

Global Code of Conduct

Introduction

1. Our Mission

Smartex mission is to bring advanced technology to the Textile Industry to become transparent, traceable, sustainable, and better serve humanity. We aim to create an impact in the Textile Industry by changing and improving the world and solving real, measurable, massive problems of this industry.

Our values and the way we do things are firmly established in our day-to-day. It's not just the founders or the leadership team who shape Smartex's culture; it's something all the employees share and show in what we do.

2. Our Values

Team First - The sense of teamwork is something truly unique at Smartex, and it is crucial to keep this in mind in our daily actions. We aim for knowledge to be shared among all, making it natural to help without expecting anything in return. In the end, we all work together towards the same goals, celebrating victories and facing challenges collectively.

Customer Centric - Our clients are a priority, and it is crucial to consider them in our actions. Ultimately, they are the ones who use the products we develop, and they are at the center of our work. Building strong and trusting relationships with our clients involves empathizing with them, responding to their needs, and gaining their satisfaction. This means being responsive and fostering trust by providing timely support and the necessary training.

Speed - The rocket symbol is no coincidence. Speed is rooted in our way of acting and executing tasks, encompassing several essential aspects. This is why we strive to automate all our processes, seeking the most methodical approach that works best for us. Quick decision-making is part of our DNA.

Be Humble - Maintaining intellectual humility is a core value we want to preserve in every team member. Being humble means owning mistakes, recognising that no one knows

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everything, and using mistakes as steps for growth. It's about helping others, sharing knowledge, and embracing both giving and receiving feedback. Embracing humility means always being eager for more learning opportunities, understanding how other teams operate, and nurturing horizontal growth.

Trust - We believe that trust forms the solid foundation of strong relationships. It is through trust that we connect with our team members, foster fruitful partnerships with our clients, and cultivate a healthier, safer working environment. Gaining trust involves excelling in teamwork, prioritizing our clients, being super fast, and embracing humility – it's the culmination of all our other values.

General Principles

Smartex is committed to integrating practices into its activities that promote the social, economic, and environmental well-being of the communities in which it operates. Our Global Code of Conduct serves as a guide to the policies, and standards that shape the way we work at Smartex.

Regardless of the role at Smartex, the principles outlined in our Code of Conduct should serve as the foundation for every decision employees make. In addition to these core values, all decisions at Smartex are guided by the principles of transparency, ethics, fairness, and integrity. Upholding these standards ensures that we foster a culture of accountability and trust. Our Code applies to every member of our team, across all locations, reinforcing our shared commitment to ethical and responsible business practices.

1. Ethical Standards and Conduct

1.1. Ethics and Transparency

Smartex takes a stance of complete transparency in its practices, communicating clearly and accurately with employees, clients, and partners. Both Smartex and its employees must act with integrity and transparency in all their activities.

All information provided to regulatory authorities, clients, suppliers, or any other stakeholders must be accurate, complete, and honest.

Any conflicts of interest or situations that could undermine trust in Smartex's operations should be promptly reported and resolved fairly. For this purpose, each Smartex employee needs to subscribe to the Conflict of Interest Form attached as Annex I.

Concealing or manipulating information to deceive or circumvent regulations is strictly prohibited. Participation in fraudulent or misleading schemes, including falsifying information or financial reports, is not permitted.

1.2. Compliance with Legal Principles & Quality Standards

All Smartex activities must comply with the laws and regulations applicable in all jurisdictions where Smartex operates. Any form of activity that constitutes a deliberate violation of the law is prohibited.

All Smartex employees must follow established quality protocols and report any non-compliance immediately.

1.3. Anti-Corruption and Bribery

Smartex maintains a strict zero-tolerance policy towards corruption, bribery, or any unethical practices. No employee or partner of Smartex is permitted to offer, promise, or accept bribes, whether in the form of money or other benefits.

Every employee is responsible for understanding how to identify and avoid all forms of corruption. Employees should never offer, directly or indirectly through a third party, anything of value with the intent to improperly obtain or retain business, influence business decisions, or secure an unfair business advantage.

Any gifts or hospitality offered or received must be reported and approved by management, in line with Smartex's ethics policy, to ensure transparency and compliance.

Employees are obligated to immediately report any instances or attempts of bribery or corruption they become aware of, helping to uphold the integrity and ethical standards of the company.

1.4. Anti-Money Laundering

All employees are strictly prohibited from engaging, directly or indirectly, in any activities related to money laundering.

If you notice any suspicious transactions or signs of illegal activity, it is the employees' responsibility to report them immediately to the Compliance Officer. Reports should be made confidentially, ensuring that the identity of the reporter is protected at all times.

2. Human Rights, Equality, and Workplace Culture

2.1. Human Rights

At Smartex, we are committed to upholding and promoting fundamental human rights across all aspects of our operations. We expect all employees, suppliers, and business partners to adhere to the principles outlined in the International Bill of Human Rights, ensuring ethical and responsible practices at every level.

