Code of Conduct and Responsible Practices

Palbox Group

2021

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1. Definition and Purpose of the Code of Conduct and Responsible Practices

The **"Code of Conduct and Responsible Practices of the Group"** (hereinafter, the **Code**) establishes the standards of conduct to be observed by the Group (hereinafter referred to as "the Group", "the company", "enterprise", or "organisation") in the performance of its professional responsibilities.

The purpose of this Code is to ensure professional, ethical, and responsible behaviour by the Group and all its employees in the performance of their activities anywhere in the world. It serves as a fundamental element of the Group's corporate culture, which is the basis for the education, personal growth, and professional development of its employees. To this end, the principles and values that must govern the Group's relationships with its stakeholders are defined (employees, customers, shareholders, business partners, suppliers, advisers, consultants, agents, distributors, sales representatives, intermediaries, and any other operator through which it carries out its business model).

Accordingly, the Code:

- Facilitates knowledge and application of the Group's corporate culture, which is firmly based on respect for human and social rights and on the effective integration of all employees within the company, with respect for their diversity.
- Establishes the principle of due diligence for the prevention, detection, and eradication of irregular conduct, regardless of its nature. This includes, among others, risk analysis, the definition of responsibilities, the training of employees and, where applicable, of third parties directly related to the company, and the implementation of procedures, particularly for reporting and immediately eliminating irregular conduct.

- Takes into account the principle of criminal liability of legal entities, as set out in the legal system, and prevents and prohibits behaviours that could give rise to the company's liability on the part of its legal representatives, directors, employees, or any other person under the authority of company personnel.

2. Scope of Application

The Code applies to all companies that form part of the Group and is binding on all its personnel, regardless of their position or role, both within the national territory and abroad.

The full or partial application of the Code may be extended to any natural and/or legal person connected with the Group, whenever this is deemed appropriate for fulfilling its purpose and is possible by the nature of the relationship.

The Code shall be personally notified to all Directors, Executives, and any person representing the Group, when so required by the nature of their relationship, and they must provide written confirmation of their commitment to comply with it. Furthermore, the obligation to comply with the Code shall be expressly included in employees' employment contracts, and a copy shall be provided to them upon joining the company.

Exemptions from compliance, in duly justified specific cases, may only be authorised by the Compliance Committee, which shall report to the management body as soon as possible.

3. General Principles

The Code of Conduct is defined as an ethical commitment that includes fundamental principles and standards for the proper development of relations

between the Group and its main stakeholders wherever it conducts its business activities.

The Code is based on the following principles:

- All Group operations shall be carried out from an ethical and responsible perspective.
- Compliance with the legislation in force in each country is a necessary requirement of this Code.
- The behaviour of Group employees shall conform to the spirit and letter of this Code of Conduct and Responsible Practices.
- All natural and legal persons who maintain any direct or indirect employment, economic, social, and/or industrial relationship with the Group shall be treated fairly and with dignity.
- All Group activities shall be carried out in the most environmentally respectful manner, promoting biodiversity conservation and the sustainable management of natural resources.

Employees

Grupo Palbox does not employ anyone under the age of 18. Exceptionally, persons younger than 18 but over 16 may be employed under the specific category of “apprentice”, always in accordance with the provisions of the applicable Collective Agreement.

No person providing services at the Group’s facilities shall be discriminated against on grounds of race, physical disability, illness, religion, sexual orientation, political opinion, age, nationality, or gender.

Grupo Palbox prohibits all forms of harassment or physical, sexual, psychological, or verbal abuse towards its employees, as well as any other conduct that may create an intimidating, offensive, or hostile work environment.

Employees of the Group are recognised the right to unionisation, freedom of association, and collective bargaining.

The weekly working hours and overtime shall not exceed the legal limit established by the legislation of each country. Overtime shall always be voluntary and remunerated in accordance with the law.

The salaries received by Group employees are consistent with the roles they perform, always respecting the collective agreements of each sector in each country.

All Group employees carry out their work in safe and healthy workplaces.

Customers

Grupo Palbox is committed to offering all its customers a high standard of excellence, quality, health, and safety in its products, and to communicating with them in a clear and transparent manner. These products shall be produced ethically and responsibly.

Shareholders

Grupo Palbox conducts its business in accordance with the corporate interest, understood as the long-term viability and maximisation of the company's value in the common interest of all shareholders.

