Policy on Conflicts of Interest

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| **Version** | **Issued** | **Revised** | **Next review due** | **Owner** |
| 1. | 16.07. 2025 | - | 30.12.2026 | AMDAP ESG Leadership Group |

1. Scope

This policy applies to all PADMA Directors, employees, contractors, freelancers and companies or agents working on behalf of PADMA.

1. Purpose

This policy aims to foster a culture of transparency and accountability, safeguarding the integrity of PADMA's business operations and maintaining the trust of our stakeholders.

The purpose of this policy is to establish clear guidelines for identifying, disclosing, and managing actual, potential, or perceived conflicts of interest involving PADMA its directors, officers, employees, and anyone acting on its behalf.

Maintaining objectivity and avoiding situations where personal interests could improperly influence business decisions are fundamental to our ethical standards and reputation.

1. Definitions and Principles

**Conflict of Interest:** A conflict of interest arises when an individual's personal interests (financial, personal relationships, etc.) could potentially influence, or appear to influence, their judgment or actions in carrying out their responsibilities for PADMA. This can include situations where an individual:

* Has a direct or indirect financial interest in a transaction or entity with which the company has a business relationship.
* Holds a position or has responsibilities with another organisation that competes with or has an adverse interest to the company.
* Receives personal benefits from a third party as a result of their position with the company.
* Has a close personal relationship (e.g., family, close friends) with someone who has a business relationship with the company, and this relationship could influence business decisions.
* Uses company property, information, or position for personal gain.

1. Our Commitment

By adhering to this policy, PADMA aims to conduct its business in a responsible and ethical manner, fostering trust and maintaining our reputation for integrity.

1. Policy and Procedures

**5.1 All Individuals:** All directors, officers, employees, and those acting on behalf of PADMA have a responsibility to be vigilant in identifying potential conflicts of interest and to disclose any actual, potential, or perceived conflicts promptly.

**5.2 Disclosure:** Any situation that could reasonably be perceived as a conflict of interest must be disclosed in writing to the individual’s line manager, any Country Manager, or the Global Head of ESG [esg@padmatextiles.com](mailto:esg@padmatextiles.com)

**5.3 Review and Management:** Disclosed conflicts of interest will be reviewed by a designated PADMA Director to determine the nature and extent of the conflict and to develop an appropriate management plan. This may include recusal from decision-making, restructuring responsibilities, or other measures to mitigate the conflict.

**5.4 Transparency:** The existence and management of significant conflicts of interest may be disclosed as appropriate and in accordance with legal and regulatory requirements.

**5.5 Prohibited Actions:**

Individuals are prohibited from:

* Allowing personal interests to improperly influence their decisions or actions on behalf of the company.
* Gaining personal benefit or advantage as a result of their position with the company, except for customary compensation and benefits.
* Taking actions that could create a conflict of interest without proper disclosure and approval.

1. Consequences of Non-Compliance:

Failure to disclose a conflict of interest or failure to comply with the requirements of this policy may result in disciplinary action, up to and including termination of employment or association with the company.

1. Implementation and Responsibilities

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

**PADMA Country Directors** are responsible for fostering a culture of compliance and ensuring that relevant employees receive adequate training on business ethics policies, including how to recognise and avoid a conflict of interest. Country Directors are also responsible for developing a management plan to resolve conflicts of interest within their area of responsibility.

**The Global Head of ESG** oversees this policy on behalf of AMDAP leadership group

1. Monitoring and Review

The effectiveness of this policy will be regularly monitored and reviewed to ensure its continued suitability, adequacy, and effectiveness. This will include:

* Analysis of reports received through the grievance processes.
* Analysis of action taken as a result of reports.
* Monitoring of legal and regulatory developments.

The findings of these reviews will be reported to the ESG Leadership Group who will review them on behalf of AMDAP Directors and recommend any necessary updates to this policy and related procedures.

1. Related Policies

Code of Business Ethics

Anti-Bribery and Corruption Policy

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**