



CONDUCT OF ETHICS

NAFPAKTOS TEXTILE INDUSTRY S.A.

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Message of the Chairman of the Board of Directors

Dear Colleagues,

NAFPAKTOS TEXTILE INDUSTRY S.A. since its inception, implements business practices, governed by integrity, reliability, confidentiality, transparency, fair conduct in transactions, in full compliance with applicable law. It is also governed by corporate business values and principles, which bind the entire personnel of the Company. This Code of Conduct makes a significant and effective effort to capture the above good practices, that it adopts in the context of its activity, thoroughly describing the principles and ethical values, that govern the Company's relations with our employees, partners, suppliers, subcontractors, and customers.

Our primary concern is to create a climate of mutual trust in the above relations. Trust-based cooperation is considered essential for the efficient operation of our Company. It is noted that the principles described in the Code of Ethics are not intended to replace Labor Law, Case Law, Contracts or Regulations, but describe, as mentioned above, the principles that govern our Company's relations with the above stakeholders.

The philosophy of our Company focuses on the rapid response and coverage of the needs of our customers and the flexible management system. The need to record ethical rules arose mainly from:

- ❖ the nature of our work,
- ❖ the technical systems we use,
- ❖ the growing volume of investments we make,
- ❖ the spatial extent of our activities,
- ❖ our obligations to the supervisory bodies and competent certification bodies.

Adherence to the Code of Conduct further strengthens the common framework of business principles and values that must be observed by all of us, regardless of sector and hierarchical level. It is an element that defines our corporate culture and ensures the healthy development of our Company.

For these reasons, it was approved by a decision of the Board of Directors the appointment of the Internal Auditor as the Head of Regulatory Compliance with the main and primary role of monitoring the compliance of the Company's personnel with the Code of Ethics and ensuring that this Code is fully understood by all of us.

The Regulatory Compliance Officer receives reports of breaches of the Code of Conduct and is a reference point for any action related to implementation. Finally, it can assist you in any ethical issue that arises and especially in cases where there are questions and doubts.

This Code promotes the concept of our corporate and social responsibility in the Greek business community, so I urge you all to study the Code of Ethics carefully and I rely on each of you to implement it.

Vasileios Polychronos
Chairman of the Board of Directors
NAFPAKTOS TEXTILE INDUSTRY S.A.

1. Introductory Preamble

The Code of Ethics of NAFPAKTOS TEXTILE INDUSTRY S.A. (hereinafter referred to as "the Company"), defines the context of its business operation. It was adopted by the Company with the Decision of 27/04/2022 of its Board of Directors, where the validity of this Code begins (hereinafter referred to as "the Code"). Its purpose is to promote a corporate culture, that encourages conduct based on the best principles of business ethics and conduct, as well as the current legislation and the ten universally accepted principles of the United Nations Global Compact, in the areas of human rights, working conditions, the environment and the fight against corruption, with which it is fully committed.

The Code includes the business practices applied by our Company as well as the fundamental Principles and Values that shape the grid of its activities and determine our daily conduct in our relations with employees, partners, suppliers, customers, and any third-party stakeholders. The Code defines the continuous application of the above-mentioned corporate principles by establishing non-negotiable minimum standards of conduct in key areas of our business.

The Company operates in accordance with the relevant regulatory, national, and international provisions and standards. However, as we recognize that the above framework cannot cover every business activity, this Code has been drafted in such a way as to provide full and transparent information to all stakeholders on the business Principles and Values it stands for and a frame of reference in which any of our activities can be included and evaluated.

The combination of this Code with our Company's Principles and Values forms the basis for the development of trust between the Company and the persons, which is and will remain our primary concern in the context of promoting our corporate social responsibility.

2. Purpose - Publicity Formulations

The purpose of the Code is to guide the Company in making decisions in cases where critical dilemmas may arise as to how to resolve issues relating to the principles of business ethics and proper conduct. We seek compliance with the above principles by all stakeholders in our trading circle (e.g. employees, partners, contractors, suppliers, other external partners). Employees, in complying with the Code, must act ethically in the performance of their duties and maintain high standards of honesty, honesty, honesty, reliability and integrity.

In addition, as a Company we fully comply with the applicable legislation and regulatory framework both in our country, where it is established, and in the foreign countries in which it operates successfully.

So, before we study the Code, we should know that:

- ✓ The Code does not cover every emerging issue related to standards of good business practice but includes an indicative description of the standards and values that we should adopt in our day-to-day dealings with each stakeholder. For any emerging issue that requires further consideration and analysis, we must refer to our immediate supervisor or the Regulatory Compliance Officer - Internal Auditor, who will provide us with guidance.
- ✓ Individual sections of this Code are discussed in more detail in our Company's internal prescribed Policies and Procedures.

