



Svetogorsk PPM

CODE OF BUSINESS CONDUCT AND ETHICS

Svetogorsk PPM, NPAO (Private Joint Stock Company)
Svetogorsk
2024

CODE OF BUSINESS CONDUCT AND ETHICS

1. PURPOSE AND SCOPE

1.1 The present Code of Business Conduct and Ethics (hereinafter referred to as “the Code”) is drawn up for the following purposes:

- to define uniform ethical standards and rules of official conduct based on the principles and goals of Svetogorsk PPM, NPAO (Private Joint Stock Company);
- to express expectations of Svetogorsk PPM, NPAO (Private Joint Stock Company) as an employer in relation to its employees;
- to state the commitment of Svetogorsk PPM, NPAO (Private Joint Stock Company) to high ethical standards in business relations, generally accepted principles in corporate management field, social and environmental responsibility, sustainable development and strict compliance with legal requirements.

1.2 The Code is mandatory for all employees of Svetogorsk PPM, NPAO (Private Joint Stock Company).

2 TERMS, DEFINITIONS AND ABBREVIATIONS

The Company – Svetogorsk PPM, NPAO (Private Joint Stock Company)

Business Conduct – action and lack of action of the Company’s employees related to implementing business interests and including interaction with colleagues, partners, customers, managers and subordinates.

Ethics – up-to-date organizational standards, principles, sets of values and standards that regulate human actions and behavior.

Compliance – conformity (in Russian language a word derived from the English word “compliance” is used).

For the purposes of the Code, “Compliance” means obligation of the Company to comply with requirements of local regulatory acts of the Company and the legislation of the Russian Federation while carrying out its activities.

Mandatory Requirements – requirements specified by the legislation of the Russian Federation, international acts and foreign legislation (if applicable), as well as local regulations of the Company.

Misconduct – conduct (action/lack of action) of individuals or legal entities, as well as individual entrepreneurs, that violates the Mandatory Requirements and may lead to the liability (disciplinary, administrative, criminal or civil) of the Company or its employees, or losses of the Company, including, but not limited to the following: improper conduct, acts of corruption and fraud; violation of security ensuring process and continuous operation of production facilities, unauthorized dissemination of personal data; conduct not corresponding to business ethics rules, etc.

Business Partners – individuals and legal entities, individual entrepreneurs with which the Company has concluded or is intended to conclude contracts (contractors), with which the Company assumed joint obligations and/or liabilities or with which the Company cooperates, as well as employees of the persons and entities mentioned above, including those performing

management functions in specified organizations and/or acting on behalf of and in the interests of the persons and entities mentioned above.

The Third Parties – Business Partners, contractors and other third parties.

Hotline for issues related to the Ethics and Compliance – e-mail (mcompliance@svetopaper.co), to which employees of the Company or the Third Parties can send their questions related to the ethics issues of any situation related to the employee's working activities, as well as information about violations of the Mandatory Requirements by employees of the Company, as well as in case of presence of other reasons specified by the Code.

Questions/information sent to the specified hotline are to be reviewed by authorized employees of the legal department and/or economic control department.

Message – a message sent by an employee of the Company or the Third Party about a possible violation by an employee of the Mandatory Requirements, as well as if there are other reasons established by paragraph 4.1 of the Code.

Pressure/harassing – any behavior that causes inconvenience or harm to an individual, including violating his or her privacy. Pressure/harassing may be verbal or may involve actions that create a hostile working environment, such as:

- verbal: jokes or offenses that affect a person's gender, race, or ethnicity, including comments regarding a person's personality.
- physical: unwanted touching or other physical behavior/actions that another person finds threatening or humiliating.
- visual: explicit or derogatory content (information expressed in various forms), pornographic images, obscene gestures towards another person.

Physical abuse – a form of violence carried out through actions that cause physical pain, as well as humiliating forms of interaction – pushing, kicking and other actions associated with violation of a person's personal boundaries and implementation of aggressive/unpleasant/degrading touches.

