VelvetCARE

CODE OF CONDUCT
FOR BUSINESS PARTNERS OF THE VELVET CARE GROUP



Version I, October 2026

I. INTRODUCTION

The Code of Conduct for **Business Partners** (hereinafter: the Code) sets out our fundamental principles and values that guide us in our business relationships. It is aligned with the values of the Velvet CARE Group and defines the standards we expect our business partners to observe.

At the Velvet CARE Group, we comply with generally applicable laws and the Group's internal regulations. We ensure that our processes comply with applicable requirements. In our relationships with Customers, Employees and External Partners, we comply with the laws in force in the countries in which we operate.

The purpose of the Code is to promote transparent and responsible conduct that supports sustainable development and the building of long-term relationships. We believe this is **the foundation of successful partnership-based cooperation.**

The Code has been developed on the basis of:

- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
- UN Guiding Principles on Business and Human Rights (UNGPs)
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- Universal Declaration of Human Rights
- Ten Principles of the United Nations Global Compact (UNGC).

The Code applies to all suppliers, service providers, subcontractors and other business partners cooperating with our company, regardless of their legal form, scale of operations or location. We expect every party operating in our value chain to comply with the principles set out in this document and to take steps to implement them within its own organization and among its suppliers. The Code forms part of the Velvet CARE Group's due diligence system for sustainability and human rights.

Compliance with the provisions of the Code may be subject to audits and verification by the Velvet CARE Group. We expect our partners to cooperate fully during audits, inspections and other verification activities related to assessing compliance with this Code.

II. OUR VALUES

We strive to achieve a balance between the natural environment, the development of the communities in which we live, and the business nature of our activities. We believe that these elements can work together and deliver significant benefits.

Our values are:

- **Consumer** – we respond to the expectations of our consumers and business partners by ensuring the highest product quality.
- **Development** – we continuously seek new ways to improve. We act quickly and effectively, setting trends and directions for change.
- **Team** – we are one team sharing common values. We treat one another with respect and promote diversity in all its dimensions.
- **Entrepreneurship** – we strive to operate efficiently from a business perspective and to create benefits not only for our investors, but also for our employees and the communities we are part of.
- **Balance** – growth combined with a commitment to protecting the planet is a driving force behind our actions. We take a long-term approach, aiming not only to comply with existing standards but also to help shape new ones.
- **Heritage** – we draw inspiration from our long history, proud of our successes and humble in the face of experience.

We believe that the way the Velvet CARE Group conducts business is just as important as the business itself. Acting with **high standards of integrity and ethics** is a priority for us.

III. EXPECTATIONS FOR OUR BUSINESS PARTNERS

1. Compliance with applicable laws and regulations

We expect transparency in business conduct. Our business partners undertake to act in full compliance with applicable law in all locations in which they operate.

Business partners cooperating with the Velvet CARE Group undertake to:

- ✓ fulfil tax obligations with due diligence,
- ✓ adapt their activities on an ongoing basis in the event of changes in applicable law,
- ✓ comply with the highest occupational safety standards and responsible employment practices,
- ✓ protect personal data and promptly report any personal data breaches.

2. Respect for human rights

We conduct our business with respect for human rights and human dignity. Any form of forced labour, child labour, human trafficking, violence, workplace bullying or unequal treatment is unacceptable. We expect our business partners to treat others with due respect and to prevent discrimination in the workplace. All activities should be carried out in accordance with the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

Business partners cooperating with the Velvet CARE Group undertake to:

- ✓ provide appropriate employment conditions and act in accordance with applicable standards, including those set out in the Universal Declaration of Human Rights,
- ✓ actively prevent all forms of discrimination and workplace bullying,
- ✓ treat all employees and business partners fairly and with respect,
- ✓ respect their employees' right to freedom of association in accordance with applicable law and the relevant International Labour Organization conventions,
- ✓ oppose slave labour, forced labour and human trafficking,
- ✓ not use child labour in their organization and not permit it among their suppliers, while ensuring compliance with International Labour Organization provisions concerning the employment of minors. An exception may apply to vocational training for young people carried out in accordance with local labour law,
- ✓ provide their employees with fair and decent remuneration.