We strictly oppose any form of forced labor, child exploitation, or discrimination. Our commitment to equality means that every individual at Smartex is treated with fairness and respect, regardless of gender, ethnicity, religion, sexual orientation, age, or disability.

By fostering an inclusive and ethical workplace, we reinforce our dedication to human rights and social responsibility.

2.2. Principle of Equality and Non-Discrimination

Everyone in the workplace has the right to equal opportunities and non-discrimination, regardless of race, gender, sexual orientation, age, religion, health status, disability, nationality, or any other factor protected by law.

At Smartex, we are dedicated to fostering an inclusive and respectful work environment where all employees are treated with dignity and respect. Discrimination or unfair treatment in areas such as recruitment, hiring, training, promotion, compensation, or any other aspect of employment is strictly prohibited.

We are committed to ensuring that every employee is free from any form of abuse, whether physical, verbal, or emotional. Employment decisions must be based solely on job-related factors, such as skills, qualifications, and performance, and never on personal characteristics such as race, gender, age, religion, or other protected attributes.

Discriminating based on these factors not only violates our policies but is also illegal under the laws of many countries. By upholding these principles, we strive to maintain a workplace where everyone feels valued and respected.

2.3. Prohibition of Moral Harassment

Moral harassment, which refers to any unwanted, repetitive, or persistent behavior that humiliates, isolates, or undermines the dignity of an employee, is strictly prohibited at Smartex. This includes, but is not limited to, actions such as public humiliation, threats, excessive or disproportionate criticism, or efforts to isolate an individual within the workplace.

We are committed to maintaining a respectful and supportive environment for all employees. Any incidents of moral harassment should be promptly reported through the whistleblower channel (denuncias.smartex.ai) to ensure a timely and effective response. Every employee has the right to work in an environment free from harassment and intimidation.

2.4. Prohibition of Sexual Harassment

Sexual harassment, defined as any unwanted behavior of a sexual nature, whether verbal or physical, that disrupts or constrains an individual's dignity, is strictly prohibited at Smartex. This includes actions that a reasonable person would find offensive and can take many forms, such as:

- Unwelcome sexual advances or requests for sexual favors
- Inappropriate comments or jokes about someone's physical appearance
- Obscene gestures or inappropriate touching
- Displaying sexually suggestive images or materials

Additionally, any behavior in a power-imbalanced context, such as between a superior and a subordinate, cannot be interpreted as valid consent.

Any incidents of sexual harassment should also be promptly reported through the whistleblower channel (denuncias.smartex.ai) to ensure a timely and effective response.

2.5. Health, Safety, and Well-Being in the Workplace

At Smartex, we prioritize the health, safety, and overall well-being of our employees by fostering a work environment that is both physically and mentally supportive. We are committed to implementing preventive measures that minimize risks, ensuring a safe, healthy, and productive workplace for everyone.

Workplace safety is a shared responsibility, and we expect all employees to follow established protocols, report hazards, and contribute to maintaining a secure environment. Regular training and awareness programs are in place to reinforce best practices and prevent accidents or injuries.

In addition to physical safety, we recognize the importance of mental health in the workplace. Smartex is dedicated to creating a respectful and supportive culture, free from moral harassment and excessive work stress. To support our employees mental health, we have implemented regular check-ins with the People team, and have facilitated the access to psychological assistance through the provided Health Insurance.

By prioritizing both physical and mental well-being, we reinforce our commitment to a workplace where every individual feels safe, valued, and empowered to thrive.

2.6. Employee Training and Awareness

At Smartex, we believe that ethical behavior and compliance start with knowledge. We are committed to training and raising awareness among all employees about the importance of social responsibility and sustainability.

All employees are required to participate in regular training sessions to ensure they understand our Code of Conduct, company policies, and legal obligations.

Managers and team leaders play a key role in fostering a culture of integrity by ensuring their teams receive proper training and understand how to apply ethical principles in daily decision-making. Everyone is encouraged to ask questions and seek guidance whenever needed.

3. Environmental Respect

Smartex is committed to complying with all applicable environmental laws, minimising the environmental impact of its operations, promoting efficient management of natural resources, and reducing carbon emissions.

In order to achieve this, circular economy practices are implemented, such as recycling, reusing materials, and sustainable waste management.

All products and processes must be designed with their environmental impact in mind, promoting the use of eco-friendly materials and reducing waste. And all employees should contribute to waste reduction and promote eco-friendly practices in their daily work, reporting any violations of environmental standards.

4. Relationships with Stakeholders

4.1. Suppliers, Partners, and Investors

All suppliers, partners, and investors must comply with the same standards of social responsibility and sustainability required at Smartex. Smartex reserves the right to terminate relationships with suppliers, partners, and investors who fail to comply with sustainability and human rights standards.