Business Partners

Grupo Palbox extends to its business partners the obligation to comply with the provisions set out in this Code.

Suppliers

Both the manufacturers of the products marketed by Grupo Palbox and the rest of its suppliers of goods and services must commit to respecting the provisions of this Code.

The Group shall ensure that such compliance is effectively observed.

Society

Grupo Palbox undertakes to collaborate with the local, national, and international communities in which it carries out its business.

4. Commitments to Conduct and Responsible Practices

4.1. Compliance with Applicable Legislation and Internal Regulations

Regulatory compliance is a necessary requirement of this Code. All employees of the Group must comply with the legislation in force in each of the countries where it carries out its production, distribution, and/or marketing activities. Under no circumstances may the application of this Code imply non-compliance with the applicable legal provisions in the countries where the Group operates.

All employees of the Group must comply with the company's rules and procedures, as well as any instructions that may be approved in their development.

Any other local Codes of Conduct that may exist must be aligned with and adapted to the criteria established in this Code, which shall prevail over any other internal regulations, unless the latter are more stringent. Such local

Codes and their implementing instruments must be previously approved by the Compliance Committee.

In order to facilitate appropriate internal control, the decisions of Group employees must be traceable from the perspective of regulatory compliance, so that their conformity with internal and external rules is justifiable, verifiable, and reviewable, either by competent third parties or by the company itself.

Palbox Group undertakes to provide the necessary means to ensure that its employees know and understand the internal and external regulations required for the performance of their responsibilities.

In the event of a breach of this Code, the company has established a communication and whistleblowing channel that allows any person related to the Group to confidentially report any irregularity which, in their view, constitutes a violation of this Code.

4.2. Relations with Employees

Palbox Group regards people as a key business factor, upholds and promotes the observance of human and labour rights, and undertakes to apply regulations and best practices concerning employment conditions, health, and safety in the workplace.

Company personnel will cooperate in the strict observance of applicable labour regulations and in the prevention, detection, and eradication of irregularities in this area. All employees are required to act, in their relations with other employees, in accordance with criteria of respect, dignity, and fairness, taking into account each person's cultural sensitivities, and not allowing any form of workplace violence, harassment, or abuse, or discrimination on the grounds of race, religion, age, nationality, gender, or any other personal or social condition unrelated to merit and ability, with special

consideration given to the care and workplace integration of persons with disabilities.

All employees are responsible for strictly complying with occupational health and safety regulations and for safeguarding their own safety and that of those affected by their activities.

The consumption of substances that may impair the proper performance of professional obligations is prohibited.

4.3. Relations with Customers

All employees are required to act in their relations with customers in accordance with criteria of consideration, respect, and dignity, taking into account cultural sensitivities and not allowing discriminatory treatment based on race, religion, age, nationality, gender, or any other personal or social condition prohibited by law, with special attention given to persons with disabilities.

Palbox Group protects its customers by establishing and implementing mandatory standards for all suppliers concerning product health and safety, ensuring that all marketed products present no risk to customers' health and/or safety when used. Group employees shall ensure compliance with these standards, as well as with all other regulations and procedures relating to labelling, quality, and product characteristics.

In their commercial activities, Group employees shall promote the company's products based on objective standards, without falsifying their conditions or characteristics. Promotional activities will be carried out clearly and transparently to avoid providing false, misleading, or deceptive information to customers or third parties.

All staff are required to safeguard the security of the means of payment used in the company's sales channels, whether physical or online, to ensure the proper functioning and traceability of billing and collection procedures, protect customer data, and prevent fraud and money laundering.

4.4. Market Practices

Palbox Group competes fairly in the market and does not tolerate any deceptive, fraudulent, or malicious behaviour.

The search for commercial or market information by Group employees must always be conducted without infringing the regulations that protect such information. Employees must reject information about competitors obtained improperly or in violation of confidentiality obligations. Special care must be taken not to violate trade secrets when professionals from other sector companies join Palbox Group.

Company employees must also refrain from disseminating malicious or false information about competitors.

Group employees must generally avoid cash payments and payments made in currencies other than those previously agreed. In any case, payments must comply with the policies defined by the organisation. Special control and monitoring must be applied to unusual payments, including payments to or from third parties not mentioned in the relevant contracts, payments to accounts not ordinarily used with a particular organisation or individual, payments to or from entities or accounts located in tax havens, and payments to organisations whose ownership or ultimate beneficiary cannot be identified.