In conclusion, the Code of Conduct will be communicated to all employees upon their employment and will be posted both on the Company's premises and on the internal network, (intranet), so that it is readily available to each employee and partner. Finally, it will be posted on the Company's website and available in Greek and English, so that it is fully understandable and accessible to all interested parties.

3. Scope of application

This Code is applicable to all our Company's personnel, technical and administrative staff, supervisors, managers, and the Company's senior management, as it is a collective responsibility to adhere to the fundamental Principles and Values that we adopt and that are clearly described in this Code. In addition to our personnel, we encourage our customers, partners, suppliers, subcontractors to adopt the above Principles and to comply with the content of the Code and the Principles of the UN Global Compact.

Our Company actively contributes to the promotion of the concept of corporate social responsibility in the business world, through the implementation of the Code, therefore all interested parties must comply with the spirit of the Code and clearly understand, by studying its content, what is the appropriate ethical business behavior and what will be the consequences in case of non-compliance, which will be analyzed in the following section.

4. Principles, Ethical Values and Responsibilities

4.1 Ethical Values and Principles

Our Company is guided by integrity, honesty, confidentiality, creativity, responsibility, objectivity, transparency, equality, fair professional practices, respect and appreciation for society and the environment.

As a Company:

- ✚ We act with honesty and integrity in all our professional and business relationships, defending the Company's interests, beyond any self-interest, in accordance with *the Conflict-of-Interest Policy*.
- ✚ We promote transparency and open communication with all persons in our trading circle about our Company's activities, which are based on our many years of experience and our qualified staff.
- ✚ We are committed to the correct and lawful use and protection of information and personal data relating to our customers, partners, investors, and employees, in accordance with our Company's compliance with the requirements of the General Data Protection Regulation (EU) 2016/679 - GDPR.
- ✚ We respect diversity and promote equal opportunities in the workplace, in accordance with *the Equal Opportunities Policy*, as set out below.
- ✚ We treat our people objectively, not allowing bias, conflicts of interest and the influence of third parties on our professional judgement.
- ✚ We value flexibility, innovation and entrepreneurial spirit and accept parsimony, diversity of opinions, which we use in a constructive manner and in the best interests of the Company.
- ✚ We apply fair business practices, respecting competing companies, we are against unfair competition, promoting fair play.
- ✚ We promote creativity and innovation in all our activities while ensuring quality in our services and products.
- ✚ We act responsibly, taking responsibility for decisions made with fair judgment.
- ✚ We recognize our environmental responsibility and act in ways that reduce the impact of our activities on the environment, which is why our Company develops and implements an Environmental Management System according to EN ISO 14001:2015.
- ✚ We respect society, we do not take actions that could harm it, instead we support giving back to the communities in which we operate.

4.2 Responsibilities

We acknowledge that:

- ✚ To our customers, we have a responsibility to provide high quality products (cotton yarn), which we must ensure and maintain.
- ✚ To our employees, we have a responsibility to respect their rights, their human dignity, to pay them on fair and competitive terms and to encourage them to participate in the process of planning and controlling their work, freely expressing their ideas and opinions.
- ✚ To our partners and suppliers, we have a responsibility to seek mutually healthy and beneficial relationships, with mutual respect and confidentiality.
- ✚ To the society, we have the responsibility to develop our business activity respecting the law and our role as members of society, promoting sustainable development, and respecting the rules of Quality Assurance, Occupational Health and Safety, Environmental Protection, fully complying with the requirements of ISO EN 9001:2015, 45001:2018 and 14001:2015 standards.

In particular, the Directors of the Company must first and foremost undertake the obligation and faithfully observe this Code. Specifically, they must:

- ✚ Demonstrate ethics and conduct themselves within the principles of business ethics.
- ✚ Cultivate an environment of honesty, safety, and transparency, where employees feel safe to discuss issues of concern and report potential compliance issues and suggestions for improvement.
- ✚ Act promptly on employee objections, notices, reports of violations or harassment and respond promptly when guidance and assistance is requested.
- ✚ Ensure continuous education and training of employees on ethics, sound and fair business practices and ethics.
- ✚ Provide clarification and respond to employee queries regarding the principles of the Code and the Company's internal policies.

4.3 Compliance with Legislation

Our core principle is to comply with the Legislative and Regulatory Framework in all countries in which we operate. We must all respect and comply with the law in the performance of our duties. There is no such thing as ignorance of the law, and we are especially required to be aware of the issues related to the conduct of our Company's business.

We are required to contact the Regulatory Compliance Officer - Internal Auditor and/or the Company's Legal Consultant in case we need any clarification regarding the relevant legal or regulatory framework.

5. The Company's Relations with Third Parties

5.1 Company's Relations with Shareholders

As a Company, we ensure, through its authorized bodies, the provision of all necessary information and assistance regarding the legitimate exercise of the rights of its Shareholders. The institutionalized control mechanisms and internally prescribed Procedures implemented by our Company safeguard transparency and integrity vis-à-vis our Shareholders and reinforce their undisputed confidence in our Company.