3. Safe working conditions

Workplace safety is a priority for us. The Velvet CARE Group expects its partners to be fully committed to ensuring the highest occupational health and safety standards. Employees must have access to appropriate personal protective equipment and occupational health and safety training. All actions taken in this area must be properly documented.

Business partners cooperating with the Velvet CARE Group undertake to:

- ✓ strictly comply with legal obligations and occupational health and safety requirements that ensure an appropriate working environment in all locations where the partner operates,
- ✓ respect employee rights in accordance with the International Labour Organization (ILO) standards,
- ✓ provide employees with appropriate protective equipment and continuously update measures designed to prevent accidents,
- ✓ provide regular occupational health and safety training for their employees, as well as training in the operation of equipment to ensure its proper use,
- ✓ monitor and continuously improve working conditions.

4. Responsible environmental practices

We are aware that our activities have an impact on the environment. At the Velvet CARE Group, we invest in technological solutions that help us reduce this impact. We expect our business partners to respect the natural environment and minimize the negative environmental impact of their activities. These efforts should include, among other things, efficient resource management, waste and emissions reduction, and responsible water management. The use of certified and renewable raw materials is preferred. We also support solutions consistent with circular economy principles, including designing packaging with reuse and recycling in mind, increasing the use of recycled materials, and reducing packaging waste, to an extent appropriate to the nature of the business and as required by applicable law, including the Packaging and Packaging Waste Regulation (PPWR).

Business partners cooperating with the Velvet CARE Group undertake to:

- ✓ comply with applicable environmental standards and regulations,
- ✓ contribute to the conservation of natural resources and the protection of areas of special ecological, landscape, scientific or cultural value,
- ✓ properly segregate and manage waste,
- ✓ monitor the impact of their activities on greenhouse gas emissions and seek to reduce them to an extent appropriate to the scale and nature of the Business Partner's activities,
- ✓ use resources efficiently and monitor their consumption as appropriate to the industry in which they operate,

- ✓ apply business and production practices that support circular economy principles.

5. Transparency and due diligence in the value chain

5.1. Requirements for all business partners

The Velvet CARE Group expects its business partners to ensure transparency and traceability in the value chain and to cooperate in carrying out due diligence processes required under applicable law.

Business partners cooperating with the Velvet CARE Group undertake to:

- ✓ ensure that the origin of supplied raw materials, materials and products can be identified,
- ✓ maintain documentation enabling the flow of raw materials and materials through the supply chain to be traced, to the extent required by law,
- ✓ provide the Velvet CARE Group with the information and documents necessary to confirm that supplied products comply with legal requirements and to carry out due diligence processes,
- ✓ identify and mitigate risks related to the origin of supplied raw materials and materials,
- ✓ ensure that supplied raw materials and products have been sourced, manufactured and placed on the market in accordance with the applicable laws of the country of origin or production,
- ✓ promptly report any changes and risks that may affect the traceability or compliance of supplied raw materials and materials.

5.2. Additional requirements for suppliers of products and raw materials covered by Regulation (EU) 2023/1115 (EUDR)

In the case of deliveries of goods, products or raw materials falling within the scope of Regulation (EU) 2023/1115 of the European Parliament and of the Council on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation, and repealing Regulation (EU) No 995/2010, as amended (hereinafter referred to as the “EUDR”), the Business Partner subject to the provisions of the EUDR shall, with respect to each delivery, fully, accurately and in a timely manner perform all obligations assigned to it under the EUDR according to its role in the supply chain, both towards the competent supervisory authorities and towards the Velvet CARE Group. This applies in particular to the obligations of an “operator” (operator/upstream operator), “downstream operator”, or “trader”.

