that individual.

Among other, bullying and harassment may include:

- spreading malicious rumours, or insulting someone by word or behaviour
- copying memos that are critical about someone to others who do not need to know
- ridiculing or demeaning someone – picking on them or setting them up to fail
- exclusion or victimisation
- unfair treatment
- overbearing supervision or other misuse of power or position
- unwelcome sexual advances – touching, standing too close, display of offensive materials, asking for sexual favours, making decisions on the basis of sexual advances being accepted or rejected
- making threats or comments about job security without foundation
- deliberately undermining a competent worker by overloading and constant criticism
- preventing individuals progressing by intentionally blocking promotion or training opportunities,

and besides face to face communication, it may occur through written communications, visual images, email, phone, and automatic supervision methods (such as computer recording of downtime from work, or recording of telephone conversations) if these are not universally applied to all workers.

Bullying and harassment of any kind are not only against KFK's interest, but nor no-one's interest and should not be tolerated in the workplace, since they cause not only poor morale and poor employee relations, decreasing KFK's business performance, but also affecting employee's physical and mental health.

Management of KFK is strongly committed to create safe and healthy environment for his employees and will not tolerate bullying and harassment. Therefore, from all KFK's employees Management expects mutually tolerable and fair relations, regardless the KFK's hierarchy superiors to subordinates and subordinates to superiors. In the case that somebody feels bullied or harassed, the following procedure is applied:

- among the same rank employees: complain to supervising employee,
- among the different-rank employees: complain to the next higher-rank employee.

Complaints shall be written and signed (in paper or electronically), describing persons involved and the nature of complaint.

Employee receiving complaint must inform KFK's H&S Manager about the complaint, and together with him:

- check the facts written in complaint,
- make the written record of investigation results,
- informs the complainant about investigation results and upon his approval, forward the record to the Director.

Director has authority to take disciplinary or other legal measures if there is a breach of anti-bullying or anti-harassment policy.

If the complainant is not satisfied with the supervisor's report, he can complain to the Director directly.

If the complainant is not satisfied after Director's decision, he can contact KFK's Legal and General administrative service.

2.3 Human and labour rights

We respect internationally recognized human rights and support their observance. We reject all forms of forced and child labour. We recognize the right of all employees to form unions and employee representative bodies on a democratic basis within the framework of national legislation. The right to appropriate compensation is recognized for all employees. Pay and other benefits shall at least comply with the respective national or local legal standards or the standards in the national economic sectors/ industries and regions.

2.4 Occupational health and safety

The safety and health of our employees are a corporate objective of equal standing with the quality of our products and our commercial success.

Occupational safety and health protection are an integral part of all business processes and are included from the outset – starting in the planning phase – in all technical, economic and social considerations.

All employees shall promote safety and health in their work environment and comply with the health and safety regulations. All managers are obligated to instruct and support their employees in meeting this responsibility.

The same safety standards as for KFK employees shall apply to employees of subcontractors. This is taken into account in selecting and working with subcontractors.

2.5 Development of employees

Doing business in competitive markets requires constant improvement and innovation as a continuous process, which is done only by motivated employees. Considering its own employees as the most valuable asset, KFK encourages and supports constant development of knowledge and skills among his employees. We believe that such attitude is not only crucial for a long-term benefit of the company, but also makes the employees more satisfied and personally self-confident.

3 IMPLEMENTATION AND CONTACTS

KFK shall actively promote communication of the Company policies and agreements on which the Code of Conduct is based.

Good and trusting relations between employees and managers are reflected in honest and open communication and mutual support.

For further questions relating to the Code of Conduct all employees as well as third parties (customers, suppliers, etc.) can also contact our management board e-mail address: kfk@kfk.hr and our Legal and General administrative service Mrs. Dunja Kutle, contact phone: +385 1 481981, fax. +385 (0)1 4881980, e mail: info@odvjetnik-kutle.hr

All information will be treated in strict confidence.