5.2 The Company's Relations with Partners and Suppliers

We shall:

- ✓ Apply appropriate procedures and checks when selecting a partner, supplier, or subcontractor to form a view on their integrity, quality, suitability, and reliability and to ensure that they have the expertise, capability, reliability, and the required license to perform the assigned activities in a competent and professional manner. For this reason, our Company has developed and implemented procedures for Procurement (D 42) and Supplier & Subcontractor Evaluation (D 11), in accordance with the requirements of ISO EN 9001:2015.
- ✓ We provide the necessary information regarding the Code before entering into a relevant cooperation agreement. This information includes sufficient detail, considering the characteristics of the partner in question, who is aware that the Code is posted on our website and agrees to comply with the principles of business ethics and conduct that we as a Company adopt.
- ✓ We ensure that all agreements with suppliers, partners and third parties are made in writing and specify precisely the goods and services provided and the fees to be paid. These agreements must be in accordance with commercial practice, current market conditions and competition, always in accordance with the applicable legislation and the internal procedures observed by the Company under conditions of transparency, impartiality.

5.3 The Company's Relations with Customers

Our Company is guided by honesty, integrity & mutual respect in its relations with its customers. In particular:

- ✓ We apply best business practices and standards of ethical and professional conduct in all our relationships with clients.
- ✓ We act with the highest standards of professional integrity, honesty, and consistency in all our professional and business relationships.

- ✓ We make it a priority to satisfy the needs of our clients.
- ✓ We ensure the highest quality in our manufactured products, maintaining it intact.
- ✓ We demonstrate willingness and courtesy when communicating with customers.
- ✓ We strive for meaningful and open communication with them, offering necessary assistance, in whatever is requested.
- ✓ We aim at the optimal and qualitative production of our products, based on our specialized knowledge and our many years of experience.

5.4 The Company's Relations with Employees

5.4.1 Basic Principles

As a Company, we promote honesty, fairness, mutual respect, and appreciation in our relationships with employees. These relationships are based on mutual trust and understanding, encouraging each employee to aim for personal improvement and development.

We value and respect diversity, providing equal opportunities for all employees and encouraging two-way and honest communication, exchange of views and constructive dialogue, demonstrating a spirit of accommodation and conciliation.

Always and primarily respecting the rights of employees and human dignity, the basic principles we adopt as a Company are summarized below:

- Use of drugs and alcoholic beverages

Each employee is expressly prohibited from consuming drugs and alcoholic beverages in the performance of his/her duties

- Child labor

Child labor is defined as the employment of any person below the minimum age permitted by the laws of the countries in which we operate. As a Company we do not use any form of forced or child labor and we as an employer Company demonstrate such forms of labor.

- Occupational Health and Safety

The protection of human life and physical integrity of employees is, in the context of corporate/social responsibility, a primary concern of the Company, therefore we adopt specific Health and Safety rules for our employees. We develop and implement a certified Health and Safety Management System according to ISO EN 45001:2015, achieving a unified and holistic approach to issues related to health and safety in the workplace, by taking the necessary preventive measures against occupational accidents and occupational diseases in the workplace and more specifically in the production plant. Finally, as an employer Company,

fully compliant with the Law (L. 3850/2010), we have a safety technician and an occupational physician, who provide their services with due diligence.

In conclusion, we must ensure:

- The consistent application of health and safety measures as well as the continuous training, education, and awareness of our employees in the application of the above measures
- The suitability of the building facilities (administrative offices and production plant) and the technological infrastructure.
- The access of fire engines and ambulances in case of emergencies and the information of employees on how to deal with such incidents.
- The readiness to provide first aid in the event of an accident at work, through regular training.
- The proper training of our employees on the safety rules when using machinery in the factory premises.

5.4.2 Equal Opportunities Policy

In the Company we foster a working environment that respects human rights, diversity and is characterized by the principle of equality and transparency. We respect diversity whether it is visible, due to age, gender, physique, and abilities or non-visible due to religious beliefs, political opinions, marital status, experiences, and ideologies.

We owe it to ourselves to behave in an equal and fair manner towards every employee, current employee, recruit, and candidate, ensuring equal opportunities for career development. We do not tolerate any form of discrimination and therefore we are fully compliant with the applicable legislation on equal employment opportunities, including those related to harassment and offensive treatment, which will be discussed below, (see 5.4.4).

5.4.3 Recruitment and Evaluation Policy

As an employer Company, recognizing that personnel are a cornerstone in our business operations and growth, we aim to fill all jobs, including production, administrative and managerial positions, with candidates capable of making the greatest contribution to the effort to achieve high performance targets, while seeking to provide opportunities and career development opportunities for existing personnel.

