

CODE OF ETHICS  
AND CONDUCT  
NEXTIL GROUP

N E X T I L  
G R O U P



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## Definition and Object

NUEVA EXPRESIÓN TEXTIL, S.A. (hereinafter referred to as NEXTIL Group) intends to conform its conduct to the legislation in force, in the countries where the group operates, to the requirements of its customers, to the requirements of certified standards and to the requirements of the initiatives voluntarily subscribed by the group, as well as to its internal policies.

This Code of Ethics and Conduct (hereinafter referred to as “the Code”) includes the aforementioned commitment and aims to develop the ethical principles of NEXTIL Group, serving as a guide for the actions of NEXTIL Group’s professionals.

The Code has been developed based on good governance recommendations and on the principles of social responsibility, with general international recognition, which are accepted and promoted by NEXTIL Group.

## Purpose and scope of application

This Code is applicable to all NEXTIL Group’s companies, including:

### NEXTIL Group’s Companies

Elastic Fabrics of America, Inc.

Dogi Spain, S.L.U.

Trípoli Investments, S.L.U.

Géneros de Punto Treiss, S.L.U.

Qualitat Técnica Tèxtil, S.L.U.

Elastic Fabrics, S.L.U

Ritex 2002, S.L.U.

Next Luxury S.L.U.

SICI 93 Braga, S.A

Playvest, S.A

Horizon Research Lab, S.L.

Last updated as of March 30th 2021

This Code recognizes NEXTIL Group’s commitment to the principles of business ethics and transparency in all fields of action as it responds to the new obligations of prevention imposed in the context of the criminal liability of legal persons.

The Code of Ethics and Conduct applies to all professionals, directors and employees of NEXTIL Group, regardless of their hierarchical level and their geographical or functional location.

Suppliers, contractors and other persons who maintain professional relationships with NEXTIL Group shall be aware of the aspects of the Code concerning themselves and, as necessary and whenever it depends on NEXTIL Group, they shall be required to behave according to the principles and standards herein provided.

In the event of a discrepancy between local requirements and this Code, the most stringent requirements shall apply.

## Ethical Principles of Action

Our principles of action are the basis of our Code of Ethics and define the way we develop our activity, consolidating the prestige of our company in the market.

We try with all means at our disposal that our employees share and apply these principles,

in the interest of achieving a common vision. Among these principles, the following are included:

- \_ Legality
- \_ Integrity
- \_ Professionalism
- \_ Sustainability

The behaviour of our professionals must be righteous, ethically acceptable, legally valid, environmentally responsible and socially fair.

Our partners and suppliers are aware of our Ethical Principles of Action, therefore NEXTIL Group tries to know and respect the Ethical Principles of Action of the companies with which it maintains business relationships.

## Legal and regulatory compliance

NEXTIL Group's professionals shall strictly comply with the legislation in force in the place where they carry out their activity, according to the spirit and purpose of the rules, and shall observe the provisions of the Code of Ethics, basic procedures and internal regulations that rule NEXTIL Group's activity, as well as the commitments assumed in their contractual relationships with third parties.

Likewise, all of NEXTIL Group's companies shall equally comply with other applicable Codes arising from the national legislation of the countries in which they operate, as well as with certified standards, internal policies, or with the content of national or international agreements and conventions.

## Relationship with Employees

### HUMAN AND LABOUR RIGHTS

NEXTIL Group expresses its absolute commitment to respect and protect nationally and internationally recognized human and labour rights, and its commitment to the principles set out in the *United Nations Global Compact*, the *OECD Guidelines* and the *Social Policy of the International Labour Organization*.

We do not tolerate neither degrading working conditions, nor involuntary or forced labour, nor child labour.

All of the NEXTIL Group's employees are obliged to treat colleagues, superiors and subordinates with respect and must contribute to the creation of a work environment in which cordiality prevails and no kind of intimidation occurs.

Any manifestation of physical or mental harassment, violence, abuse of authority at work or any other misconduct that creates an offensive or hostile environment for the

personal rights of its employees is prohibited. Specifically, NEXTIL Group shall promote measures to prevent sexual harassment, whenever deemed necessary.

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

It shall be paid a living wage according to the employee's position, always respecting the legal minimum wage and complying with the agreements of each sector, as well as the national legislation in force.

NEXTIL Group recognizes and respects the rights of unionization, freedom of association and collective bargaining.

### NON-DISCRIMINATION AND EQUALITY

We promote non-discrimination based on age, sex, gender, marital status, sexual orientation, union or political affiliation, religion, ethnicity, nationality, social origin, or any other personal, physical or social condition of our professionals, as well as equal opportunities for them.