Psychological abuse is a form of violence carried out through suppression, name-calling, private and public humiliation, rejection, gossip, lies, manipulation, displays of power, subtle intimidation, threats, seductive behavior, deliberate belittling of a person's self-confidence, competence, self-esteem, neglecting or ignoring, that can lead to psychological trauma, including anxiety, depression, and post-traumatic stress disorder.

Conflict of Interests – a situation in which the personal interest (direct or indirect) of a person holding a position which involves the obligation to take measures to prevent and resolve a conflict of interest, affects or may affect the proper, objective and fair performance of his/her official (job) duties (exercise of powers).

Corruption – a) abuse of authority, giving bribe, receiving bribe, abuse of power, commercial bribery or other illegal use by an individual of his/her official position contrary to legitimate interests of society, state and interests of a legal entity for the purpose of obtaining a benefit in the form of money, valuables, other property or property services, other property rights for himself/herself or for the Third Parties, or illegal provision of such a benefit to the specified person by other individuals; b) committing acts specified in subparagraph a), on behalf of or in the interests of a legal entity.

Business Hospitality tokens – gifts, courtesies, gratitude, entertainment, payment of travel expenses, awards and other gratuitous provision of goods/works/services aimed at demonstrating goodwill and strengthening business relations that do not violate the Mandatory Requirements and

are not excessively generous and cannot be considered as a gift with the purpose of influencing decisions that will benefit the giver or making him/her feel obligated to respond in one way or another.

Personal Data is any information relating to a directly or indirectly identified or identifiable individual (personal data owner). Personal data is any information about an individual, including his/her last name, first name, patronymic, year, month, date and place of birth, address; family, social and property status, education, profession, income, performance evaluations and other information.

For the purposes of this Code, all terms and definitions specified in the singular shall apply to terms and definitions in the plural and vice versa.

3 GENERAL PROVISIONS

3.1 The Code was developed on the basis of generally accepted standards of corporate ethics and business conduct, as well as the requirements of the legislation of the Russian Federation.

3.2 The Code contains key concepts of business activity, as well as a set of standards and requirements adopted by the Company to comply with the requirements of the legislation of the Russian Federation, promote honest and ethical business conduct and prevent abuse.

3.3 The Company's employees are obliged to follow the Mandatory Requirements while performing their activities, including generally recognized standards of business conduct and rules of business ethics.

3.4 The Company aims at cooperation with Business Partners sharing the principles of business conduct and ethics adopted by the Company.

3.5 Achieving high ethical standards is performed through adherence to the fundamental principles specified in the Code and through compliance with the rules, requirements and expectations specified in all sections of the Code.

4 REPORTING VIOLATIONS

4.1 Any employee of the Company, as well as the Third Parties having information about the violation of the Mandatory Requirements by the Company's employee, as well as:

- having information about improper conduct of the Company's employee;
- considering that the Company's employee could participate or was involved/is being involved in a situation that does not comply with the principles specified in the Code;
- if questions arise regarding compliance with the requirements of the Code or if there are doubts about how to act ethically in a particular situation;

have the right to send a message about it:

- to the direct supervisor (for the Company's employees only);
- to the superior (for the Company's employees only);
- to the legal department (for the Company's employees only);
- to the Human Resources Department (for the Company's employees only);

- to the Hotline for issues related to the Ethics and Compliance at: mcompliance@svetopaper.co;
- to the Economic Control Department;
- in paper form, including on an anonymous basis (drop the message into special “Feedback” mailboxes).

4.2 Considering Reports is performed confidentially.

It is prohibited to take any measures against the Company’s employees or the Third Parties reporting violations in good faith, even if after considering the Report the fact of the violation is not confirmed.

If the Company’s employee or the Third Party suspects that countermeasures have been taken in response to his/her voluntary Report, he/she is obliged to report this immediately.

If applying retaliatory measures against the Company’s employee or the Third Party is confirmed, then the Company is obliged to take appropriate measures to protect the rights of the Company’s employee or the Third Party according to the current legislation of the Russian Federation.

4.3 When sending the Report, the Company’s employees and the Third Parties shall exercise caution and report violations only to the persons that, in their opinion, do not take part in the violation.