To this end, we are proceeding with the publication of an advertisement on the internet through our Company's website. In cases where there is a need to recruit executives where specific

qualifications are required, these are determined by those responsible and candidates can be sought through specialist consultants.

In particular, in the production positions, which hold the largest number of positions in our Company, people with skillful abilities are selected based on objective criteria, through the performance of relevant comprehension and perception tests, while after assuming the duties of the respective positions, a probationary period of up to two (2) months is carried out, during which we carry out the appropriate training of the new recruit, so that our Company can meet the international quality standards to which its main activity is subjected to the maximum extent possible.

Subsequently, the evaluation process is followed, involving the relevant Director of each organizational group - department and the Plant Manager, which is carried out on an annual basis, through appropriate supervision and on-site inspections at the workplace (administrative offices and production plant) and aims to maintain the high level of performance of our personnel. This evaluation is carried out with complete impartiality and transparency, respecting the professional and human reputation of each of our employees.

Our aim is to provide opportunities for the development and growth of each of our employees according to their performance, professional skills, and abilities and to provide them with continuous guidance in order to foster their interest, creativity and effectiveness.

5.4.4 Anti-Violence and Harassment Policy

As a Company, we are fully compliant with the provisions of L.4808/2021 on the Protection of Labor and we commit ourselves through this Policy to adopt all measures and obligations related to the implementation of the relevant provisions to prevent and address all forms of violence and harassment, including gender-based violence and harassment and sexual harassment.

- The concept of *violence and harassment* includes unacceptable forms of behavior and practices or threats thereof, whether occurring in isolation or repeatedly, which aim at, lead to, or are likely to lead to physical, psychological, sexual, or economic harm and includes gender-based violence and harassment.
- The concept of *sexual harassment* includes any form of unwanted verbal, psychological or physical conduct of a sexual nature which results in the violation of a person's personality, by creating an intimidating, hostile, degrading, humiliating or offensive environment around that person.
- The concept of *gender-based violence and harassment* or gender-based violence and harassment includes forms of conduct related to the sex of a person which have the purpose or effect of violating the dignity of that person and creating an intimidating,

hostile, degrading, humiliating, degrading or offensive environment. These forms of conduct include sexual harassment, as well as forms of conduct related to a person's sexual orientation, expression, identity, or gender characteristics.

As an employer Company, we declare our zero tolerance to any kind of harassment, violence and discrimination in the workplace and we define the rights and obligations of our employees and our Company to prevent and address such incidents and forms of behavior. We acknowledge:

- ✓ the right of every person to be employed in a workplace free from discrimination, violence, and harassment, including gender-based harassment and sexual harassment,
- ✓ that violence, harassment and discrimination in the workplace constitute a violation of constitutionally guaranteed fundamental human rights and that violence and harassment are a threat to equality of opportunity,
- ✓ the importance of a workplace "culture" based on mutual respect, human dignity, and equal opportunities to prevent violence, harassment, and any form of discrimination,
- ✓ that violence, harassment and discrimination in the workplace adversely affect the psychological, physical, and sexual health of individuals,
- ✓ that violence, harassment and discrimination are incompatible with the promotion of sustainable business and have an adverse effect on work organization, labor relations, employee motivation and the Company's commercial reputation and credibility.

Our primary concern is to create and consolidate a coherent and modern working framework that respects, promotes, and safeguards human dignity and the right of every person to a world of work free of violence, harassment and discrimination. In this context, we declare that we recognize and respect the right of every worker to a working environment free from all forms of violence and harassment and that we do not tolerate any such conduct by any person and encourage reporting related to such improper conduct. Therefore, we have provided internally specific procedures to receive and consider complaints (named and anonymous) and investigate reports from the affected or third party, as well as the possibility of disciplinary sanctions in the event of the occurrence of such behaviors.

More specifically, disciplinary sanctions (penalties) are imposed by the Company and consist of the following: a) Oral or written reprimand, which is imposed by the employee's/offender's immediate supervisor or the Company's legal representative and b) Dismissal, which as a penalty is imposed by the Company's Legal Representative, while in special cases the Company's Board of Directors may also take note of it. Finally, when assessing the penalty, the principle of proportionality and the principle of appropriate, suitable, and necessary means shall be applied and any aggravating or mitigating circumstances shall be considered.

Finally, we shall ensure that our staff is informed and educated on the basic principles of this Code, by communicating the content of these Policies to our staff and ensuring that they receive knowledge and understanding of them. By conducting regular training sessions, we ensure that our staff maintains continuous awareness of the core principles, ethical values and fair business practices adopted by our Company.

6. Regulatory Compliance Issues

6.1 Avoiding conflicts of interest

A conflict of interest exists in those cases in which the independent judgment of each employee and/or Board member - necessary for the benefit of the Company - is (or may be) affected by the existence of his/her own interest. These are cases in which the interests of the company are not in line (on the contrary: divergent) with those of the employee and/or board member. Consequently, the satisfaction of one of the interests of both parties precludes (in whole or in part) the satisfaction of the other interest.

