



**TEXTILE
RECYCLING
INTERNATIONAL**



CODE OF BUSINESS ETHICS

Our Group companies are committed to maintaining high standards of ethics and integrity in the conduct of their business activities. This code of business conduct sets out those standards and is required reading for everyone working for, or on behalf of the Group.

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MESSAGE FROM THE BOARD

Textile Recycling International's reputation for integrity is built on its respect for, and compliance with, the laws and regulations that apply in the countries in which we operate. Additionally, we will behave ethically in dealing with colleagues, customers, suppliers, contractors, stakeholders and competitors, wherever they are located.

This Code is not a replacement for the various rules, procedures, instructions and guidelines that are provided by Group subsidiary companies in connection with their operations. Neither will it necessarily provide answers to each and every situation that someone working on behalf of a Group company may encounter.

Rules and procedures cannot guarantee ethical and legally compliant behaviour, this relies on people doing the right thing.

It is the personal responsibility of all those working for, or on behalf of, a TRIL Group company to observe the standards of conduct and other requirements of this Code of business conduct and to challenge behaviour or actions inconsistent with our reputation for transacting business properly, fairly and with integrity.

Neil Wilson

Director

November 2019

INTRODUCING THE CODE OF BUSINESS CONDUCT

Who must comply?

Our Code of business conduct applies to all our employees and temporary staff in all Group companies. We are committed to working only with third parties whose standards are consistent with our own. This includes contractors, consultants, representatives and agents, customers, subcontractors, suppliers and agents.

Laws in different countries?

In addition to complying with this Code of business conduct, individuals must also comply with the laws and regulations of different countries when conducting international business.

Where differences exist as the result of local customs, normal practice, laws or regulations you must apply whichever sets the highest standard of behaviour.

Failure to comply

The consequences of not complying with this Code can be very serious including damage to our reputation, significant fines and penalties, and even criminal liability for individuals or the company. Any failure to comply with this Code or its supporting policies will be fully investigated and appropriate action taken. Depending on the circumstances, this may include training, discipline, or other corrective action, up to and including termination of employment.

Responsibilities of managers and supervisors

Those individuals who manage or supervise other employees have additional responsibilities under this Code. Managers are responsible for providing leadership and support for their teams to understand the requirements of this Code and how to apply them in practice. Senior managers are also responsible for providing assurance on these matters to the Board of Directors of Textile Recycling International Limited.

Rules only take human beings so far, so our Code also requires you to think – to follow the spirit of our Code, not just the letter, but also to apply these principles and ask what's right. If in doubt, always ask.

Reporting suspected non-compliance

The Group encourages individuals to speak out and raise concerns in situations where the interests of the Group or the interests of others are put at risk.

Employees will generally know when someone within their company is doing something illegal or improper but are often afraid about voicing their concerns. The Group Whistleblowing Policy, as well as this Code of business conduct, protects those reporting suspicions, or allegations, from reprisals or victimisation for whistleblowing.

Instances of non-compliance with this Code of business conduct (or any other Group policy) – whether actual or suspected – must be reported to:

- your line manager.
- your normal company contact (if you are not an employee).
- Group company managing directors and finance directors.

How concerns will be investigated

We are committed to dealing with all concerns fairly, properly and in a professional manner. Matters reported or questions received will be passed to authorised persons within the Group who will ensure that they are dealt with in a professional and confidential manner. All such communications will be held in confidence to the extent consistent with carrying out an appropriate investigation under applicable laws.

Whilst we will try to give the person reporting the matter as much feedback as possible, it may not be possible to give full or specific details as this could infringe upon the privacy of another individual.

No retaliation against those that report

We will not tolerate any form of retaliation, retribution or victimisation against an individual who reports a suspected violation of the Code of business conduct (or any other Group policy) in good faith or who assists with an investigation. This applies even if the report is mistaken and/or the facts later turn out to be inaccurate or do not trigger any further action.

You must immediately report any suspected acts of retaliation, retribution or victimisation which may, if proven, result in disciplinary action up to and including termination of employment of the offender.

