

**Weaving trust,  
bonding excellence.**

# **CODE OF CONDUCT**



**SHALAG**

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# Introduction

Shalag Nonwovens is a world leader in Carded Thermo Bonded and Air Through Bonded Nonwoven technologies.

With more than 40 years of experience and proven expertise, Shalag has developed a global reputation as a cutting-edge developer and producer of numerous innovative nonwovens shipped all around the world.

Our **mission** is to develop, manufacture, and supply innovative nonwovens and laminates, custom-made to adhere to the most stringent performance and quality standards as required by the hygienic industry and our customers' demands.

We are committed to supplying high quality and safe products, minimizing our impact on the environment.

Our **vision** is to become the preferred choice in the market, having solid partnerships with our customers, suppliers, and stakeholders while growing and creating innovative solutions with sustainable value and positively impacting our communities.

We recognize our responsibility to minimize waste and pollution. Through continuous improvement and responsible business practices, we strive to contribute to a healthier and more sustainable World.

The Code of Conduct is an expression of our vision and our values. It provides a framework that helps us convert values into actions. The Code applies to all Shalag employees worldwide.

It is the responsibility of each and every one of us to read, understand, and act in accordance with the Code.

The Code covers our approach to business relations , Principles of Employment, Product Safety and Responsibility for the Environment

By committing to strictly adhere to the principles and ideas contained in our Code of Conduct, we strive to uphold the reputation we proudly earned over the past 40 years.

We are extremely proud to be part of the Shalag family.

**The Code of  
Conduct is an  
expression of  
our basic  
principles and  
values**



# Values



## INTEGRITY

**Integrity and honesty** are key guidelines in all our business processes and interactions, we work in a corporate culture of trust and transparency, **committed to ethical behavior**, operating with responsibility and striving to act in a socially and environmentally conscientious manner.



## RELIABILITY

Creating a strong **partnership** by being a trustworthy and reliable company is one of our core values and is essential for building a successful and sustainable business. We prioritize collaboration and teamwork, focusing on **building and establishing long-term relationships** based on mutual trust, respect, and a shared commitment to achieve mutual benefits



## CUSTOMER FOCUS

We strive to offer **customized solutions**, tailoring our products and services to meet the unique needs and preferences of each customer, **quickly responding to changes** in the market or to customer needs, focusing on creating a competitive and sustainable advantage.



## RESPECT FOR INDIVIDUALS

We are a **family-oriented** company, with a commitment to creating a **positive, supportive and inclusive workplace culture** that values a work-life balance, prioritizing both the wellbeing of its employees and the success of the business.



## PASSION FOR INNOVATION

Our **passion** for what we do inspires us to be a **creative and innovative company**. We are determined to generate new ideas and solutions that can improve products, services or operations; generating new opportunities and adapting to the changing market trends.



# Business Relations

**Shalag will conduct its business professionally and independently at all times , comply with all applicable international and national laws and regulations**

## **AVOIDING CONFLICTS OF INTEREST**

Shalag will make **decisions based solely on objective data and not influenced by personal interests.**

Data used for making the decisions will be available at all times.

Employees must avoid situations and relationships involving an actual or possible conflict of interest or any situation that might negatively affect Shalag's reputation.

A job position cannot be used to obtain any personal benefit or through families or relatives from people and companies with whom we have business relations.

**For further guidance, see internal SOP Conflict of Interest Policy and Practice HR100**

## **ANTI-CORRUPTION AND BRIBERY**

Shalag will comply fully with all anti-bribery and money laundering prevention laws in place while conducting business.

Shalag will not engage in any illegal nor unethical practices and **will not tolerate any practice of corruption, blackmail, nor abuse, in any form.**

Shalag employees are not allowed to accept any bribery or to use Shalag's name or identity to gain any personal benefits.

In case of the offer of an excessive gift or hospitality, that may influence or appear to influence the decision related to the group's business, the employee is obliged to decline it.