We are obliged to act in defense of our Company's interest and to avoid and identify behavior that may lead to any form of conflict of interest. We apply this Conflict-of-Interest Policy and *the corresponding Conflict of Interest Policy*, which has been drafted specifically for the members of the Board of Directors of the Company, covering the requirement of article 97 of L. 4548/2018 and we ensure that those who act on our behalf also comply.

We avoid any conflict of interest that may jeopardize our credibility and commercial reputation. We act outside the Company, in our personal dealings, in a manner that does not conflict or create the appearance of a conflict with the Company's interests, and we promptly disclose to our immediate supervisor or the Internal Auditor-Compliance Officer any potential conflict of interest or any relationship or significant financial interest we have with persons or companies with whom we do business that could result in a conflict of interest or other potential situation that could cause a conflict of interest or other potential situation that could result in a conflict of interest.

In addition, we disclose any situation where a close relative of ours is employed by or provides services to or has a significant financial interest in a competitor, supplier, customer, or other business with whom we have substantial business dealings.

Particular attention should be paid by members of the Board of Directors, who are governed by the *Conflict-of-Interest Policy* in accordance with L. 4548/2018 (article 97).

Finally, it is noted that conflicts of interest can arise in many situations with manifestations of corresponding behaviors, and it is impossible to cover all of them in this Code. In case of doubt, we must immediately inform our supervisor or the Internal Auditor- Regulatory Compliance Officer to provide appropriate guidance.

6.2 Fighting Corruption and Bribery

As a Company, we apply business practices that are governed by integrity, reliability, confidentiality, transparency, fair dealing, fully complying with the current legislation on Anti-Bribery, while promoting the concept of corporate social responsibility in the Greek business community.

Our employees may seek guidance when in doubt about the appropriate handling of an emerging situation and must avoid the slightest indication of improper and inappropriate behavior, as it is a fundamental responsibility of the employee to do the right thing and act with due diligence in whatever is assigned to him/her in the performance of his/her duties, a responsibility that cannot be abdicated.

- Definition & General Principles

Bribery is defined as the offering, promising, giving, receiving, or soliciting of an undue advantage of any value (which could be financial or non-financial), directly or indirectly, and regardless of the location or locations, in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in connection with the performance of his or her duties. In other words, bribery involves any form of "gift", in any direction (both to and from us) for the improper performance of duties.

We consider any kind of corrupt professional conduct and any form of bribery to be manifestly reprehensible. No person acting on behalf of the Company is permitted to provide, directly or indirectly, any form of unfair advantage or other benefit to any person or entity in the Private Sector and/or Public Sector for the ultimate purpose of securing or retaining business and by extension must not accept any such benefit in return for or with a view to any preferential treatment in connection therewith.

In addition, all employees and associates of our Company must refrain from activity or conduct that may give rise to the appearance or suspicion of such a transaction or effort toward this authority.

Promising, offering or providing a gift, payment, or other benefit to a public official of the Greek or foreign state in violation of this Policy is not only contrary to this Code, but may constitute a civil or criminal offense. All our employees and associates should be aware that promising, offering or providing an improper benefit to influence the decision of the recipient thereof, even if not a public official, not only entails disciplinary sanctions, but may result in criminal or civil prosecution against both our Company and its employees, associates. Improper benefits include gifts, payments, favorable treatment or treatment, or any other type of benefit to the recipient.

It is prohibited to give or receive any gift during the period of bidding or negotiating contracts with public entities or other private companies, by a person directly or indirectly involved in the process. Also gifts or other benefits which give the impression that they are intended to create or maintain a business advantage.

In conclusion, no gift or entertainment should be offered or accepted by any employee or partner unless it:

- ❖ it is not a monetary gift,
- ❖ it does not violate any Law, Regulation, or applicable Policy of another,
- ❖ it cannot be construed as a bribe or gratuity or an attempt to influence,
- ❖ it is consistent with normal business practices,
- ❖ is reasonable in value, estimated to be less than or equal to one hundred (100) Euros,
- ❖ it does not involve travel/entertainment, which may involve a kind of luxury or importance in terms of cost.

About the performance bonus, it may be granted by the Board of Directors from time to time depending on the workload of each employee or partner.

- Donations and Charities

Charitable contributions are part of our Company's commitment to social good and social welfare and are a way of contributing to humanitarian causes. Such contributions include gifts of any kind and value to support charitable projects in which there is no expectation of receiving improper business advantage in return. As a Company, we are committed to furthering our charitable purposes and helping to meet the needs of the communities in which we operate.