4.4 The Report is reviewed by employees of the legal department and the economic control department authorized to review the Reports.

If necessary, employees from other departments may be involved in reviewing Reports.

4.5 The employees of the legal department or the economic control department authorized to review the Reports shall inform the Company’s employee or the Third Party who sent the Report about the results of reviewing the Report.

Informing means providing information about whether the fact of violation has been confirmed or not.

Any additional information about the results of considering the Report, including the facts and circumstances identified, the results of the conducted official investigation (if conducted) shall not be provided to the Company’s employee or the Third Party.

Informing the head of the department (to which belongs the Company’s employee in relation to whom the Report was sent) is carried out as necessary.

5 PREVENTING DISCRIMINATION AND RESPECT FOR PEOPLE

5.1 The Company aims at creating working environment with equal opportunities for all employees of the Company, in which all employees are treated fairly, without Pressure/harassing and discrimination.

The Company’s employees shall be aware of the fact how their actions and comments can affect other employees of the Company or the Third Parties.

5.2 All employees are required to treat each other and the Third Parties with respect and dignity.

5.3 Employment decisions of the Company shall be made on the basis of the candidate’s qualifications, skills, performance and the needs of the Company’s business activity.

There shall be no discrimination in relation to employment decisions.

5.4 Any form of physical and psychological abuse is unacceptable in the Company.

It is prohibited to resolve conflict situations at workplace, regardless of the reasons for their occurrence, using forms of physical and psychological abuse.

5.5 If the Company's employee has witnessed or has been subjected to any form of Physical or Psychological abuse, or threats of such abuse, then he/she is obliged to immediately report it to:

- the legal department;
- the human resources department;
- to the economic control department;

6 ETHICS IN BUSINESS COMMUNICATION

6.1 Respect in the course of business communications of the employee with Business Partners and other Third Parties by phone, in person or via corporate e-mail should be personal and professional priority for each employee of the Company.

6.2 All correspondence related to the employee's performance of his/her immediate functions, including correspondence with colleagues, partners and other Third parties, shall be carried out using corporate e-mail.

6.3. The Company's employees are required to adhere to the following ethical principles in business correspondence via e-mail:

- understanding the target audience of the business letter recipients;
- respect for personality and business position of the business letter recipient;
- current corporate signature in e-mails sent;
- punctuality in exchanging information/providing a response;
- compliance with confidentiality principles. It includes inserting confidentiality clauses in the body of the e-mail when sending information that is confidential.

6.4 For all questions related to business correspondence via e-mail, preparation of presentations in the name of the Company for the Third Parties, the Company's employees may contact the corporate communications department and the legal department for approval.

7 CONFLICTS OF INTERESTS

7.1 Due to the fact that in the process of the Company's employees performing their work duties, situations related to the Conflict of Interest may arise, each employee of the Company is responsible for:

- preventing/avoiding situations that may create the Conflict of Interests;
- identifying cases where the personal interests of the Company's employee and his relations with Business Partners may have an undue influence on decisions made by the employee of the Company;
- refusal to make decisions in case of the Conflict of Interests;

- reporting any emerging Conflicts of Interests to immediate supervisor/legal department/economic control department;
- providing immediate supervisor/legal department/economic control department with complete and reliable information about relationships and business interests that may lead to the Conflict of Interests.

7.2 The list of possible situations related to the Conflict of Interests.

- corporate opportunities: using by the Company's employee any corporate property, information or position for personal gain or competition with the Company;
- side activity: participation of the Company's employee in any side activities, if such participation significantly interferes with or distracts the employee from performing his/her official duties in the Company;
- part-time work: performance by the Company's employee of any working functions or provision of services/performance of works in the interests of an organization or person who is a contractor of the Company's competitor;
- personal interests: presence of a direct or indirect personal interest of an employee of the Company in a transaction involving the Company;
- personal investments: ownership by an employee of the Company, in a direct or indirect manner, of a significant number of shares in a company that is a Business Partner, a creditor of the Company, or has another financial interest in or participates in the management of a company that is a Business Partner or competitor of the Company.