Failure to report knowledge of a violation of this Code of business conduct or failure to assist or co-operate in the investigation of reported non-compliance, may result in disciplinary action.

Where you feel unable to report any non-compliance or issue of concern to your line manager or usual contact person, you can report confidentially or anonymously to email: compliance@textilerecyclinginternational.com

HEALTH, SAFETY AND ENVIRONMENT (HS&E)

Our principle : Nothing is more important than the health and safety of every employee, contractor, customer or visitor.

Health and safety

Through the application of our Health and Safety Policy, we require that all Group companies are operated and managed to ensure the health, safety and well-being of all our employees, contractors, customers and others who may be affected by our operations.

We are committed to:

- compliance with legislative and other regulatory requirements and striving for continual improvement.
- taking appropriate steps to minimise accidents and ill health in all aspects of our operations.
- assessment and control of work-related risks by implementing safe systems of work and effective management practices.
- where at all possible, the integration of health and safety into our day-to-day business operations.

Each Group company is an employer in its own right and therefore the principal requirements for managing health, safety and welfare at work falls to each company and its management teams. Managing directors of each subsidiary business are responsible for the day-to-day implementation of health and safety arrangements for the areas and activities under their control. The implementation of this policy requires the co-operation and active involvement of all employees, at all levels and in all areas of our business.

Reporting and recording HS&E incidents

Each employee has the obligation to accurately and completely report incidents to their line manager/ supervisor and local HS&E manager for entry into the Group's HS&E incident records.

The falsification of reports or concealment of facts related to an incident are grounds for disciplinary action up to and including termination.

The Environment

Through application of the Group Environment Policy, we require that all Group companies are operated and managed to ensure that the environmental impact of their products and activities comply with regulatory requirements and best-practices.

We are committed to:

- working with stakeholder groups, including the communities in which we operate, employees, customers and supply chain, to ensure the preservation of the environment by minimising the impact of our products and activities.
- managing waste and reducing emissions to air and water in order to protect the natural environment.
- ensuring responsible energy management and the practice of energy efficiency throughout all our facilities and workplaces.

The objective of the Group's Environment Policy is to ensure that the overall activities of each site are compatible with and conform to, the environment policy and where appropriate, international standards including ISO 14001 (a series of international standards on environmental management).

FAIR, HONEST AND ETHICAL BUSINESS PRACTICES

Our principle : We will never give or receive bribes or participate in corruption

Bribery and corruption

Bribery or corruption could seriously damage our business and impact our reputation.

One single act of misconduct or improper act can not only damage the reputation of the Group, it can also lead to large civil fines, criminal prosecutions and the imprisonment of those involved.

As a UK registered company Textile Recycling International (which includes, by extension, all of its subsidiary companies) is required to fully comply with the UK's Bribery Act 2010. In addition to the Bribery Act 2010, the Group also need to ensure compliance with local laws in the places in which Group companies may be working or operating.

The Group anti-bribery and corruption policy

Through the application of the Group Anti-Bribery and Corruption Policy, we expressly prohibit improper payments in all business dealings.

Individuals must not make, offer or agree to make any unlawful payment or bribe, or other corrupt payment (including facilitation payments) to any customer, regulatory authority or government or public official (including their employees, agents and representatives).

You must not offer, pay, solicit or accept bribes in any form, and will not participate in any kind of corrupt activity, either directly or indirectly through any third party.

You must not give, receive, ask for or permit anyone else to give bribes or engage in any corrupt activities to win new business, retain business or otherwise secure any form of improper business advantage.

Bribes, kickbacks or the giving of anything of value, in an attempt to influence the action or inaction of a government or public official, any private company or person, will not be tolerated and is strictly prohibited. This prohibition extends to payments to or from "commercial intermediaries" or other third-party representatives providing services to a Group company where it is known or should be reasonably suspected that some part of the payment or "fee" might be used to bribe or otherwise improperly influence.

Use of agents, commercial intermediaries and third-party representatives

Commercial intermediaries must be carefully chosen because their improper conduct could expose the Group to legal liabilities and other sanctions.