Any donation related to charitable activities must be appropriately approved in accordance with our relevant policies to avoid misuse of the funds offered. This means, among other things, that both the identity of the recipient and the intended use of these funds must be clear, and the reason and purpose of the donation must be adequately justified and recorded in accordance with the Company's internal procedures.

- Grants to Political Parties

Our members of the Board of Directors, directors, officers, employees, and associates should be aware that the laws generally prohibit corporate contributions to political parties, organizations, committees, or candidates. We expressly prohibit contributions to political parties or candidates, whether made directly by our Company or through associations of companies or joint ventures in which we may participate.

This prohibition applies to a) any monetary contributions or contributions of other Company assets for political purposes; b) encouraging employees to make any such contribution on an individual basis; or c) rewarding or rewarding an employee for such kind.

Employees, on an individual level only, are free to act of their own free will in this area as well as to make such grants and contributions. When required, they should be able to prove that such a transaction is not related to their professional status with the Company.

- Disciplinary Compliance and Actions

We have zero tolerance for any conduct that does not comply with this Code. In this regard, violation of its provisions and more specifically this Policy is a disciplinary offense. Disciplinary authority on behalf of the Company will be exercised by its designated officer from time to time. In the absence of a designation, the Company's legal representative shall be responsible for the imposition of disciplinary sanctions. Disciplinary sanctions will be decided on a case-by-case basis, depending on the nature and seriousness of the infringement, and will be imposed without prejudice to the provisions of the applicable legislation. Disciplinary sanctions include: a) written reprimand and b) termination of cooperation (employment contract, service contract). The management of violations of the Regulations is entrusted to the Board of Directors of the Company. Depending on the severity of the violation, it will take the corresponding actions in accordance with the applicable legislation.

6.3 Fighting Fraud

Fraud is the act or omission of a person who, for the purpose of obtaining an unlawful pecuniary gain for himself or a third party, damages another's property by persuading someone to act, omit or acquiesce in an act, omission, or acquiescence by knowingly representing false facts as true or by improperly concealing or suppressing true facts.

Fraud may be committed by one or two or more persons and involves either employees or external partners (customers, suppliers, subcontractors, etc.). The person committing fraud may seek direct benefit or indirect benefits such as power, influence, promotion, or bonuses to the detriment of the Company, its profits, other employees, shareholders, suppliers and customers.

We do not tolerate and consider any form of fraud and any acts or omissions that could expose us to the risk of fraud to be manifestly reprehensible, (e.g., entry of a supervisor's expenses that relate to his or her personal expenses rather than the Company's expenses).

Finally, we are required to report to the Internal Auditor - Regulatory Compliance Officer all incidents of potential fraud or situations that could expose our Company to such an impending risk.

7. Correct and Fair Use of Information and Data

7.1 Data Protection, Information Security and Confidentiality

As a Company, we fully comply with the applicable Data Protection Legislation (General Data Protection Regulation 2016/679 - GDPR and the implementing L. 4624/2019) and the protection of Corporate/Business Privacy, therefore we maintain internally and the corresponding *Privacy Policy*.

- Definition of Personal Data and Confidential Information

These terms mean any personal data, ("Data"), information or knowledge, ("Information"), disclosed by and to the Company that is not generally known to the public, and that has come to our attention orally, in writing, electronically or otherwise. These may be:

- The Company's business plans or activities, existing or anticipated markets, business organization and marketing policies, advertising initiatives, production and operating methods, products, or services.
 - Personal data of customers, suppliers, partners of the Company, costs of products and services, profits and losses, budget, investments, past or future sales or financial information and data on the Company's financial behavior.
 - Personal data relating to employees, payroll, the Company's responsibilities or liabilities as an employer, the Company's written, oral, or electronic communications.
 - Any information that, if disclosed, true or untrue, could damage the goodwill or reputation of the Company, its suppliers, customers, partners, employees, third party contractors, methods of operation, products, or services.
 - Any other information of any kind or nature that the Company wishes to keep confidential.
- Data Protection and Confidentiality Obligations

We undertake that:

- ✓ We do not process the Information and Data in any way except in the context that is necessary for the performance of the respective contract (employment, cooperation, customer relationship, etc.).
- ✓ We do not use or disclose the Information and Data or communicate orally or in writing or in any other way transfer or disclose to third parties the aforementioned Information and Data, directly or indirectly, in whole or in part, at any time, for any reason or purpose (whether or not for competitive purposes), other than for the purpose of fulfilling our relevant obligations in relation to the tasks we are called upon to perform.
- ✓ We keep such Information and Data in strict confidentiality and prevent their improper use or disclosure to third parties, except if instructed to do so by the relevant Supervisor and/or Director and/or Managing Director and/or if required to do so by a Public Authority, but after informing the relevant competent authorities immediately.
- ✓ We take all necessary and appropriate technical and organizational measures to protect and secure the Data and Information from accidental or unlawful destruction, accidental

loss, alteration, unauthorized dissemination or access and any other form of unlawful processing.