Employees must ensure compliance with regulations regarding customer onboarding processes and product origin declarations, supervising

compliance with the standards and processes established by the company in this area.

4.5. Relations with Suppliers

Group employees must engage with suppliers of goods and services lawfully, ethically, and respectfully.

Supplier selection must be guided by objectivity and transparency, reconciling the company's interest in obtaining the best conditions with the desirability of maintaining stable relationships with ethical and responsible suppliers.

All suppliers working with the Group must commit to respecting the human and labour rights of all employees they engage, and to cascading these principles to their business partners. Breaches of any of these principles shall not, under any circumstances, be accepted by the Group.

Procurement and supply activities must be carried out in strict compliance with the company's rules and procedures in force. All decisions in this area must be documented in such a way that they are justifiable, verifiable, and reviewable by third parties or by the Group's own control bodies. Group personnel are required to protect commercially sensitive information relating to the company's supply chain conditions.

Group employees must not request from suppliers, or accept, information regarding conditions offered to other companies competing with the Group.

No employee of the Group may offer, grant, request, or accept, directly or indirectly, gifts, favours, or compensation, whether in cash or in kind, of any nature, that could influence decision-making related to the performance of their duties.

Any gift or benefit received in contravention of this Code must be immediately returned and reported to the Compliance Committee. If returning the gift is

not reasonably possible, it must be handed over to the Committee, which will issue a receipt and allocate it to a socially beneficial purpose.

In particular, no Group employee may offer, grant, request, or accept gifts from any natural or legal person with whom the Group maintains a relationship, which, individually or collectively within a one-year period, exceed a value of EUR 100 or its local currency equivalent. Gifts in cash are strictly prohibited.

4.6. Relations with Authorities and Officials

Group employees must engage with authorities and public institutions, in the countries where the Group operates, lawfully, ethically, respectfully, and in line with international provisions on the prevention of corruption and bribery. Employees interacting with public administration representatives must be specifically authorised by the company.

Where possible, staff dealing with public administrations must document decisions taken and ensure compliance with internal and external regulations, so that third parties and the company's control bodies may review compliance in this area.

As a general rule, no Group employee may offer, grant, request, or accept, directly or indirectly, gifts, favours, or compensation of any kind to or from public authorities or officials.

It is each employee's responsibility to know and appropriately assess local practices, taking into account the company's interests and reputation. In case of doubt, the Compliance Committee must be consulted.

Group employees must refrain from making facilitation payments, consisting of money or anything of value, of any amount, to secure or expedite any

procedure or action before any judicial body, public administration, or official body.

Employees must avoid obtaining undue tax advantages for the Group and must ensure that tax information reported to the authorities is accurate and faithfully reflects the company's reality. They must also ensure that any aid requested from or received by public administrations is used appropriately and that its application is transparent, avoiding misrepresentation of eligibility conditions or misuse of granted aid.

In countries where international trade requirements and restrictions apply, Group employees must strictly comply with the regulations in force and provide requested information to the authorities.

4.7. Conflicts of Interest

Group employees must avoid situations that may create a conflict between their personal interests and those of the company. They must also refrain from representing the company or intervening in decision-making in which they, directly or indirectly, or any related third party, have a personal interest. They may not use their position within the company to obtain financial or personal advantages or business opportunities for themselves.

No Group employee may provide services as a consultant, director, executive, employee, or adviser to a competing company, except when such services are provided at the request of the Group or with the authorisation of the Compliance Committee.

Palbox Group respects the privacy of its staff and their personal decision-making sphere. Within this framework of respect, employees are encouraged to report to the Compliance Committee any personal or family conflicts of interest that could compromise the objectivity or professionalism required for their function within the Group. This allows the adoption of appropriate measures in the interest of both the company and the affected individuals, while respecting confidentiality.

The following are considered potential conflict situations and must be reported to the Compliance Committee:

- The employee, or related persons, directly or indirectly, by themselves or through a company or institution, engaging in activities that constitute the same, analogous, or complementary business as that of the Group.
- The employee, or related persons, directly or indirectly, by themselves or through a company or institution, engaging in activities that involve the exchange of goods and/or services with the Group, regardless of the agreed remuneration scheme.

4.8. Engagement in Other Activities

Group employees may only engage in external professional or work activities when these do not diminish the expected effectiveness of their job performance. Any external activity that may affect the employee's working hours must be previously authorised by the Compliance Committee.