**For further guidance, see internal SOP Giving and Accepting Gifts Policy and Practice HR150**



# Business Relations

## FAIR COMPETITION

**Shalag respects and ensures the principle of fair competition.** Shalag will comply with all national and supranational antitrust and competition applicable laws. All personnel acting on behalf of Shalag will not enter, directly nor indirectly, into illegal agreements with competitors.

## INTELLECTUAL PROPERTY, CONFIDENTIAL INFORMATION AND PRIVACY OF DATA

**Shalag respects and supports the privilege of intellectual property.**

Shalag will ensure to properly protect all confidential, sensitive and / or proprietary information, such as strategies, financial data, human resources data, special agreements, new products, copyrights and anything related to the group's know-how and financial benefit.

Shalag will comply with all applicable laws regarding the gathering, use and disclosure of personal data.

## PROTECTION OF ASSETS

Shalag employees are expected to **respect and protect every asset and group resource** used.

The group assets:

- Can be used solely for business purpose.
- Cannot be used for any illegal activity
- Cannot be used for personal benefit unless preapproved by an authorized entity.



# Business Relations

## QUALITY ASSURANCE

**Supplying high-quality products is a fundamental principle** for Shalag.

Each site will maintain a documented Quality Management System based on the ISO 9001 Standard, with a strong customer focus, continuous improvement, and a risk-based approach.

All employees need to know and apply the procedures related to their scope of activity.

The procedures will be designed to ensure the quality and safety of the products.

## DILIGENT SELECTION OF PARTNERS

**Shalag will consider its potential partners' morals, integrity and reputation.**

Partners should act with integrity, honesty, and fairness in all aspects of their business. Shalag will take the appropriate measures to ensure compliance with all legal and contractual requirements related to the production and delivery of raw materials, components, or services; including, as an indication, compliance with the required specifications and regulations.

## COMMUNITY RELATIONS AND DONATIONS

Shalag is looking to **positively influence and act with respect towards the communities** in which we operate.

Shalag will make donations for social purposes, support social actions, and prioritize indirect procurement from small local suppliers in the community based on the principles of sustainable development and the promotion of health, education, and prosperity.



# Principles of Employment

**Shalag fully supports the United Nations framework and guiding principles on Human Rights, including labor rights, throughout its business activities**

## **FAIR LABOR PRACTICE**

Shalag is committed to treating its employees and all persons acting on its behalf with the **highest ethical standards**. All sites will comply with the local governing Labor Laws, which cover: Working hours, remuneration (regular and overtime hours), rest (breaks, rest periods, and holidays), social rights, and pension payments. Wages are paid in a timely manner, regularly, and fully in legal tender.

## **CHILD LABOR AND FORCED LABOR**

Forced or Compulsory Labor and Child Labor are forbidden. Shalag employs only legal employees, at a minimum age of 18, verified by a formal ID document. Work is voluntary, and employees can terminate their employment by invoking the legal notice period.

## **FREE ASSOCIATION AND COLLECTIVE BARGAINING**

Shalag **supports Freedom of Association and the Right to Collective Bargaining** under all applicable laws and regulations. We ensure that employees are not subjected to discrimination, harassment, intimidation nor retaliation for being union members or workers' representatives



# Principles of Employment

## FAIR AND EQUAL TREATMENT

Shalag will not tolerate any form of psychological, physical, sexual, or verbal **abuse, intimidation, threat, or harassment.**

Shalag respects the right of privacy of our employees for all private information gathered or any employee monitoring procedure.

All work performed for the group (including by third-party labor agencies, subcontractors, consultants, etc.) must be based on a legal agreement.

## EQUAL OPPORTUNITIES

Shalag **welcomes diversity** and insists on equal opportunities, **without discrimination**, on the grounds of gender, age, ethnic or national origin, religious belief, political affiliation, marital or parental status, sexual orientation, disability or membership in a trade union.

We are proud to employ people with disabilities.

## GRIEVANCE MECHANISM

Shalag encourages employees to **discuss working conditions openly** or to report complaints without fear of possible negative consequences.