7.3 Employees of the Company are obliged to exercise caution and report Conflicts of Interests to a person who, in their opinion, is not a party to the conflict. If there is any doubt, the Conflict of Interests should be reported to both the legal department and the economic control department.

7.4 Any employee of the Company who, after reading the Code, has doubts about whether a Conflict of Interests takes place, shall apply for advice to the legal department or the economic control department.

Heads of departments shall transfer information about potential Conflicts of Interests to the legal department or the economic control department for consideration.

7.5 To minimize risks associated with possible occurrence of the Conflicts of Interests, the Company's employees are obliged to:

- make business decisions based on unavoidable facts and governed by common sense;
- avoid situations as a result of which the Company's employees may receive personal benefit or create the impression that he/she receives such a benefit;
- immediately report actual or potential Conflicts of Interests to the immediate supervisor/legal department/economic control department.
- follow instructions received from the legal department or the economic control department to resolve the Conflicts of Interests.

8 ANTICORRUPTION EFFORTS

8.1 Each employee of the Company shall aim at interacting honestly with other employees of the Company and the Third Parties.

No employee of the Company shall receive an improper benefit from any person through manipulation, concealment of facts, abuse of confidential information, misrepresentation of material facts or any other unfair business practice.

The Company's employees are required to immediately report offers of bribes or commercial bribery to the legal department or the economic control department.

8.2 The Company expressly does not allow the use of bribes, commercial bribery or any other unethical practices that have a corrupt component by the Company's employees or Business Partners acting on behalf of the Company.

Giving of receiving as gifts by the Company's employees from the Third Parties, as well as by the Third Parties from the Company's employees of remuneration, special benefits, discounts or other advantages that are not generally available, is prohibited.

8.3 To minimize risks associated with presence of a possible corruption component in the actions the Company's employees or Business Partners, the Company shall:

- conduct a comprehensive legal check of potential Business Partners before the start of cooperation;
- informs the Company's employees about any facts that can indicate non-compliance by the Business Partner, including a potential Business Partner, with the Company's standards related to combating corruption established by the Code, and takes appropriate measures.

8.4 To minimize the Company's corruption risks, each employee of the Company is obliged to:

- avoid situations where any actions (including, but not limited to, transactions, business transactions) carried out in the interests of the Company or the Third Parties imply corruption;
- study the requirements of the local regulations of the Company and follow them before transferring or accepting any valuables from the Third Parties;
- be aware of and follow the Company's approval procedures prior to transferring any valuables to a public employee.

9 GIVING AND RECEIVING GIFTS AND OTHER BUSINESS HOSPITALITY TOKENS

9.1 Giving and accepting gifts and other Business Hospitality tokens that oblige or may create appearance of obliging the Company/the Company's employees to provide a service in return, and also violate the rules on combating Corruption, are prohibited.

9.2 Giving and accepting gifts or any other Business Hospitality tokens that may be considered as an attempt to influence, provide pressure or manipulate the recipient is prohibited.

In some cases, Business Hospitality tokens may be illegal, for example if the recipient is a government employee.

If the Company's employee has any doubts regarding the provisions of the Code related to giving or accepting Business Hospitality tokens, the employee of the Company shall contact the legal department or the economic control department.

9.3 Giving or accepting Business Hospitality tokens is allowed if:

- they are reasonably priced and they are given and received in an open and transparent manner;
- they are given or accepted to develop legitimate business relationships;
- they are properly recorded according to the requirements of the Company concerning financial accounting;
- they comply with the rules of etiquette rules and the Company's obligation to treat others with respect and dignity;
- it will not cause damage to the reputation of the Company.

9.4 It is prohibited to give or accept Business Hospitality tokens that are:

- prohibited by the Mandatory Requirements;
- expressed in the form of cash;
- excessively expensive and/or luxurious items, the provision of which may be regarded as a bribe or commercial bribery;
- prohibited by the recipient's employer;
- aimed at obtaining undue advantages;
- given for the purpose of obtaining an unfair business advantage or creating appearance of obtaining such an advantage;
- may cause damage to the Company's reputation.