Palbox Group operates its business model without political interference in the communities where it manufactures, distributes, and/or markets its products.

Any relationship between the Group and governments, authorities, institutions, or political parties shall be based on the principles of legality and neutrality.

Any contributions made by the company, whether in cash or in kind, to political parties, institutions, or public authorities shall always comply with current legislation and guarantee transparency, and must be preceded by a report from the Compliance Committee certifying full legality.

Employees have the right to participate in legally recognised political activities, provided that such activities do not interfere with the proper performance of their work, are carried out outside of working hours and away from Group premises, and cannot be attributed to the company.

4.9. Use of Company Assets and Services

Group employees must use company assets and services efficiently and must not use them for personal benefit.

Employees must never use the equipment made available to them by the Group to install or download software, applications, or content that are illegal, that contravene company policies, or that could harm its reputation. They must also not use company funds or cards for purposes unrelated to their professional duties.

Employees must be aware that documents and data contained in the Group's IT systems and equipment may be subject to review by competent company units or designated third parties, when considered necessary and permitted by applicable regulations.

4.10. Confidentiality of Information and Personal Data Protection

Group personnel have an obligation to protect information and knowledge generated within the organisation, owned or held by the Group.

Employees must refrain from using for personal benefit any data, information, or documents obtained during the performance of their professional activity. Nor may they disclose information to third parties, except where required by applicable regulations, company policies, or with express authorisation. They must also not use confidential data, information, or documents belonging to a third party without written authorisation.

Group personnel undertake to maintain confidentiality and to use any data, information, or documents obtained in the course of their duties in accordance with internal regulations. In general, unless otherwise indicated, information accessed should be considered confidential and may only be used for the purpose for which it was obtained.

Employees must not make duplicates, reproduce, or make further use of such information beyond what is necessary for their tasks, and must not store it on systems not owned by the Group, unless expressly authorised.

The duty of confidentiality continues after the termination of employment with the Group and includes the obligation to return any company-related materials in the employee's possession upon leaving the company.

Group personnel must respect the personal and family privacy of all individuals, whether employees or others, whose data they may access. Authorisations for data use must be specific and justified. Employees must

strictly comply with all internal and external regulations regarding the proper processing of information and data provided to the company by third parties.

In collecting personal data from customers, employees, suppliers, contractors, or any other party with whom the Group maintains a contractual or other relationship, employees must obtain consent where required and ensure that data is used only for the authorised purpose. Employees must also know and respect all internal procedures regarding the storage, custody, and access to such data, which are intended to guarantee the different levels of security required by their nature.

Employees must report any incident they detect relating to information confidentiality or personal data protection to the relevant department or area.

4.11. Protection of Intellectual and Industrial Property

Palbox Group is committed to protecting intellectual and industrial property, both its own and that of third parties. This includes, among others, copyright, patents, trademarks, domain names, reproduction rights, design rights, database extraction rights, and rights over technical know-how.

The Group guarantees the originality of its own designs and ensures that its suppliers guarantee the originality of the designs they provide.

Group personnel are expressly prohibited from using intellectual or industrial property works, creations, or distinctive signs of third parties without confirming that the company holds the corresponding rights and/or licences.

Group personnel shall take the necessary measures to protect intellectual and industrial property, ensuring that processes and decisions in this area are traceable, meaning documented, justifiable, and verifiable, particularly through titles of the works, creations, or distinctive signs, and through

contractual clauses guaranteeing originality and peaceful use of third-party rights.

Intellectual and industrial property resulting from employees' work during their employment with the company, and related to the Group's present or future business, shall belong to the Group company for which the employee provides services.

Only duly authorised brands, images, and texts may be used in marketing and advertising.

4.12. Recording of Transactions

All transactions of economic significance carried out by the company must be clearly and accurately recorded in appropriate accounting records that provide a true and fair view of the transactions and be available to both internal and external auditors.

Group employees must enter financial information into company systems in a complete, clear, and accurate manner, reflecting the company's rights and obligations as of the relevant date in accordance with applicable regulations. Furthermore, the company shall ensure the accuracy and integrity of financial information that must be disclosed to the market under current regulations.