Any employee involved in choosing a supplier or partner should make decisions based on merit, service quality, and reputation. It is essential to follow company policies and uphold ethical business standards when selecting and maintaining supplier relationships.

4.2. Relationship with the Community

At Smartex, we are committed to making a positive impact on the local communities. We actively support local initiatives through volunteer programs, charitable contributions, and strategic partnerships that foster sustainable development.

We encourage our employees to get involved in community projects, whether through hands-on volunteering, skill-sharing, or fundraising efforts. By working together with local organizations and stakeholders, we strive to drive meaningful change, promote social responsibility, and contribute to a more sustainable future.

5. Data Protection and Privacy

In your role, you may come into contact with personal data about our consumers, customers, coworkers, and others as part of your business activities. Smartex is committed to adhering to privacy laws and regulations in the countries where we operate. If you access personal data in the course of your work, you must comply with applicable laws and company policies, including our Privacy Policy.

Personal data must be processed in a lawful, fair, and transparent manner. We ensure that the collection of personal data is limited to what is strictly necessary for the intended purposes and that appropriate measures are in place to protect its confidentiality, integrity, and availability.

Data processing should be based on the free, informed, and explicit consent of each data subject, which can be withdrawn at any time.

Additionally, Smartex provides a clear and understandable privacy policy that outlines the purposes of data processing, the legal bases for processing, and the recipients of the data, ensuring transparency and compliance with privacy laws.

6. Reporting, Accountability, and Protection

6.1. Right to Report

All employees have the right to report irregularities without fear of retaliation. Reports can refer to any type of conduct contrary to the law or internal policies, including but not

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limited to fraud, corruption, harassment, discrimination, health and safety issues, and human rights violations.

6.2. Reporting Channels

Smartex guarantees the existence of secure and confidential channels for submitting reports, including but not limited to:

- Anonymous reporting platform: denuncias.smartex.ai.
- Specific email address for reporting: joaosousalima-51019p@adv.aa.pt.

The reporting channels will be accessible to all employees, ensuring their confidentiality and anonymity, if requested by the reporter.

The identity of reporters will always be protected, except in cases where the law requires disclosure. Reports can be made anonymously, and under no circumstances will the reporter be required to reveal their identity unless they wish to do so.

Smartex is committed to treating all reports with the utmost confidentiality.

6.3. Protection Against Retaliation

Any form of retaliation against employees who make a report in good faith is strictly prohibited. Retaliation includes but is not limited to dismissal, demotion, adverse changes in working conditions, harassment, or any other adverse action.

Smartex is committed to taking disciplinary action against anyone who retaliates against a reporter.

7. Compliance and Disciplinary Measures

This Code of Conduct applies to all Smartex employees, directors, suppliers, and partners. It must be adhered to in all financial and commercial operations across the company.

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Any violation of the principles outlined in this Code, especially those related to corruption, bribery, fraud, conflicts of interest, or other unethical practices, will result in disciplinary action in accordance with applicable laws and Smartex policies.

Disciplinary measures may include, but are not limited to, verbal or written warnings, suspension, demotion, termination of employment, or, when necessary, filing complaints with regulatory or law enforcement authorities. The severity of the violation, its impact on Smartex, and the relevant legal framework will be considered when determining the appropriate action.

Smartex reserves the right to take corrective steps to mitigate any harm caused by such violations and ensure ongoing compliance with this Code of Conduct.

Annex I

Declaration of Conflict of Interest

Employee Name: _____

Position: _____

Department: _____

Date: ____ / ____ / ____

Purpose:

The purpose of this form is to identify any situation that might be considered a conflict of interest. A conflict of interest happens when something in your personal life, such as family connections, investments, or other activities, could interfere with or appear to interfere with your work and decisions at Smartex. We want to ensure that all decisions are made fairly and without any external influence.

Conflict of Interest Declaration (please tick the applicable option):

I have no relationship or situation that constitutes or could constitute a conflict of interest with my work at [Company Name].

I have or am involved in a relationship or situation that could be considered a conflict of interest. Please specify:

- Description of the relationship / situation:

- Nature of the conflict (e.g., financial interests, family connections, etc.):

- Potential impact on job duties:

Acknowledgement and Acceptance

I declare that the information provided in this form is complete and true to the best of my knowledge. I understand that, as an employee of [Company Name], I have a responsibility to immediately disclose any potential or actual conflict of interest that may arise in the future. I agree to cooperate with any measures needed to resolve or avoid such situations.

Employee Signature: _____

Date: ___ / ___ / ____

For Internal Use - Conflict of Interest Assessment (to be completed by Management):

- Assessed by: _____
- Date of Assessment: ___ / ___ / ____
- Comments on the conflict situation and recommended actions:

- Decision:
 - No conflict of interest found.
 - Conflict of interest identified but can be managed with the following measures:

 - Conflict of interest cannot be managed. Actions to be taken:

Manager's Signature: _____

Date: ___ / ___ / ____