All Business Partners supplying the Velvet CARE Group with goods, products or raw materials covered by the EUDR, regardless of their registered office, place of business, or whether they are directly subject to the EUDR, shall, as appropriate to their role in the supply chain:

- ✓ fulfil their obligations towards the Velvet CARE Group in a manner that supports the prevention of deforestation and forest degradation within the meaning of the EUDR and ensures compliance of production with the applicable laws of the country of production, while also enabling the Velvet CARE Group to fully, accurately and timely meet its obligations under the EUDR,
- ✓ provide the Velvet CARE Group with information or documents necessary to identify and fulfil the Velvet CARE Group's obligations under the EUDR. Depending on the nature of the delivery and the role of the parties in the supply chain, such information or documents may include, in particular, data concerning the origin and composition of goods or products, sources of raw materials, plots of land and their geolocation, production or harvesting dates, legality of production, as well as Due Diligence Statement (DDS) reference numbers or simplified declaration identifiers. The Business Partner shall provide such information within a timeframe allowing the Velvet CARE Group to fulfil its obligations under the EUDR, including prior to delivery where required at that stage,
- ✓ provide information and documents that are accurate, complete, up to date, consistent and verifiable. The Business Partner shall verify their reliability and, where necessary, obtain the required data or documents from its suppliers or other participants in the supply chain,
- ✓ maintain and retain information identifying the entities from which the Business Partner has purchased goods, products or raw materials, as well as information identifying the goods, products or raw materials supplied to the Velvet CARE Group, to the extent appropriate to the Business Partner's role in the supply chain and the requirements applicable to a given delivery, in particular regarding their origin, composition, traceability, sources of raw materials, plots of land and their geolocation, production dates, legal status of the land of origin, and compliance with the applicable laws of the country of production,
- ✓ promptly report to the competent supervisory authorities and, insofar as it affects the Velvet CARE Group's obligations under the EUDR, also to the Velvet CARE Group, any identified irregularities or concerns, and provide any necessary corrections and supplementary information. The Business Partner shall also immediately notify the Velvet CARE Group of any change or new circumstance that may affect the compliance of goods, products or raw materials with the EUDR or the performance of the Velvet CARE Group's obligations under the EUDR. This shall include, in particular, changes affecting the EUDR compliance status of goods, products or raw materials, including changes to the origin or composition of goods or products, sources of raw materials, supplier role, submitted data, or the status of DDSs and declarations, as well as identified non-compliances and substantiated suspicions of EUDR infringements.

Planned changes shall be communicated to the Velvet CARE Group sufficiently in advance of their implementation in deliveries,

- ✓ where reasonably required, cooperate with the Velvet CARE Group and provide appropriate assistance in verifying the compliance of deliveries, information or documents, conducting risk assessment and mitigation, and clarifying and remedying non-compliances. The Business Partner shall also cooperate with the Velvet CARE Group during inspections by competent authorities and justified audits relating to supplies made to the Velvet CARE Group, including by providing explanations and making available the required information or documentation in accordance with the requirements of the supervisory authority and the EUDR. Such cooperation shall be limited to the extent necessary to achieve the purpose of the inspection or audit and shall be carried out in compliance with applicable law and with due regard for confidentiality and the security of all documents, information and data, in particular Confidential Information.

Failure to cooperate to the extent described above may constitute grounds for the Velvet CARE Group to undertake corrective measures, limit the scope of cooperation, or terminate the business relationship.

6. Business ethics

We believe that transparency and integrity are the foundation of business relationships. We operate in accordance with the highest ethical standards and do not tolerate any form of corruption, bribery or conduct that violates the principle of fair competition. Business partners cooperating with the Velvet CARE Group should be guided by the same values and ensure that both their own business activities and those of their employees are conducted ethically. Such activities should be conducted transparently, with respect for ethical principles and with due consideration for the interests of all parties involved in the cooperation.

<u>Business partners cooperating with the Velvet CARE Group undertake to:</u>

- ✓ act honestly and in a socially responsible manner,
- ✓ respond appropriately to cases of corruption or unethical conduct that may affect the development of commercial, official and professional relationships,
- ✓ strive to provide the highest quality of services and meet the needs of their customers,
- ✓ take care of company assets entrusted to them, protecting them against damage, loss, theft or improper, unlawful or dishonest use,
- ✓ enable their employees and stakeholders to report misconduct and irregularities and ensure that persons reporting violations in good faith are not subject to retaliation.