The Group undertakes to implement and maintain an appropriate internal control system over financial reporting, guaranteeing periodic monitoring of its effectiveness. Accounting records will always be available to internal and external auditors. To this end, the Group undertakes to provide its employees with the necessary training to enable them to know, understand, and comply with the commitments established by the company in relation to internal control over financial information

4.13. Social and Environmental Commitment

The Group's Corporate Social Responsibility, understood as its social and environmental commitment in carrying out its activities and for the benefit of all stakeholders, forms an integral part of its business model.

The Group's social commitment may take the form of sponsorship, patronage, and social action activities carried out by the organisation or through collaboration with social organisations.

The Compliance Committee, in accordance with the Group's internal regulations, is the body authorised to approve any contributions to sponsorship, patronage, or social investment programmes.

The Group undertakes to minimise environmental impact throughout the entire life cycle of its products, up to final disposal, by developing, at each stage of design, manufacturing, distribution, sales, and end-of-use, measures to reduce and offset this impact.

Group employees shall carry out their activities in a way that promotes the company's social and environmental sustainability, as a means of responsibly creating value for all stakeholders.

5. Compliance with the Code and the Compliance Committee

In order to ensure compliance with this Code, a Compliance Committee has been established, which may act on its own initiative or at the request of any Group employee, manufacturer, supplier, or third party with a direct

relationship and legitimate commercial or professional interest, by means of a good-faith report.

Communications made under this Code, whether reporting breaches or submitting queries regarding its interpretation or application, may be sent to the company through any of the following means:

- **Postal mail** to: Calle Pizarró, 1 – 4th floor – door 15; 46004 Valencia (Spain), for the attention of the Secretary of the Compliance Committee of PALBOX GROUP.
- **Email** to any of the following addresses:
  - canaletico@grupopalbox.com
  - poltra@rsm.es

The Compliance Committee reports to the Management Body and has the following core functions:

a) Supervision of compliance with and internal dissemination of this Code among all Group personnel.
b) Receipt of all documents related to the application of the Code and their referral, where appropriate, to the relevant company department for processing and resolution.
c) Control and supervision of the processing and resolution of cases.
d) Interpretation of doubts arising from the application of this Code.
e) Proposal to the Management Body, after obtaining the necessary preliminary reports, of any clarifications or implementing rules required for the application of this Code.
f) Supervision of the management of the Ethics/Whistleblowing Channel and compliance with its procedure.

In carrying out its functions, the Compliance Committee shall guarantee:

a) Confidentiality of all data, background information, and actions taken, unless disclosure is required by law or court order.

b) Thorough analysis of any data, information, or document forming the basis for its actions.
c) An appropriate procedure adapted to the circumstances of the case, acting with independence and full respect for the right to be heard and the presumption of innocence of any affected person.
d) Protection against retaliation for any whistleblower acting in good faith.

The Compliance Committee shall have the necessary resources to guarantee the application of this Code.

Decisions of the Compliance Committee, in matters within its competence, shall be binding both on Palbox Group and on employees.

6. Publicity of the Code

This Code shall be made available to all employees, published on the Group's intranet, and be the subject of appropriate communication, training, and awareness actions to ensure its proper understanding and implementation by the entire organisation.

Annex I: Terminology

For the purposes of this Code, the following terms shall have the meanings set out below:

Palbox Group or "the Group". – All companies within the Palbox corporate group worldwide, namely those controlled by Palbox Holding, S.L. as the parent company. Unless otherwise stated, the terms "enterprise", "company",

or “organisation” are understood to refer to each and every company included in the Palbox Group.

Personnel or employees. – All directors, officers, and other employees of the Group, regardless of the form of their engagement, when acting in such capacity, i.e., on behalf of and for the account of the Palbox Group, whether directly or indirectly, in their own name or through an intermediary or through any company or other type of controlled entity.

Related person. – Any person who is in any of the following situations in relation to Group personnel:

- Spouse or partner in a comparable relationship of affection.
- Ascendant, descendant, or sibling.
- Ascendant, descendant, or sibling of the spouse or partner in a comparable relationship of affection.

Suppliers. – The manufacturers of the products marketed by the Palbox Group and any other suppliers of goods and services that maintain direct commercial relationships with the Group.

Business partners. – Customers, joint ventures, joint-venture partners, consortium partners, contractors, commission agents, consultants, subcontractors, suppliers, vendors, sales representatives, advisers, agents, distributors, representatives, intermediaries, investors, or any other natural or legal person in a business relationship with the Palbox Group, regardless of the corporate form adopted.