



KAFRIT GROUP

**CODE OF ETHICS AND
CONDUCT**

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1. General information

Kafrit Group

The Kafrit Group is a leading producer of Masterbatches and Compounds for the plastics industry and is active on global scale with several companies in different countries.

Purpose

Founded in 1973 in Israel and public since 1993, the Group draws on 50 years of experience in the plastics processing industry, including high levels of accumulated expertise and technical know-how. Following the Group's purpose – "to unite talent and technology to drive the future of plastics, together", high value is placed on our employees, on meaningful product development, on game-changing technology usage and on contributing substantially to a more sustainable world.

Standards

To successfully achieve our purpose, we use the following ten standards (values) as guides for our daily internal and external activities:

- Ethics
- Technology
- Quality
- Occupational Health & Safety (OH&S)
- Environment
- Employees
- Responsibility
- Leadership
- Teamwork
- Continuous Improvement

Code of Ethics and Conduct

All member companies and employees of Kafrit Group are required to fully comply with all laws and regulations of the countries in which we conduct our business operations. Hence, this Code of Ethics and Conduct is supposed to be studied in addition with these laws and regulations. That said, it forms the underlying foundation of Kafrit Group's corporate culture and applies to all officers and employees in all companies of Kafrit Group. Therefore, it is of major importance for all internal and external business practices. It comprises the ethical principles which we all apply in our daily operations and helps give shape to the above-mentioned standards. We also request our business partners to acknowledge these principles and adhere to them, since only together can we establish an ethically sound and sustainable supply chain.

2. Working environment

Occupational Health & Safety (OH&S)

OH&S is the most crucial part of our daily operations. We are committed to creating a safe and healthy working environment for the development, manufacturing, selling, and use of our products. Applicable national laws are only the minimum level of OH&S standards we aim to satisfy, as we continuously identify risks and work towards OH&S improvements. Our team members regularly receive instructions and training on OH&S measures. That said, we also expect our employees to help establish and maintain a healthy, sanitary, and safe working environment. The reporting of any OH&S issues in the workplace and/or related to the company's products as well as any accidents, near-accidents, and injuries is obligatory.

Working conditions (DEI, anti-discrimination, remuneration)

At Kafrit Group we welcome employees of all ethnic backgrounds, all sexual and all religious orientations. A collaboration of young and elderly employees is as desired as the employment of all genders and disabled persons. We believe that diversity, equity, and inclusion (DEI) are the determining factors of a working environment being built on mutual trust, respect, and appreciation. For this reason, we do not tolerate any form of discrimination, but actively promote equal opportunities. We believe it is only the business performance that counts.

In this respect, we commit ourselves to offer a living wage to all our employees that, at minimum, is in line with national legislation or industry-standard remuneration. We want our employees to live a dignified life including decent living conditions. Furthermore, we acknowledge the rights of our employees to freedom of association and freedom of assembly as well as to collective bargaining. At the same time, we expect our business partners to act and behave likewise.

Reporting of any violation and non-compliance (whistleblowing policy)

We actively encourage all employees to report on any violation and non-compliance of this Code of Ethics and Conduct or other company protocols or work instructions to the relevant supervisor or a member of the senior management of each company. Also, each company shall establish a place which is accessible to all its employees at any time allowing for anonymous reporting of violations and non-compliance with this Code of Ethics and Conduct.

Should an employee, in good faith, discover an issue relating to accounting or audit matters, the relevant supervisor is to be informed. If an employee believes that due to the nature of the violation and non-compliance (e.g. substantial misrepresentation of financial

information, incidents of fraud by senior managers, illegal activities by the company and/or its managers) it is necessary to report it to the Group's Board of Directors, every employee is authorized to report such issues directly to the audit committee via the below-stated e-mail address of the head of the committee. Every report will be investigated diligently and in a timely manner.

Kafrit Group ensures that each employee who reports any violation and non-compliance in accordance with this chapter will receive every required protection from and inside the Group. In more detail, Kafrit Group will not dismiss, transfer, threaten, harass, or discriminate against any employee having reported on any violation and non-compliance in good faith. Furthermore, the company will not dismiss, transfer, threaten, harass, or discriminate against any employee having provided information or assisted in the obtaining of information or otherwise assisted in conducting the investigation. However, at the same time, we are all aware that the reporting on such issues must at least be based on relevant and clear suspicion, preferably on knowledge and/or mere facts.

Forced and child labor

Kafrit Group explicitly prohibits any form of forced or child labor in all the Group's companies and does not accept any of them at the Group's upstream and downstream business partners, either. In addition, the employment of persons below the minimum working age as set out in respective national legislation is not tolerated.

Kafrit Group reserves the right to visit and audit operations of its suppliers should there be a relevant suspicion that this rejection of forced, and child labor rules is not respected.

3. Quality

Quality is a crucial part of Kafrit Group's culture, expressing our aspiration to be a leading producer of Masterbatches and Compounds for the plastics industry. Quality management and quality assurance are deeply integrated into our daily business operations. Our customers deserve the best product quality, and we are continuously working on improving our processes and systems. External quality audits are appreciated and executed regularly in the whole Group.

4. Data protection, confidentiality, and asset protection

Whereas the technological and business-related information of the Group is its property, Kafrit Group respects the fundamental rights and freedoms of our employees and the third parties we do business with, including the rights concerning the protection of an individual's personal privacy and the protection of personal data. Our internal systems and guidelines as well as suitable technical solutions and IT systems prevent unauthorized use of data and unauthorized access to data by third parties. For this reason, Kafrit Group fully complies with the local data privacy laws and distinctly respects third-party intellectual property rights.