ETHICS LINE

We want to prevent violations of ethical principles and respond appropriately when they occur. If you become aware of any irregularities, report them anonymously via the **Ethics Line**:

- Website: https://velvet.liniaetyki.com
- Email: velvet@liniaetyki.pl
- Phone: (22) 290 67 88

7. Information security

We attach particular importance to the protection of information and personal data and expect them to be processed in accordance with the highest security standards and applicable law. Our business partners are required to ensure the security of all information provided by the Velvet CARE Group and to apply effective safeguards.

Business partners cooperating with the Velvet CARE Group undertake to:

- ✓ comply with information security provisions contained in agreements and confidentiality clauses,
- ✓ maintain appropriate technical and organizational safeguards to protect the Velvet CARE Group's data,
- ✓ report any information security breaches by email to cybersecurity@velvetcare.pl.

8. Anti-money laundering

In accordance with the provisions of the Act on Counteracting Money Laundering and Terrorist Financing, the Velvet CARE Group is required to apply financial security measures to its business partners. These include, in particular, identifying and verifying legal entities and natural persons, analysing and recording certain transactions involving business partners, and reporting information on such transactions to the relevant public authorities.

Business partners cooperating with the Velvet CARE Group undertake to:

- ✓ provide the Velvet CARE Group, promptly upon each request, with the information or documents necessary to carry out the required analyses (including verification of the identity of the natural person authorized to represent the business partner, identification of the beneficial owner, and source of financing). The Velvet CARE Group may be required to provide certain information and report suspected

transactions to the relevant public authorities, including before taking further action on behalf of the business partner.

9. Compliance with sanctions regulations

As part of our cooperation, we expect full compliance with applicable national and EU regulations aimed at preventing support for aggression against Ukraine and protecting national security (including the Act of 13 April 2022 and Council Regulation (EU) 2022/576).

Business partners cooperating with the Velvet CARE Group confirm that:

- ✓ neither the business partner nor its suppliers are included on the sanctions lists specified in Regulation (EC) No 765/2006 or Regulation (EU) No 269/2014, nor on the national list of entities subject to restrictive measures;
- ✓ its beneficial owner, within the meaning of the Act on Counteracting Money Laundering and Terrorist Financing, is not a person or entity subject to the above sanctions;
- ✓ its parent undertaking, within the meaning of the Accounting Act, is not an entity subject to the above sanctions.

10. Compliance with fair competition principles

We believe in a market based on the principles of fair competition. Business partners undertake to refrain from any conduct regarded as unfair competition and to ensure compliance with legal standards protecting fair competition. We also expect partners to avoid situations that may lead to conflicts of interest – both in relations with our company and with other entities. All business decisions must be made independently and transparently. Compliance with fair competition principles is not only a legal obligation but also an expression of responsible and ethical partnership.

Business partners cooperating with the Velvet CARE Group undertake to:

- ✓ comply with legal standards protecting fair competition,
- ✓ prevent all practices that restrict the free market,
- ✓ avoid conflicts of interest and promptly report any such conflicts,
- ✓ maintain a transparent purchasing policy.

11. Consequences of non-compliance

The Velvet CARE Group reserves the right to terminate cooperation with business partners that seriously breach the principles of the Code. In the event of serious or repeated violations, legal action may also be taken.

This document replaces “The Rules of the Compliance”, is consistent with the “Code of Conduct Velvet CARE” and the “Velvet CARE Human Rights Policy”, and provides a solid

foundation for ethical cooperation with business partners. The Velvet CARE Group reserves the right to periodically update the Code of Conduct. The current version is available at www.velvetcare.com.

GLOSSARY

Velvet CARE Group – in accordance with the meaning assigned to the legal definition of a "group of companies" contained in the Accounting Act, all legal entities, including the parent undertaking and subsidiaries, forming part of the Velvet CARE group of companies.

Due Diligence – the process of identifying, gathering information, assessing risks and taking risk-mitigation measures required by law, in particular Regulation (EU) 2023/1115 of the European Parliament and of the Council (EUDR), aimed at ensuring that products comply with applicable requirements concerning legality of origin and the prevention of deforestation and forest degradation.

Business Partner – any entity cooperating with the Velvet CARE Group on the basis of an agreement, purchase order or other commercial relationship.

Child Labour – any form of employment of persons below the minimum age specified in national legislation and ILO conventions.