

UNIBALTIC GROUP

CODE OF BUSINESS CONDUCT AND ETHICS

2021

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1. General.

Code of Business Conduct (hereinafter referred to as the "the Code") applies to Unibaltic Group (hereinafter referred to as "the Company", "the Group", "Unibaltic") for the following stakeholders: office employees (hereinafter referred to as "employees"), directors (hereinafter referred to as "the Board"), customers and agents. The Code is an outline of the responsibilities and conduct which shall be followed in the Company. All of our employees shall conduct with respect to ethical business, honesty and integrity. The Company undertakes business activities in accordance with the United Nations Guiding Principles on Business and Human Rights and the Ten Principles of the Global Compact.

https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

Any single business cooperation or joint venture influence the reputation of the Company and have a direct impact on how Company is perceived by the stakeholders and policymakers, therefore it is crucial to make sure that our business partners share the same commitment and follow the principles, mentioned further in this Code.

The company's utmost importance is to run a fair and ethical business to build a consistent relationship with all concerned parties, including local communities. The Code should be treated as a guidance that identifies both ethical and fair business approaches and misconduct as well. Apart from adhering to Company's policies, all employees are required to comply with the regulations of the systems in which the Company operate, including this Code of Business Conduct. Any violation of this Code or policy may result in disciplinary action against an employee.

In order to consistently build a reputation of a trustworthy business partner, the Company shall conduct its business activities in accordance with the Code and create awareness among employees. The Company is mindful of employees and consider them as the greatest value, for this reason, the Company expect to follow the Code in the day-to-day business. Each employee shall:

- ✎ Identify and understand the risk associated with the job position;
- ✎ Be familiar with relevant solutions related to the specific risk;
- ✎ Be familiar with the Code of Business Code;
- ✎ Be updated with any amendments/updates of the Code;
- ✎ Complete the Code compliance training related to the job position;
- ✎ Spread those rules among other employees.

This Code will help our employees to understand their role in the organization and accordance to the company's values. The Board shall lead the way and develop solidarity with the Company and their arrangements shall encourage and inspire the employees to follow the Code.

The Code must be read together with the other policies and procedures implemented by the Company. The Code is reviewed and updated by the Board of Directors on annual basis.

The latest version should be always available on the Company's websites and hard-copy should always be available upon request in both headquarter and subsidiaries.

All concerned parties will be informed about any Code updates. Nevertheless, the Company appreciate the employee's feedback, hence encourage them to share any revisions or ideas to be added in to the Code. Any proposals to be followed by the e-mail address: coc@unibaltic.eu.

2. Misconduct reporting.

Any violation of this Code should be reported via e-mail: coc@unibaltic.eu or via standard post addressed to the appointed person within the organization to the following address: Unibaltic Shipping Ltd., 229 Arch. Makarios III Ave., Meliza Court, 3105 Limassol, Cyprus, with a note "COC". The company will make all necessary efforts to keep it confidential in case an employee wishes to submit a report in such a manner. There will be no retaliation for anyone who submits a report in good faith, even if the report will turn out to be unfounded. Each report will be investigated carefully and fairly. Any breach of the Code should lead to disciplinary actions, including termination of employment/contract, and if applicable – criminal, civil and administrative proceedings. If however, the investigation concludes that an employee has made false allegations deliberately, the employee may also be subject to disciplinary action.

The company is committed to make sure that any individual report under this policy is protected in accordance with relevant legislation and does not suffer any adverse treatment nor retaliation by fellow employees. Any employee involved in such conduct may be subject to disciplinary action.