The UK Bribery Act imposes liability on a UK company if it fails to prevent an act of bribery by a party associated with it or providing services on its behalf – no matter where in the world that conduct took place. Other international anti-corruption legislation imposes similar obligations.

GIFTS AND ENTERTAINMENT

Our principle : We will not give gifts and hospitality that improperly influence a decision.

The Group Gifts and Entertainment Policy.

The Group has implemented a Gifts and Entertainment Policy which requires that:

- individuals must not offer, pay, solicit or accept improper or illegal gifts or entertainment in any form, either directly or indirectly.
- you must not participate in any kind of improper gift or entertainment-related activity, either directly or through any third party.
- all gifts and entertainment will be recorded transparently and accurately in each company's books and records.

Any gifts or entertainment, whether given or received, that exceed the "nominal" set values, must be reviewed and approved by Group company management.

Policy guidance information

The timing of any proposed gift or entertainment is important so as to avoid any improper perceptions or inferences regarding competitive bids, tenders or contract negotiation.

Where a relationship has been formed as a result of Group business, the standards required by the Group policy on gifts and entertainment apply. There is no distinction between the giving or receiving of gifts and/or entertainment in a private capacity or as a Group representative.

Gifts or entertainment must not place the provider or recipient under any obligation and should not be capable of being misconstrued.

Guidance on giving or receiving gifts and hospitality

Gifts – whether given or received - must:

- be nominal in cost: £150 or less in relation to nongovernmental organisations and £30 or less in relation to a government/public official or governmental organisation;
- not be intended to improperly influence a business transaction; and
- only be given or accepted if within the bounds of recognised business practice and local law.
- Cash gifts are never acceptable.

Requests for approval to exceed nominal values - management approval

We recognise that there may be situations where it is culturally appropriate to give or receive something from a customer or supplier that exceeds the "nominal" values and where there is a related business purpose. In such cases employees must obtain management approval and record such approval in a register.

Political donations

Textile Recycling International Group companies are prohibited from making any donation or contribution intended to procure political influence.

Group funds, assets or resources may not be used to contribute to any political cause, party or candidate.

Charitable donations

All companies are permitted to make charitable donations or contributions provided that the prior written approval of the relevant company's managing director or finance director has been obtained.

Charitable donations or contributions must be made against a specifically approved budget and have relevance to the community in which we operate. The donation or contribution must serve the purpose of the charity concerned and enhance our reputation as a good citizen.

Caution must be exercised where a charitable donation or contribution is requested or suggested by a government or public official that individuals may be interacting or working with. In certain circumstances the requested charitable donation or contribution could be perceived as an improper payment, particularly where the request is linked or connected to a project or piece of work that we are bidding for.

CONDUCTING INTERNATIONAL BUSINESS

Our principle : We will not knowingly do business with any party who has been 'blacklisted' by UN, EU, UK or US regulatory agencies or authorities.

Export controls and economic sanctions

The Group seeks to trade in accordance with all valid international economic sanctions and the legal requirements for the import and export of goods, and services in the countries in which it operates. We are committed to ensuring compliance with all regulatory and licensing requirements.

Economic sanctions are trade restrictions imposed by international organisations such as the UN or EU, or occasionally by individual countries, against a target country or state - usually in response to some unacceptable behaviour on the part of the targeted country.

Import and export controls are set up by national laws or the regulations of larger economic entities (such as the EU).

Before any Group company quotes for, agrees to any work or otherwise commits to providing services or products to a customer, it endeavours to make sufficient enquiry to establish the ultimate country of destination (or use) for any services or products to be provided and the source and denomination of the currency for the transaction. This must be properly recorded on all export or import documentation.

Compliance with economic sanctions programmes and import and export controls are mandatory and penalties for non-compliance can be severe including fines, revocation of permits to export and even imprisonment can apply when these laws are broken.

Individuals involved in the sale, shipment or transfer of products or services are expected and required to keep up-to-date with all applicable laws and regulations.

