Policy on Fair Competition and Anti-Competitive Practices

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| **Version** | **Issued** | **Revised** | **Next review due** | **Owner** |
| 1 | 16.07.2025.2025 |  | 30.12.2026 | AMDAP ESG Leadership Group |

1. Scope

This policy applies to all PADMA directors and employees, including freelancers, contractors and trainees.

1. Purpose

The purpose of this policy is to clearly articulate PADMA's unwavering commitment to fair competition and to explicitly prohibit any involvement in anti-competitive practices. It aims to ensure that all employees and directors understand their responsibilities in upholding competition laws and fostering a fair and ethical business environment that benefits clients and promotes innovation.

By adhering to this policy, PADMA demonstrates its unwavering commitment to fair competition and ethical business conduct, contributing to a healthy and dynamic marketplace

1. Definitions and principles

**Compliance:** We will adhere to all laws and regulations designed to prevent anti-competitive behaviour, including those related to price fixing, market allocation, bid rigging, and the abuse of a dominant position.

**Fairness:** We will compete fairly and ethically, basing our success on the merits of our products, services, and business practices.

**Integrity:** We will maintain the highest standards of integrity in our interactions with competitors, clients, suppliers, and other stakeholders.

1. Our Commitment

PADMA is committed to fair competition and will conduct its business in full compliance with all applicable antitrust and competition laws and regulations worldwide. We firmly believe that a competitive marketplace fosters innovation, efficiency, and benefits consumers. Therefore, we strictly prohibit any involvement in anti-competitive practices.

1. Policy and Procedures

The following activities are strictly prohibited:

**5.1 Agreements with Competitors:** Any agreement, understanding, or concerted practice with competitors that aims to restrict competition, including but not limited to:

**Price Fixing:** Agreeing to set, raise, lower, or stabilize prices.

**Market Allocation:** Dividing markets, customers, or territories.

**Bid Rigging:** Colluding on bids or tenders.

**Output Restrictions:** Agreeing to limit production or sales.

* 1. **Abuse of Dominant Position:** Engaging in practices that unfairly exploit a dominant market position to harm competition, such as:

**Predatory Pricing -**Selling below cost to eliminate competitors.

**Exclusive Dealing -**Unfairly preventing customers from dealing with competitors.

**Tying and Bundling -** Unfairly conditioning the sale of one product or service on the purchase of another.

* 1. **Anti-Competitive Information Exchange:** Sharing competitively sensitive information with competitors in a manner that could facilitate collusion.

**5.4 Unfair Competition:** Engaging in other unfair or deceptive business practices that harm competition.

Any violations of this policy will result in disciplinary action, up to and including termination of employment. Furthermore, engaging in anti-competitive practices can have severe legal and financial consequences for both the individual and the company.

1. Implementation and Responsibilities

**AMDAP ESG Leadership Group** is responsible for overall communication, implementation and management of this policy.

**Employees and Directors:** All employees and directors are responsible for understanding and complying with this policy and all applicable competition laws. They must be vigilant in identifying and avoiding any conduct that could be construed as anti-competitive.

**AMDAP Directors**: Are responsible for seeking legal guidance on competition law issues, reviewing anti-competitive conduct and ensuring ongoing compliance.

**PADMA Country Directors:** Country Directors are responsible for fostering a culture of compliance and ensuring that employees receive adequate training on competition law and this policy.

The Global Head of ESG oversees this policy on behalf of AMDAP Leadership Group and is responsible for ensuring a record of grievances related to Anti-Competition is maintained.

**PADMA ESG Committee** is responsible for reviewing the effectiveness of this policy.

1. Reporting Concerns

Any employee who suspects or becomes aware of potential anti-competitive behaviour is required to report it immediately to their manager or the Global Head of ESG esg@padmatextiles.com .

External stakeholders should contact the Global Head of ESG at esg@padmatextiles.com

All reports will be treated confidentially and investigated promptly in accordance with the PADMA Suggestion and Grievance Policy (Employees) or PADMA External Feedback/Grievance Policy. .

1. Monitoring and Review

PADMA’S ESG Committee will consider the effectiveness of this policy as part of its annual strategic ESG review. This review will assess:

* The number and types of reports received relating to suspected anti-competitive behaviour.
* The timeliness and effectiveness of action taken as a result.
* Patterns or trends in the issues raised, which may indicate underlying problems within the organisation or its supply chain.
* The effectiveness of the policy and associated communication in ensuring that all employees and relevant stakeholders understand and comply with the policy

The findings of the strategic review will be used to drive broader improvements in this policy and PADMA’s environmental, social, and governance performance.

Lessons learned from individual cases will be disseminated within the organisation, where appropriate, to prevent recurrence and promote a culture of continuous improvement.

1. Related Policies

Code of Business Ethics

Employee Suggestion and Grievance Policy

External Feedback and Grievance Policy

PADMA Supplier Code of Conduct

1. Approval

**Approved by Padma Textiles ESG Leadership Group**

**16.07.2025**

**Approved by Marvic Fenech Adami, CFO, on behalf of AMDAP Ltd.**

**16.07.2025**