3. Environment.

We are aware of shipping impact on the environment. The company is committed, but not limited, to:

1. Reducing greenhouse gas emission, by monitoring vessels' energy efficiency and fuel consumption;

2. Reducing fuel consumption through better operational practices;
3. Complying with the Ballast Water Management Convention, by managing ship's fitted with approved ballast water treatment system to minimize the transfer of aquatic species;
4. Complying with all environmental legislation and regulations required by law;
5. Proper segregation of garbage onboard vessels and our office, recycling of used electronic devices, printer cartridges etc., limitation the amount of used plastic (bottles etc.); using of recycled items (copy paper); proper inventory of hazardous materials on board the ships; prompt use of materials with minimum waste and damage to the environment;
6. Taking care of ships to keep them in good technical condition, and good maintenance which is one of the factors of reducing the risk of environmental pollution;
7. Using an antifouling system to minimize drag and additional fuel consumption;
8. Using a low Sulphur marine fuel to reduce GHG emission;
9. A zero spill policy;
10. Education and promotion of environmental responsibility among our employees and counterparties;

The Company shall strive for continuous improvement of environmental protection and reduction of the environmental footprint. The Company manage the inherent risks related to the business and is committed to avoiding the incidents that threaten the safety and integrity of our vessels, such as groundings, fires, collisions, discharges, and oil spills.

We have established key performance indicators to facilitate regular monitoring of our operational performance. We set targets on an annual basis to drive continuous improvement, and we review performance indicators monthly to determine if remedial action is necessary to reach our targets.

At this point, the Company is in the course of developing an ESG strategy which is necessary to run the business in line with UN sustainable goals and governance. Sustainable growth and development are essential to make all necessary efforts to offset human adverse activity and social inequalities.

4. Human rights and labour standards.

The company strives to improve labour standards and efforts which contributes to social responsibility and sustainable growth. The company complies with applicable international and domestic laws, regulations, and rules of the countries of activity. We fully respect human rights and labour standards by following the provisions of the United Nations Universal Declaration of Human Rights, the United Nations Global Compact on Human Rights Principles, the Convention of the International Labour Organization, and relevant domestic law. We will not engage in or support the use of child labour and forced labour.

We supports freedom of employment and associations. We aim to have clear, transparent and fair employment conditions. The company is committed to keeping the level of employees commitment and satisfaction under review through appropriate questionnaires conducted on annual basis.

The Company is very firmly against any forms of mobbing, discrimination or oppression. Any violation shall be reported in line with item 2 Misconduct Reporting of this Code of Business Conduct.

5. Anti-slavery and human trafficking.

We are absolutely opposed to modern slavery and human trafficking in all its forms. Unibaltic is committed to implementing systems and controls to reduce the risk of modern slavery and human trafficking in our supply chains by establishing the Supplier Code of Conduct, and all other parts of our business. This policy is diffused to employees, and we expect all staff to be aware of their obligation.

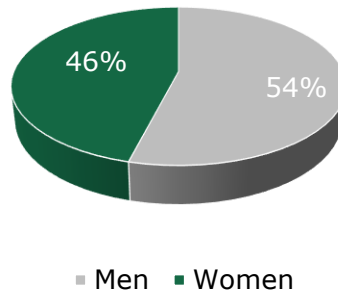
Further, all our employees are required to sign the Code of Business Conduct which includes a commitment to comply with the principles resulting from it. Any breach of this policy will be treated seriously. Any employee who will breach the rule will be disciplined and may be dismissed. In the event of breach of this policy by Company's business partners, the cooperation will be immediately terminated.

6. Diversity and inclusion.

We care about equality. Only the work-related abilities of a candidate is a hiring measure. Skin colour, religion, political views, sexual orientation, disabilities, gender and so on are irrelevant. Every single employee has a considerable contribution to the company's development and success. Unibaltic Group respects individuality and does not tolerate any signs of discrimination against its employees. Any human being deserves respect.

The Company respects the individual employee’s right to private life, active social life. Furthermore, the Company follow the gender equality. The percentage of women hired within the Unibaltic Group is 46%.

Office employees gender division in Unibaltic Group in 2021



7. Safe and healthy work environment.

Bearing in mind our employees, we do our best to provide a safe and healthy work environment. The Company continuously maintain, improve, and develop working conditions. We are always aiming to zero accidents to employees, as well as material and non-material assets.

We comply with the SOLAS, ILO and MLC conventions in the field of fleet and crew management. In this aspect Unibaltic implements also safety procedures in accordance with the International Safety Management Code and MARPOL convention. We fulfill all employees rights in country of activity.