Competition/antitrust laws and regulations

The Group is committed to conducting its business in an open, vigorous and competitive fashion.

We will not engage in any business practice or activity which is in breach of any applicable competition and/or antitrust law.

In general, competition and antitrust laws:

- prohibit agreements between competitors that undermine competition.
- regulate the behaviour of companies that are in a dominant (or market-leading) position.
- require prior review (and in some instances clearance) for mergers, acquisitions and certain other transactions, in order to prevent transactions that would substantially reduce competition.

How to ensure competition law compliance

The following are things that you must avoid doing with a competitor (or competitor representative):

- Do not discuss the pricing or the terms of any Group company's bid or agree to receive information regarding the pricing of a competitor's bid for a project that has been placed out to tender.
- Do not discuss production, sales capacity or volume with a competitor.
- Do not discuss market share, costs, profits or profit margins with a competitor.
- Do not agree with a competitor to target certain customers, products, services or geographic territories.

PROTECTING INDIVIDUALS

Our principle : We avoid or manage situations where our actions could conflict with the interests of the company.

Conflicts of interest

Individuals must avoid conflicts of interest between their private or personal activities and their duties owed to the Group and their relevant Group company.

Conflicts of interest include any personal interests which may affect the ability of a person to make a decision, impartially, in relation their duties.

Even when nothing wrong is intended, the appearance of a conflict of interest can have negative effects. It is crucial to consider how actions might appear, and to avoid the perception of a conflict of interest. Many conflicts of interest can be resolved in a mutually acceptable way, but they must be dealt with. Failure to disclose a conflict may lead to disciplinary action.

Any potential or actual conflicts of interest must be declared by employees to their line manager or HR representative.

Equal opportunities

As a Group we are committed to providing a working environment where equal opportunities are promoted, diversity is respected and discriminatory practices are prohibited.

It is the obligation of all individuals to conduct business and behave in a manner that supports the following commitments and principles, as set out in the Group's Equal Opportunities, Discrimination and Diversity Policy.

These obligations are:

- to create an environment in which individual differences and the contribution of all employees are recognised and valued.
- to ensure that the Group has access to the widest labour market and secures the best employees to match its requirements.
- to ensure that no job applicant or employee receives less favourable treatment and, wherever possible, every employee is given the help that he/she needs to realise their full potential to the benefit of the Group and themselves.
- to achieve an ability-based workforce which reflects both the diversity of the communities in which the Group operates and its customers.

Managers and supervisors have specific responsibility for ensuring that decisions affecting employees or potential employees are taken in a non-discriminatory manner and that all individuals enjoy equality of opportunity in all employment practices, policies and procedures in line with legislation and best practice.

We prohibit discriminatory practices, including any form of discrimination on the basis of race, colour, religion, gender (including pregnancy), national origin, age, marital status, disability, or any other status protected under applicable law.

We strongly encourage the reporting of all incidents of actual or possible discrimination. Management within Group companies are empowered to take appropriate steps to redress allegations of discrimination.

Harassment

Group companies are committed to maintaining a work environment free from harassment in which all individuals are treated with respect and dignity.

Harassment is considered a form of discrimination and it will not be tolerated in the workplace in any form. Individuals must be able to work in an environment which is free from harassment, including victimisation and bullying, and in which we treat each other with mutual respect and dignity.

Workplace conduct, whether verbal or physical, will be considered harassment if it shows hostility toward an individual because of his or her race, colour, religion, gender (including pregnancy), national origin, age, marital status, disability, or any other status protected under applicable law if it has the purpose or effect of:

- creating an intimidating, hostile, or offensive work environment.
- unreasonably interfering with an individual's work performance.
- negatively affecting an individual's employment opportunities.
- violating an individual's dignity.

The Group strongly encourages the reporting of all incidents of actual or possible harassment. The management of Group companies are empowered to take appropriate steps to redress allegations of harassment and will endeavour to ensure that complainants are not retaliated against or victimised as a result of raising an allegation or complaint.