- ✓ Our employees, partners and suppliers are committed to confidentiality through appropriate contractual clauses in their respective contracts (where legally possible) or are subject to an appropriate legal obligation of confidentiality.
- ✓ Our employees have received the necessary training on privacy, Information security and confidentiality.



7.2 Unfair Use of Privileged Information

If we have access to privileged information that may affect the price of the shares or other financial instruments of our Company, as a company listed on a regulated stock exchange, we must maintain the confidentiality of such information. Accordingly, we are obligated not to enter any transaction with respect to such shares, for our own account or for the account of a third party, by taking advantage of privileged information. In general, we must fully comply with the applicable legislation on the unfair use of privileged information, (*see in this regard the EU Regulation (EU) No 596/2014 on market abuse*).

7.3 Asset Management and Financial Reporting

Assets include both tangible assets (plant, electrical and mechanical equipment, production machinery, other equipment, computer hardware and software, furniture, etc.) and intangible assets (trade secrets, patents, trademarks, intellectual property, confidential information, etc.), as well as assets of third parties. In addition, lists of customers, subcontractors or suppliers, information relating to operating and production methods, technical practices, marketing practices also constitute assets of the Company. Our obligation to protect them and not to disclose them to third parties remains intact and unchanged even after each of our employees leaves the Company.

Therefore:

-  We manage the mentioned assets and resources of the Company responsibly and use them in a lawful and fair manner, solely and exclusively for the intended business purposes.
-  We do not appropriate the above assets and resources of the Company for our own benefit and use and do not dispose of them to third parties outside the Company.

- ✚ We must keep the relevant passwords securely stored and refrain from any unlawful reproduction of copies of the software used by the Group and from the unlawful use of such software.
- ✚ We take particular care to avoid loss, damage, unnecessary expense, or misuse of our Company's assets.

As to Financial or Non-Financial Reporting:

- ✚ We are committed to the accuracy of financial reporting and to the correct and accurate disclosure of our Company's financial information.
- ✚ All financial transactions of our Company are always recorded and disclosed in accordance with generally accepted accounting standards and principles and the accounting records present the nature of the transactions in a correct, documented and not misleading manner. We present timely, truthful data characterized by transparency, relevance, comprehensiveness, objectivity, and accuracy.
- ✚ We also believe that non-financial reporting is a critical tool for dialogue and stakeholder engagement, and we are committed to reporting regularly on our non-financial performance, following international standards and best practices, to ensure transparency and to build a climate of trust with all stakeholders.

8. Healthy competition

We are committed to ensuring that all our activities are conducted in a spirit of healthy and fair competition and in strict compliance with all applicable laws in the countries in which we operate. We must refrain from engaging in unfair competition behavior and acts and should implement training programs and compliance audits on a periodic basis.

Practices that constitute unfair competition expose our Company to significant financial penalties and damage its trade reputation and reputational credibility. A proven violation of the relevant legislation may result in civil and criminal liability as well as termination of employment/cooperation with the Company.

In any case of doubt about the legality of any communication, contract, commercial practice, or activity, we consult the Company's Legal Consultant.

9. Environmental Policy

We always strive to apply the highest environmental standards in our activities in relation to the conservation and protection of natural resources and biodiversity, energy consumption, waste management, etc.

We aim to minimize the negative impact on the environment from our activities. In this context, we follow the principle of prevention in environmental challenges and give priority to the development of Environmental Management Systems, applying the internationally recognized environmental standard ISO 14001:2015 as well as the relevant legislation.

As a Company we are committed to:

- ✓ To protect the environment and prevent/reduce pollution from its activities.
- ✓ To continuously improve its environmental performance and Environmental Management System.
- ✓ To minimize its environmental impact, address climate change, protect biodiversity and conserve natural resources throughout the life cycle of its products.
- ✓ To comply with the legislative requirements governing its operations and other compliance obligations accepted by the company.
- ✓ Through environmental management, both to protect the environment and to determine our environmental footprint. Two interlinked issues directly related to climate change and sustainable development, issues that today represent the most important challenge for our planet worldwide.

In addition, we identify the environmental parameters of our activities and develop processes and programs to continuously improve our environmental performance. We aim to:

- ❖ Conserve natural resources by developing a system to monitor their consumption.
- ❖ Management of the solid and liquid waste generated, giving priority to their reuse and recycling.
- ❖ Continuous awareness, training, and information of our staff on Environmental Issues.

We are committed to operating with absolute responsibility and respect for the environment and society. Good environmental management is one of the most important objectives of our Company and is considered essential for the sustainability of our business activities.