We cannot forget that each employee is responsible for their own health and safety, although safety culture and awareness arise from the Company efforts. Employees shall be familiar with implemented regulations and health and safety rules. The company throughout QMS Department pays special attention to appropriate training.

8. Anti-bribery, Corruption and Facilitation Payments.

We are committed to undertake business with the highest standards of ethical conduct, integrity and accountability throughout our business activities and operations. The company has a zero-tolerance policy towards any form of bribery and corruption and will not engage in any form of these. Any kind of violation shall be immediately reported in accordance with the Code.

The Company expects its employees to adhere to the highest standard of ethical conduct. Our employees must never take advantage of their position within the Company structure or attempt to do so, with the purpose to gain personal benefits or to pay, propose a payment, authorize payment or promise to pay money or anything of value, directly or indirectly, to a Government Official, an existing or potential business partner or any other party, when such payment is intended to influence any further act or decision, to award or retain business, or to induce or reward unethical or illegal behavior or breach of duty.

Such person will be subject to the appropriate disciplinary measures. The Board is committed to implement and enforce effective, adamant policies and procedures to prevent, monitor and eliminate bribery and corruption. The zero-tolerance rule also applies to facilitation payments. It is forbidden to directly or indirectly, accept or attempt to accept or obtain facilitation payments from any person.

For the purpose of this Code, facilitation payments mean payments made to secure or expedite the performance by a person performing a routine or administrative duty of function. Our contractors, sub-contractors, consultants, agents, authorized representatives, and others must comply with this policy when performing work or service for or on behalf of the company.

9. Sanction regulations.

Sanctions relate to certain individuals, legal entities, cargoes, countries, or vessels. Before commencement of a business with a counterparty, the company will do utmost to verify and check a potential client following its compliance procedures. Unibaltic Group is committed to ensure that its business activities do not violate applicable domestic or international embargos or sanctions.

The Company implements procedures ensuring that sanctioned entities and individuals listed in the OFAC, UN and EU sanctions list, are identified and no business is conducted with such entities and individuals. Any breach of this laws may result in criminal, civil or administrative penalties for all involved.

10. Teamwork and trust.

Company expect a mutual understanding and support on the basis of teamwork and integrity between the employees. We value trustworthiness and reliability. These are the values we expect both of ourselves and our partners. Mutual integrity with a feeling of trust and willingness to support are the keys for strong and exemplary cooperation which contributes significantly to long-term cooperation.

11. Money laundering.

It is a generic term used to describe several activities aimed at introducing money or other property values obtained from illegal sources or used for financing illegal activities along with making appearances of legitimate source of such money or values. The main objective of the money laundering criminalization is to deprive criminal activity of profit. Employees are strictly forbidden from participating in or facilitating a money laundering transaction.

Before we establish any business relationship with a third party, the company shall conduct due diligence to verify available information on its proposed business partners and suppliers, to ensure they are reputable and engaged in a legitimate business activity. Any suspicious transactions or suspected incidents of money laundering shall be reported immediately to the appointed person. Employees are regularly trained in accordance with the AML directives.

12. Personal data protection and of confidential information.

Every employee authorized to collect, use, and process any personal information's shall strictly follow the company's General Data Protect Policy. Processing of personal data should be done in accordance with the applicable international and domestic laws. The highest degree of confidentiality must be maintained. Personal information may only be disclosed after obtaining the consent of the concerned person and only for proper conduct of the employment process, or a specific situation where lawful authorization is obtained. An employee before such disclosure is obliged to secure properly the content of personal data.

Employees are well informed and aware that any disclose, disseminate or misuse of confidential data or information regarding the Company's business, customers and suppliers, contracts, agreements and transactions and any legal proceedings commenced by or against the Company, is strictly prohibited. They cannot use corporate property, confidential data, or information to achieve personal interests. This obligation remains in force during the employment period. Any person violating this rule, must consider and face all legal consequences. The Company cooperate only with partners which follow the same standards and rules.

13. Protection and proper use of company assets.

Employees shall use all tangible and intangible assets with care and sensibility. Such assets should be used for legitimate purpose.