Substance abuse

Group companies will provide a safe and productive working environment by ensuring that the workplace is free from any form of substance abuse.

Individuals are prohibited from being at work or on Group business while impaired by drugs or alcohol or with illegal drugs present in their system.

The use, possession, sale or distribution of illegal drugs and the misuse of legal drugs or other substances is prohibited.

Except where authorised by management, alcohol consumption is not permitted within a Group company workplace or work-site.

Employment and labour laws.

The Group recognises all individuals' basic human rights and is committed to respecting the Universal Declaration for Human Rights in the design of diversity practice and ethical approach to employees, suppliers and customers.

The Group will respect the human rights of all those working for or with us, and of the people in the communities where we operate. We will not knowingly do business with companies, organisations or individuals that we believe are not working to at least basic human rights standards.

Group companies will comply with all applicable wage and working-time laws and other laws or regulations affecting the employer/employee relationship and the workplace.

The Group will not employ child labour in any of our operations.

Privacy and data protection

Data protection and privacy laws regulate the collection, storage, disposal, use and disclosure of personal information (such as names, addresses, dates of births, national insurance or social security numbers, job titles or photographs), which can identify a living person. It can be easy to forget that the data and records we hold and use may contain personal information. We only collect, retain and use personal information required for our legitimate interests, or as permitted by data protection laws. Those with access to it must only use it in an authorised way. We take particular care with sensitive personal information such as medical information.

Individuals must:

- only collect or use personal data for Group business purposes;
- only share personal data if the people whose information held have consented to this or there is some other legal and lawful reason for doing so; and
- keep personal data and information securely, whether it is held electronically or on paper and put in place processes to prevent unauthorised or accidental disclosure or loss.

All Group companies must put in place procedures to ensure that where applicable, any formal registration requirements for the processing of personal data by that company are regularly reviewed and kept up-to-date.

Each Group company must be able to answer any enquiries regarding the processing of personal data from employees, third parties or regulators promptly and within any applicable legislative time limits.

Personal data

Personal data means data which relates to a living individual who can be identified either:

- from that data; or
- from data and other information which is in the possession of, or is likely to come into the possession of, a data controller (the entity which controls the data concerned). The definition includes expressions of opinion about the individual and any indication of intentions in respect of that individual.

Processing means obtaining, recording or holding the information or data, or carrying out any operation or set of operations on the information or data, including:

- organisation, adaptation or alteration;
- retrieval, consultation or use;
- disclosure, transmission, dissemination or otherwise making available the data; or
- alignment, combination, blocking, erasure or destruction.

PROTECTING RESOURCES AND ASSETS

Misuse of company assets

All individuals must protect and preserve the Group's assets and resources. The use of Group assets and resources for anything other than the conduct of Group business requires the express written permission of the relevant Group company's managing director.

The use of Group assets and resources for personal financial gain is strictly prohibited.

Accounting systems, financial reporting and procedures

Each Group company will maintain accounting systems and procedures which conform with generally accepted accounting principles and standards to enable an accurate and fair view of its assets, liabilities, profits, losses and cash flow.

Honest, accurate and complete recording and reporting of accounting and financial information is essential to the Group's credibility and reputation, to meet legal and regulatory obligations and to fulfil responsibilities to shareholders and other external stakeholders. Such recording and reporting also informs and supports the Group's business decisions and actions, informed decisions and actions are impossible with inaccurate or incomplete information.

No record, entry or document shall be deliberately false, distorted, misleading, misdirected, incomplete or suppressed. Problems are best addressed openly and directly rather than by making false or incomplete records or reports to hide problems.

Fraud

Fraudulent acts and behaviours can have significant consequences for the Group and the individuals involved, including loss of contracts, business or opportunities, litigation and reputational damage.

Those individuals who commit or attempt fraud against the Group can expect to face disciplinary action, and, in certain cases, will be reported to the relevant enforcement authorities for criminal prosecution.

If you suspect that fraudulent activity may have occurred you must immediately report such suspicion to your company finance director and/or the Group risk and compliance counsel for further investigation.