10. Breach of the Code - Reporting

If we find violations of this Code, we must report them immediately, by means of a named or anonymous report, in writing at compliance@nafpaktos-yarns.gr or verbally, addressed to the Regulatory Compliance Officer-Internal Auditor and (automatic) notification to the Company's Legal Consultant and the Company's Legal Representative. We may also submit a report to the immediate Head/Director of the Department to which each employee belongs, who is then required to forward it to the Regulatory Compliance Officer-Internal Auditor, who will communicate it to the Company's Legal Advisor and the Company's Legal Representative.

We encourage named reports and commit to not imposing any retaliation or stigma on the individual, making the report. The importance of filing named reports lies in the fact that anonymous reports make the task of thoroughly investigating each incident of violation extremely difficult or even impossible, due to the difficulty of providing accurate but additional information from an anonymous complainant, as well as assessing the credibility of the report. However, even anonymous reports will be taken seriously and investigated. Anonymous reports submitted will be examined according to their degree of substantiation and the possibility of identifying conduct incompatible with this Code.

In all cases, we are committed to maintaining the anonymity of the complainant and not to take any action that may lead to the disclosure of the complainant's identity, unless such disclosure is required by judicial or legal proceedings in the context of the investigation of the incident in question.

As part of this reporting, we must also disclose any incident that may develop into a threat to human life, safety, security, the environment, and the Company's assets.

In all cases, we may seek clarification or advice on matters relating to the Code of Conduct and ethical and regulatory compliance issues from the following sources:

- ✓ The Regulatory Compliance Officer - Internal Auditor,
- ✓ The Legal Consultant.

Reports submitted may include, but are not limited to, the following incidents:

- Theft,
- Theft, Embezzlement, Fraud,
- Threats, Extortion,
- Forgery,
- Forgery after use, Corruption,
- Bribery,
- Misuse of Property, Abuse of Power,

- Misrepresentation of data, Breach of confidentiality,
- Data Leakage,,
- Unethical conduct,
- Behaviour of any kind of harassment, violence, and discrimination (*see above, under 5.4.4*)
- Verbal Abuse,,
- Defamation, etc.

In the relevant report, we must report such criminal acts or omissions, serious irregularities, and shortcomings, which have come to our attention and concern employees or external partners of our Company.

Our basic and inviolable principle is to protect the anonymity and confidentiality of the details of individuals making such reports, and to protect them against adverse treatment. Therefore, any person reporting an incident of a breach has our Company's assurance of:

- protection from retaliation or retaliation if such an incident of violation is reported,
- impartial investigation of the allegations and taking appropriate action to deal with the report appropriately,
- respecting the confidentiality and privacy of the persons involved when examining the report,
- maintaining, as far as practicable, the confidentiality of such allegations made in the context of the report,
- that the person who made the report is fully and promptly informed of the results of the investigation and the action taken in relation thereto.

11. Disciplinary sanctions

Disciplinary sanctions (penalties), in the event of a violation of this Code, are imposed by the Company's Legal Representative, as the person most competent to enforce disciplinary compliance to the Company's personnel, in cooperation (in an auxiliary capacity) or considering the position and opinion of the Regulatory Compliance Officer - Internal Auditor and the Legal Consultant, who assist in the reception and examination of each report. In special cases, the Company's Board of Directors may take note and/or take a decision. The disciplinary sanctions are indicatively the following:

- ▲ Verbal or written reprimand, e.g. for cases where at least one of the mitigating circumstances, (Note A) and none of the aggravating circumstances, (Note B) are present.
- ▲ Dismissal, e.g. for cases where none of the mitigating circumstances (point A) and at least one of the aggravating circumstances (point B) are present

When calculating the sentence, the principle of proportionality and the principle of the appropriate, proportionate, and necessary means shall be applied and any aggravating or mitigating circumstances shall be considered, in particular:

A. Extenuating circumstances

- Individual incident.
- The employee's conduct was due to a justifiable lack of knowledge of this Code and the individual Policies included herein.
- The employee had not received training on the violated Company Code.
- The employee himself made a report of his violation.

B. Aggravating Circumstances

- Repeated conduct.
- Intentional (fraudulent) conduct.
- The conduct was due to gross negligence or recklessness.
- The employee had received guidance or had been disciplined for similar conduct.

12. Validity of the Code

This Code is binding on all of us, regardless of when we were hired. If, in the course of performing our duties, we deal with suppliers and customers, we must bring the Code to their attention and indicate their compliance with its rules, if required.

We must demonstrate full compliance with the basic principles and content of this Code.

The Code of Conduct has been approved and ratified by the Board of Directors of NAFPAKTOS TEXTILE INDUSTRY S.A. on 27/04/2022 and may be amended or cancelled only by the Board of Directors. Any amendments or cancellations will be notified accordingly, and the current Code will be posted on the Company's website (www.nafpaktos-yarns.gr).

This Code shall become effective on the day following its approval by the Company's Board of Directors and shall be binding on the parties concerned from the day after its publication formalities, i.e. its posting at the Company's premises, on its intranet and on its website.