Company's assets should be protected against theft and loss, as well as carelessness which have a direct impact on the Company's costs. Any theft, waste or misuse is considered as violation, which shall be reported in line with reporting specified stated in this Code of Business Conduct.

14. Anti-trust and competition law.

Unibaltic ensure that its actions towards business partners, competitors and governmental authorities are handled in concurrence with fair and proper business practices, including but not limited to compliance with laws and regulations, fair competition and anti-trust principles. Any violation of competition rules will be considered as a misconduct.

15. Conflict of interest.

In case when private interests interfere with the interests of Unibaltic, then a conflict of interest occur. There is a basic conflict of interest when an employee or third party acting on behalf of the company, do business with a family member or with anyone with whom has a close relationships. Even if you act properly, such relationship may influence the judgement.

In any kind of such situation, employees or any other third parties are obliged to disclose it. An involved person shall withdraw from the decision making process and inform supervisor immediately.

16. Alcohol, drugs, and smoking abuse.

The company has a zero-tolerance approach towards alcohol and drugs abuse. Use of drugs and alcohol have an influence on work performance and can be threat to health, safety and the environment. Smoking in the workplace is allowed only in designated areas. However, the company encourage employees to quit this unhealthy habit by smoking risk awareness workshops.

The company have established an appropriate drug and alcohol policy. Any person violating the drugs and alcohol policy will be subject to disciplinary actions, including criminal liability. Consumption of legally prescribed psychoactive drugs is permitted for the treatment of identified illness, subject to prior approval by the company.

17. Enforcement.

Violation of this Code may result in reprimand, claim for damages, termination of employment / contract, or loss of office, depending on the severity. In the case of serious violations and breaking of laws, civil, criminal, and administrative liability should not be excluded.

18. Sustainable development.

The company is committed to sustainable development goals in order to meet world's growing energy needs through environmental and socially responsible efforts. To take care of health and safety of its employees, contractors, and community, the Company will take necessary steps to minimize its impact on ecosystems and biodiversity, to use energy and water in more efficient way, to lower GHG emission from its ships. Our vessels are operated in a manner intended to protect the safety and health of our employees, the public and the environment.

19. Sexual Harassment.

Awareness of physical, emotional, and psychological well-being is very important. In this aspect, the company is committed to provide a convenient working environment with a zero-tolerance to sexual harassment. Such an act will be treated as a serious misconduct. For the purpose of this Code, "sexual harassment" means any unwelcomed conduct of a sexual nature in the form of verbal, non-verbal, visual, psychological or physical harassment. Any recipient of such behavior shall report it in accordance with the Code.

20. Customer due diligence.

The company pays special attention to business partners. Before commencement of a partnership with any third party, the Company is verifying an entity, i.e., if has implemented relevant safety and environmental standards in accordance with the ISO 9001:2015 and 14001:2015, legal basis of its activity and verify registration documents in accordance with the KYC procedure, obtain a declaration regarding the share of company's principles stated in this Code in accordance with company's Customer Code of Conduct.

All existing counterparties shall be verified on a yearly basis. Failure to comply with the principles and standards set out in this Code may result in the termination of relationship with the company. The company established special key performance indicators to evaluate and monitor its business partners.

21. Employee initiative.

Unibaltic firmly encourage employees to take the initiative by providing interesting and challenging work environment, where proactivity is appreciated. The Company is aware of the possibility of making mistakes and allow freedom for employees to fail and try again, as long as fail is not associated with violation of this Code.

22. Compliance.

The Company shall apply necessary means of internal control in order to monitor that this Code of Business Conduct is being fully complied with. On an annual basis, a designated person shall report on compliance with this Code to the Board of Directors. Elements of this Code support a positive culture compliance throughout Company and help ensure that integrity is one of the components of the everyday business activities.

Unibaltic regularly carries out a conformity assessments and audits to make sure that implemented measures effectively mitigate the identified compliance risks.

We will consider non-compliance of the Code as a serious matter warranting disciplinary action, up to and including dismissal, in accordance with applicable law.