Intellectual property

Intellectual property can include any business asset developed for the Group or with Group time and resources.

All intellectual property rights, including patent rights, copyright, design rights, database rights, trade-marks and service marks in all inventions, improvements, documents, plans, designs and computer programs created, devised or undertaken by individuals, belong to the Group.

Individuals must promptly disclose any new idea, process, design, invention or improvement to enable the Group to protect the asset for example, by filing for a patent or a trade mark.

The Group will not knowingly infringe upon or otherwise make improper use of the intellectual property belonging to third parties. Such unauthorised use of others' intellectual property can expose the Group to legal claims for loss and damages.

Individuals are responsible for the proper handling of materials and documents that are copyrighted materials. Such documents must not be copied without first seeking the written authorisation from the copyright owner.

Before installing any software not provided by a Group company's IT department or preferred supplier, employees must check and obtain the written approval of their line manager.

Confidential information and trade secrets

Individuals will protect the Group's trade secrets and other confidential information (whether technical or business information) from unauthorised use or disclosure, including any confidential information relating or belonging to customers, suppliers, contractors, employees and other third parties. An unauthorised release of the Group's non-public business or financial information can have serious legal implications (see sections on Competition Antitrust Laws and Inside Information elsewhere within this Code).

The duties that individuals have in relation to trade secrets and confidentiality not only apply during employment (and whilst services are being provided) but also after any employment or provision of services has ended.

How to protect confidentiality

- Be careful if discussing company business in public places.
- Discuss confidential information on a "need-to-know basis" with those employees who have a legitimate need to know.
- Disclose confidential information to a third party only where there is a compelling business reason to do so and a written non-disclosure or confidentiality agreement in place.
- Take care transmitting confidential materials via e-mail.
- Mark all confidential information "confidential" to notify anyone handling the information that it is confidential and requires special precautions.

Use of IT systems

Individuals must use Group company IT systems properly and responsibly, making sure that the equipment itself and the information it contains remains secure.

Group company IT systems must not be used in any way that might affect their operation or integrity or create a security risk.

Computer hardware and software and all information stored on Group company IT systems are Group property.

The use of Group company IT systems may be logged and may also be monitored for the purposes of information security, operational management, maintenance, business needs and to ensure compliance with laws, regulations and Group company policies.

Any deliberate attempt to disable, defeat or circumvent any Group company logging-system, firewall or other network security system will be subject to disciplinary action, up to and including termination.

Personal use of IT systems

Some Group companies may accept a limited, appropriate and occasional use of their IT and communication facilities for personal purposes. Where limited personal use of IT systems is permitted it should not incur substantial cost, negatively affect productivity or displace any business activity.

RISK MANAGEMENT

Our principle : We seek to identify, quantify mitigate and manage all threats to our business, including developing contingency plans which can be implemented on occurrence of an event.

Policy

The Board is responsible for establishing the overall risk appetite for the Group and for reviewing the performance of each company within the Group. Risk management is integral to our ability to deliver strategic objectives and business plans, and to ensuring that:

- Group companies take informed, rational and controlled risk-based decisions, in line with the Group's risk appetite, that drive business performance.
- risk management is part of the culture of the organisation, applies across all levels of the business and is part of individuals' roles and responsibilities.
- a structured and consistent approach for identifying, assessing, managing and transferring risks is in place.
- the effectiveness of the risk management process is assessed on a regular basis to ensure it remains appropriate to the businesses.

In order to support the control environment, this policy has the following objectives;

- to reduce the likelihood of risk events occurring, mitigate the adverse impact of such events and identify opportunities where taking risks might benefit the business by;
 - improving business performance by informing decision making and
 - protecting revenue and developing a cost effective and efficient internal control environment,
- to maintain and improve stakeholder confidence in our ability to deliver our commitments thereby sustaining and improving our reputation for effective risk management.

Each company within the Group is responsible for:

- Ensuring that effective arrangements and management controls are established and implemented across the operations of the company.
- Ensuring compliance with all Group and legal requirements.