In particular, NEXTIL Group shall promote equal treatment for men and women with regard to access to employment, training, promotion of professionals and working conditions.

NEXTIL Group declares its commitment to develop initiatives that promote the conciliation of employees' personal and family life and the balance between their life and work responsibilities.

### STAFF SELECTION AND TRAINING

We shall maintain an objective and rigorous selection program, based on the candidates' academic, personal and professional qualifications and taking into account the needs of NEXTIL Group.

Training programs provide equal opportunities and the development of our employees' professional career.

NEXTIL Group's professionals undertake to constantly update their technical and management knowledge and to attend the training programs provided by NEXTIL Group.

### SAFETY AND HEALTH AT WORK

NEXTIL Group promotes safe and hygienic working conditions and shall adopt the preventive measures provided for this matter in the legislation in force, in order to prevent and minimize occupational risks, ensuring the protection of employees and avoiding their overexposure to chemical, biological and physical hazards.

Likewise, professionals are responsible for strict compliance with health and safety standards at work, as well as they should also ensure their own safety and the safety of those with whom they have a professional relationship.

#### MEANS FOR THE DEVELOPMENT OF PROFESSIONAL ACTIVITY

We are committed to providing all professionals with the resources and means necessary for the development of their professional activity and, in turn, NEXTIL Group's professionals undertake to make a responsible use of these resources and means, performing exclusively professional activities in the interest of NEXTIL Group.

NEXTIL Group holds the rights of use and exploitation of software and computer systems, hardware and manuals used by employees in the course of their activity. Professionals shall respect the principle of confidentiality regarding the characteristics of rights, licenses, software, systems and technological knowledge, in general, which ownership or rights of use or exploitation belong to NEXTIL Group.

The use of hardware, computer systems and software that NEXTIL Group provides to professionals for the development of their activity must comply with safety and efficiency criteria, excluding any use, action or informatic com-

mand that is unlawful or contrary to the rules or instructions of NEXTIL Group. Professionals are expressly prohibited from exploring, reproducing, copying or distributing any computer systems and applications owned by NEXTIL Group for purposes unrelated to the company. Therefore, professionals are expressly prohibited from running or executing any software or application on hardware provided by NEXTIL Group which use is illegal or could damage the systems or the image or interests of NEXTIL Group, customers or third parties.

#### Relationship with Customers

NEXTIL Group is always improving the offer and quality of its products and services, also trying to establish relationships of trust and mutual respect with customers in order to satisfy their needs and expectations.

In their relationships with clients all professionals shall act according to criteria of courtesy, respect and dignity.

Information provided to customers shall be clear, transparent and truthful in order to avoid omission and false, deceptive or misleading information to customers. Products and services shall be promoted based on objective criteria, as they should be the most advantageous for customers and that best suit their needs.

NEXTIL Group protects its customers by es-

tablishing and implementing mandatory standards for all its products and services.

NEXTIL Group shall protect its customers' data confidentiality, undertaking to not disclose such data to third parties, except with prior consent or by legal obligation.

#### Relationship with Suppliers

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

NEXTIL Group shall guide supplier selection processes according to criteria of objectivity and impartiality and shall avoid any conflict of interest or favouritism during the selection.

#### Relationship with the Market

NEXTIL Group undertakes to compete fairly in the markets and shall not make misleading advertising or that somehow denigrates its competitors or third parties.

NEXTIL Group is committed to promoting free competition for the benefit of consumers and/or users. NEXTIL Group shall

comply with the regulations for competition defense, avoiding any conduct which constitutes or may constitute collusion, abuse or restriction of competition.

Employees shall reject information about competitors obtained improperly or in violation of the confidentiality under which it is kept by its rightful owners.

#### Relationship with Shareholders

The purpose of NEXTIL Group is the continuous creation of value for its shareholders. For this reason, NEXTIL Group undertakes to provide objective, transparent, adequate and timely information on the evolution of the company and under conditions of equality for all shareholders.

We intend that our economic and financial performance increases the value of NEXTIL Group, thus being possible to remunerate the risk assumed by the shareholders with their capital investment.

#### Invitations and Gifts

As a general rule, NEXTIL Group's employees shall not offer or accept any gifts in

the course of their professional activity. They can offer and accept gifts which have an irrelevant pecuniary value, correspond to signs of courtesy or usual commercial souvenirs and are not prohibited by law.

We do not tolerate corruption or the acceptance or offering of bribes. Acts of bribery, expressly prohibited, include the offer or promise, directly or indirectly, of any kind of illegitimate advantage, any means to conceal it, as well as influence peddling.