We provide various grievance channels, including an anonymous option, suggested to the employees: Open door, locked box, electronic means (telephone, WhatsApp, e-mail).

Each inquiry receives a personal response with a documented and discreet handling.

## EMPLOYEES WELLBEING

Shalag promotes the **professional growth** of its employees, and has their overall wellbeing at heart

- Particular care is given to the **social welfare** of each employee, supporting special cases associated with health issues or financial hardship
- An annual training plan is set by HR to address laws and standards requirements as well as the individual's needs of professional or soft skills **growth of workers** and managers.



# Principles of Employment

## OCCUPATIONAL HEALTH AND SAFETY

Sand health in the workplace. Shalag takes the necessary steps, organizes the work, provides the means/assets and training so that all employees can perform Shalag will ensure high standards of safety their duties safely and without endangering their health.

Each site will maintain a documented **Occupational Health and Safety Management System** based on the principles of the ISO 45001 Standard and/or national laws and regulations, ensuring the continuous improvement of working conditions. Each site will have a manager directly responsible for health and safety.

## EMERGENCY PREPAREDNESS

Shalag is prepared for emergencies. It includes worker notification and evacuation procedures, emergency training and drills, appropriate first-aid supplies, appropriate fire detection and extinguishing equipment, and adequate exit facilities.

**We regularly train employees on emergency planning.**



# Product Safety

**All products will meet the quality and safety standards required by applicable laws and by our customers.**

## **PRODUCT SAFETY ASSESSMENT AND TRANSPARENCY**

Depending on the product type, intended use and customer needs, we provide our customers with all the information they require for the Product Safety Assessment process, including, but not limited to, a safety data sheet, information on restricted substances, REACH compliance, Oekotex Certificates, information on toxicological tests, and direct contact with our suppliers when needed.

## **CONTAMINATION PREVENTION AND HYGIENE CONTROL**

Shalag will take all the steps and apply all the means required to **prevent, minimize or eliminate risks for contamination of goods as far as possible.** Production premises and processes have appropriate standards for hygiene control, including personal hygiene practice.



# Environment



**Shalag is compliant with all applicable legal environmental requirements. We're committed to continually improve the environmental performance and to manufacture products with as little an environmental impact as possible.**

## PROTECTION OF THE ENVIRONMENT

Shalag actively works to **optimize** the consumption of raw materials and natural resources, including energy and water, to **prevent** pollution and **minimize** the generation of solid waste, air emissions, and wastewater.

## MANAGEMENT SYSTEM

Each site will **maintain a documented management system** based on the principles of the ISO 14001 Standard, including, at minimum:

- Appointing a manager who is directly responsible for the environmental management
- Adopting the group policy
- Complying with the local environmental law
- Setting goals and actions for continuous improvement
- Monitoring and reporting energy use, water use, waste, and GHG emissions

## REPORTING

Shalag follows the reporting guidelines of all required environmental permits and registrations. We provide our customers with accurate and timely reports or data related to their environmental regulatory requirement.



# Compliance and Monitoring

## COMPLYING WITH OUR PRINCIPLES

**This code binds all employees** regardless of the duration of their employment, responsibilities or position.

We expect, from our employees :

- Ethics in their daily actions and decisions.
- Compliance with the principles of the Code of Conduct.
- Communicating any unethical practice that they may have observed.

## REPORT

Employees are welcome to consult with managers or HR with respect to any doubt they might have regarding the work they do and to **report concerns or violations of this Code of Conduct.**

Shalag will investigate any report with discretion and great care, taking the appropriate measures whenever required.

**Any significant misconduct may be reported directly to Group HR at: [hrgroup@shalag.com](mailto:hrgroup@shalag.com)**

## MONITORING

Shalag will do its best to **monitor and ensure the observance of this Code of Conduct.**

Our customers are welcome to conduct audits or on-site inspections to confirm compliance.

**If you have doubt about how to act in a particular instance, ask yourself:**

Does this comply with Shalag's values?

Is it consistent with the Code of Conduct?

Is it legal?

Will it have a positive impact on the company?