10 Confidential Information and Intellectual Property

10.1 The Company's intellectual property and confidential information are among the Company's most valuable assets.

10.2 Confidential information includes, but is not limited to the following information:

- inventions, new products or technical specifications;
- terms of contracts and prices for goods/works/services, as well as strategic or marketing plans;
- data containing the results of marketing research, competitor and consumer studies;
- significant changes in the composition of the organization's founders;
- business reorganization, planned merger of legal entities or other assets;
- production downtime and other production information of a secret nature;
- important financial and technical data;
- production costs;
- information about customers or suppliers, which is considered confidential by virtue of agreements with such Third parties.

10.3. If, in the course of performing works in the Company, an employee is granted access to confidential information of the Company or another organization that has not been disclosed publicly, the disclosure of such confidential information and other data to which employees have access, as well as their use for personal gain, is prohibited.

In accordance with the legislation of the Russian Federation and the Code, employees shall always ensure confidentiality of such information.

10.4 The Company's employees, that for the purposes of performing their official duties, are granted access to information about inventions, trade secrets, know-how, patents, copyrights and trademarks of the Company; are prohibited from using or disclosing the specified information to other employees of the Company that do not have the authority to receive such information, as well as to the Third Parties.

10.5 The Company's employees and Business Partners are obliged to protect the Company's confidential information, including information on new production and marketing strategies, production processes and product specifications, information on research and development ideas, pricing plans, as well as information on potential investments of the Company and any data that the Company considers confidential.

10.6 Employees are obliged to protect the intellectual property and confidential information of the Company both during their employment with the Company and after termination of such employment.

10.7 Confidential information is subject to disclosure to other persons if it is permitted by the Company or is necessary according to the requirements of the legislation of the Russian Federation.

10.8 Employees of the Company are obliged to protect confidential information, including confidential information received from the Third Parties. In case of illegal receipt, disclosure or distribution of confidential information by the Company's employees, the Company and/or employees may be subject to administrative, civil or criminal liability.

Using intellectual property of the Third Parties without proper permission can also lead to the Company's employees or the Company being held administratively, civilly or criminally liable, as well as to significant losses for both the Company and the Company's employees that permitted the use of such information.

10.9 If the Company's employees have any doubts related to receiving, disclosure or distribution of confidential information, employees should seek advice from legal department experts.

11 Prevention of money laundering. Tax evasion.

11.1 While carrying out its activities, the Company strictly complies with the requirements of the legislation of the Russian Federation aimed at combating money laundering and aims at establishing business relations only with organizations that carry out their activities according to the legislation of the Russian Federation and have an impeccable business reputation.

11.2 While carrying out its activities, the Company takes all possible measures to prevent receiving payments that may constitute the income of another organization from criminal activity.

11.3 The Company's employee is obliged to immediately contact the legal department or the economic control department if he/she suspects the Company or a Business Partner of tax evasion or has discovered such a fact, or if a Business Partner is trying to use the Company to evade taxes.

11.4 While performing its working activities, the Company's employees are obliged to pay attention to signs of corruption in the actions of the Company's employees or the Third Parties, as well as tax evasion or other illegal actions on the part of the Business Partner, for example, when the Business Partner:

- provides minimal, vague or false information about its activities;

- refuses to identify the principals or beneficiaries of the Third Party interests;
- requests that funds shall be transferred under the agreement to or from the countries that are not related to the specified agreement, or to the Third Parties not related to performance of the agreement.

12 ANTITRUST AND COMPETITION

12.1 The Company carries out its activities in compliance with the requirements of the antimonopoly legislation of the Russian Federation.

12.2 The Company does not permit conclusion of agreements with the Third Parties and/or proposals to conclude agreements that do not comply with the requirements of the antimonopoly legislation of the Russian Federation.

12.3 The Company's employees cannot agree or offer entering into agreements with competitors or potential competitors of the Company regarding:

- terms of sale of products to customers, including pricing;
- production rate of manufactured products/output;
- disclosure of information about the customers to whom the Company sells products or about the territories in which the Company sells products;
- any other actions that can restrict competition without any reason.