NEXTIL Group's employees cannot give or accept hospitalities that influence or might influence the decision-making process. In case of doubt, the offer shall be rejected or, if appropriate, the employee's superior or the Compliance Officer shall be consulted in advance.

## Social Responsibility

We promote a culture of Corporate Responsibility in accordance with the fundamental principles and matters of the universally accepted standards of reference and we guide our action according to Sustainable Development criteria that go beyond mandatory legal compliance.

NEXTIL Group is committed to identifying and responding to the internal and external social impacts of its activity, as well as other

aspects related to corporate social responsibility, assuming company's ethical responsibilities towards workers and the community. We aim to integrate the Shared Value creation in our business model's strategy, ensuring that NEXTIL Group's benefits correspond to benefits for the communities and that such compatibility defines a sustainable and viable long-term management model.

## Environmental Protection

NEXTIL Group takes on the commitment to respect the environment, minimize its environmental impact, contribute to reinforcing the response to the climate emergency and biodiversity preservation, prevent depletion of natural resources and contamination.

NEXTIL Group intends, in addition to complying with the standards established in the applicable environmental regulations, to adopt the best practices and develop technologies and products which improve its environmental performance.

These commitments are incorporated in its business model. For this reason, NEXTIL Group has defined a policy and implemented environmental management systems which set goals and targets in order to progressively reduce the environmental impacts of its activities.

## Information Security

### INFORMATION CONFIDENTIALITY AND PERSONAL DATA PROTECTION

We respect our employees' right to privacy in all its forms and especially with regard to personal, medical and economic data. NEXTIL Group's professionals undertake to make a responsible use of the means provided by NEXTIL Group and of all computer systems. Such means are provided for professional use only.

We protect and take measures to keep confidential and personal information in our possession by collecting and processing data in accordance with applicable laws, professional obligations and our own data management policies and practices.

We undertake not to disclose personal data of our employees, except with the prior consent of the interested parties and in cases of legal obligation or compliance with a court or administrative order. Professionals' personal data may not, under any circumstances, be processed for purposes other than those legally or contractually foreseen. The use of any of our customers' confidential information for personal or third-party benefit is strictly prohibited.

The collection, use and treatment of customers' personal data must guarantee the

right to privacy and compliance with the legislation on personal data protection, as well as the rights recognized to customers by Information Society Services and Electronic Commerce Act and other applicable provisions.

### INTELLECTUAL AND INDUSTRIAL PROPERTY PROTECTION

NEXTIL Group is committed to protecting its own and its customers' intellectual and industrial property rights.

This includes, but is not limited to, copyrights, logos, patents, trademarks, domain names, reproduction rights, design rights, database extraction rights, and rights over technical knowledge and expertise.

NEXTIL Group shall take the necessary measures to protect intellectual and industrial property both internally and with the companies with which it maintains commercial relationships.

## Diffusion, training and communication

NEXTIL Group's Compliance Officer shall promote the dissemination of the content of the *Code of Ethics* among NEXTIL Group's employees and all agents and stakeholders

that maintain a relationship with NEXTIL Group.

Diffusion shall be carried out through specific training and internal communication plans and actions.

The *Code of Ethics* shall be available to all of NEXTIL Group's professionals in their language and shall be published on NEXTIL Group's website, which is: [www.nextil.com](http://www.nextil.com)

NEXTIL Group's employees expressly accept the rules of conduct foreseen in the *Code of Ethics*.

## Creation of the Whistleblowing Channel

NEXTIL Group shall create a Whistleblowing Channel in order to promote compliance with the legislation and rules of conduct foreseen in the *Code of Ethics* and other business policies.

This Channel provides all NEXTIL Group's employees with a mean of communication to report behaviours involving the commission of an irregularity or an act contrary to law or rules of conduct foreseen in the *Code of Ethics* or any other regulation, as well as to clarify any doubt arising from its interpretation.

## Disciplinary Regime

NEXTIL Group shall, in turn, develop the necessary measures for the effective application of the *Code of Ethics*.

When a breach of law or non-compliance with the *Code of Ethics* is detected within NEXTIL Group, the Compliance Officer shall instruct the Human Resources Department to apply disciplinary measures in accordance with the infractions and sanctions regime established in the local collective agreement.

## Approval and amendment

The *Code of Ethics* shall be reviewed and updated periodically. Any employee can formulate proposals for its improvement or promote the updating of the *Code of Ethics* as a whole.

**The revision of the Code shall be approved by the Company's Board of Directors and shall be ratified by its shareholders.**

**The Code of Ethics was approved at the NEXTIL Group's Board of Directors meeting held on the 30th of November 2020.**

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