Also, Kafrit Group is required to ensure the safety of its tangible and non-tangible assets, especially of its know-how, trade secrets and any commercial information. The protection of the Group's assets includes the prevention of their unauthorized use and the restriction of any illegal or inappropriate use thereof. Theft, negligence, and wastage have a direct influence on the profitability of the Group, and we need to ensure that Kafrit Group's assets are used efficiently and are to be used for legitimate business purposes only.

5. Stock exchange listing

Duty of disclosure

Kafrit Group is a public company being traded at the Tel Aviv Stock Exchange. Following this listing, we are obligated to report every fundamental piece of information and development relating to the Group to our shareholders and the public (duty of disclosure). For this reason, we must ensure that all publications regarding fundamental events or developments relating to the Group are comprehensive, adequate, accurate, and legible, and are broadly published to the public in accordance with the requirements of the relevant laws and regulations.

Prohibited use of internal information

During the employment period in Kafrit Group, certain employees may be exposed to company-related information that could affect Kafrit Group's share values and that are yet to be published to the Group's shareholders and the Securities Authority. An employee who holds such information or to whom such information is disclosed, is forbidden from trading company shares and giving advice to anyone, including family members and friends, unless such information has been brought to the attention of the public or has become obsolete with time. Any failure to comply with any laws forbidding the use of internal information may result in the pressing of criminal charges by the legitimate authorities. Regarding the trading of the company's shares and the use of internal information, all employees are

required to act in accordance with relevant company protocols, as published and brought to their knowledge.

6. Corporate opportunities and conflict of interest

The accumulated number of resources, information, and knowledge that the Group has invested its best efforts to obtain and develop are entrusted in our hands. Hence, it is expected of all employees to utilize these resources only to promote the Group's business, and not for the personal benefit. Should, for any reason, a personal interest in a business transaction exist, the employee needs to disclose the essence of this personal interest to the relevant supervisor immediately. Conflict of interest is created whenever employees place themselves in a situation where they are receiving a benefit (financial or otherwise) for ignoring the interests of the company. Furthermore, the employees are not entitled to be involved, independently of the company's business, in any competitive field or one which relates to the company's field of activity, unless authorized to do so by the Kafrit Group CEO in advance.

7. Ethical considerations

Ethical business practices

Within Kafrit Group unethical business practices are not tolerated. Common values such as integrity, honesty, and reliability are fundamental to our business operations. In addition, the adherence to legislation in all the Group's territories shapes the Group's ethical business practices as well. In detail, Kafrit Group does not accept:

- Bribery, extortion, or blackmail
- Corruption
- Money laundering
- Fraud
- Slavery or human trafficking
- Racism
- Sexual harassment
- Physical violence or abuse and psychological or verbal abuse
- Non-compliance with the principles of fair competition

We are committed to implementing and enforcing effective systems to oppose the above-mentioned misconducts and encourage our employees to use the internal reporting processes when violations to ethical business practices are observed.

Trade compliance

As mentioned above, Kafrit Group always focuses on complying with relevant national legislation. This is also especially true for chemical compliance because chemical safety is a key component of how we do business. This is a key priority for Kafrit Group. Therefore, we train our employees accordingly and inform customers about relevant hazards of a product to guarantee safe handling along the value chain. For the same reason, Kafrit Group expects all players in the supply chain to act likewise, i.e., to take responsibility for ensuring that chemical risks are monitored, and safety is ensured.

Kafrit Group has established processes and systems to monitor, scan through and apply trade restrictions and export control measures such as dual-use regulation or trade embargoes.

8. Sustainability

Being part of the plastics industry, Kafrit Group is aware of its responsibility for making sure that sustainability and ESG (Environmental, Social, Governance) considerations are incorporated into the overall business strategy. That said, Kafrit Group pursues a sustainability strategy for 2030 consisting of five key pillars.

The Group undertakes strong efforts to reduce the negative environmental impact of its business operations (“operating sustainably”), to foster OH&S and employee well-being (“living sustainably”), to provide the market with sustainable, environmentally-friendly products (“innovating sustainably”), to establish strategic alliances to enhance sustainable development (“business developing sustainably”) and to proactively disclose actions, goals and improvement potential to the public (“reporting sustainably”).

All the Group’s companies follow specific sustainability programs connected to the overall Group strategy and acknowledge the relevance of the 17 Sustainable Development Goals of the United Nations (UN-SDGs). Therefore, we actively encourage all our employees to join and contribute to the sustainability roadmap, too.

At the same time, we encourage our business partners to join forces with us for even more and faster sustainable development as both the implementation and the execution of sustainable development goals are a joint task.

9. Closing remarks

This Code of Ethics and Conduct was approved by the Board of Directors on 31st May 2023. Following the Board’s approval, it came into force immediately and replaced the previous

version dated 25th October 2017. The Kafrit Leadership Team (KLT) shall be responsible for overseeing the implementation of this Code of Ethics and Conduct.

Every company in the Group shall publish the relevant local and global contacts for violation and non-compliance reporting in a place that is accessible to all its employees at any time.

Contacts

Chairman of the Audit Committee, Mrs. Ronny Meninger: meninger@geoteva.co.il

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