12.4 If the Company's employee participates in meetings at which employees of the Company's competitors may be present, the employee of the Company shall contact an expert from the legal department to obtain preliminary approval for the employee's participation in such a meeting as well as appropriate recommendations.

12.5 In case of any interactions between the Company's employees and the Company's competitors that may unreasonably restrict competition (have anticompetitive consequences), the Company's employees are required to seek advice from a legal department expert.

Interactions that may unreasonably restrict competition (have anticompetitive consequences) include, among other things:

- exclusivity agreements;
- discount arrangements by volume or loyalty programs;
- agreements on discounts offered to certain customers only;
- price agreements;
- territorial restrictions;
- combining multiple products for sale;
- joint purchasing arrangements;
- any proposed merger, acquisition or joint venture.

12.6 Using unethical or illegal means to obtain information about the Company's competitors is not permitted.

12.7 Employees of the Company are prohibited from:

- obtaining confidential, commercial and/or any other valuable information (hereinafter referred to as “the Commercial Information”) in an unethical and/or illegal manner (including by means of fraud);
- allowing the Third Parties to obtain the Commercial Information for the Company in an unethical and/or illegal manner;
- use Commercial Information inappropriately (including in a manner that can lead to violation of the requirements of the antimonopoly legislation of the Russian Federation);
- receive commercial information from a competitor of the Company;
- use or distribute the Commercial Information that was obtained or transmitted in an unethical and/or illegal manner.

13 PERSONAL DATA PROTECTION

13.1 The Company and its employees are obliged to comply with the requirements of the legislation of the Russian Federation in the field of protection of personal data of individuals: both employees of the Company and employees of the Third Parties, to which the Company has access in connection with performing activities.

13.2 The Company processes personal data according to the requirements of the legislation of the Russian Federation and the local regulatory acts of the Company adopted in their development and solely for the purposes of carrying activities by the Company.

13.3 The Company provides its employees with access to personal data only if the employee needs to use it to perform his/her job duties and subject to the provision of appropriate conditions for working with such data.

13.4 If an employee of the Company becomes aware of a suspected or confirmed leak or unauthorized disclosure of personal data, then he/she is obliged to report it immediately to the legal department and/or the economic control department, and/or by e-mail: compliance@svetopaper.com.

14 SOCIAL RESPONSIBILITY

14.1 In the course of its activities, the Company implements various social (charity) projects and programs.

14.2 Any charitable donations that contradict the requirements of the legislation of the Russian Federation are prohibited.

14.3 If the Company’s employee has doubts regarding legality of any charitable donations, including those related to donations in the interests of government bodies, then the employee shall first ask for advice of a legal expert.

15 ENVIRONMENTAL COMPLIANCE AND RESPONSIBLE MANAGEMENT

15.1 Due to the fact that the activities of the Company are closely linked with the use of natural resources, the Company carries out its activities taking into account the following principles:

- ensuring sustainable forestry;
- improving condition of water resources;

- responsible approach to commercial activities;
- increasing efficiency of cleaning systems;
- reducing negative impact on the environment;
- reducing costs.

15.2 The Company uses natural resources responsibly and requires Business Partners performing works for the needs of the Company to have necessary permits and certifications.

15.3 The Company is committed to responsible forest management practices and works with environmental organizations to maintain healthy forest ecosystems, develop ecologically important areas, conserve and restore forests.

16 Final Provisions

16.1 The Company, its directors, other officials or its authorized representatives that violated the requirements of the Code, as well as the current legislation of the Russian Federation, including labor, anti-corruption, antimonopoly, etc., may be subject to disciplinary, administrative and other types of liability.

16.2 Amendments and additions to the Code can be made on the basis of an order from the Director of the Company in compliance with the procedure established by the current legislation and the Charter of the Company.

16.3 The Code was developed according to the requirements of the legislation of the Russian Federation. In case of any amendments to the requirements of the legislation of the Russian Federation, the Code shall be applied in the part that does not contradict the legislation of the Russian Federation, until the relevant amendments are made to the Code.

16.4 Responsibility for implementing the Code by the Company's employees rests with the members of the Company's Business Management Group.