



# CODE OF ETHICS IN THE HIDRIA CORPORATION



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## 1. INTRODUCTION

- 1.1. The Code of Ethics (hereinafter: “**the Code**”) defines the basic rules and principles followed by managers and directors, employees, members of supervisory bodies, outsourced contractors, consultants, agents and representatives, and any other persons working at or for Hidria Corporation companies. The Code is a reflection of the way the company conducts its operations as well as an expression of its values and guidelines.
- 1.2. The principles and rules of the Code constitute a standard of work, governance and management, which together contribute to a formulation of the business culture and the standards of excellence practiced at the Hidria Corporation, as well as an important tool in the process of ethical and sustainable growth of the business.
- 1.3. All employees of the Hidria Corporation and its external partners shall agree to its contents; we undertake to act in accordance with the Code’s principles; this is a condition for the continuation or establishment of partnerships, which may also entail amending certain agreements accordingly.
- 1.4. Through its authorised departments Hidria strives to inform anyone with whom it has an existing business relationship, or with whom it is just establishing such business relationship, of the need to follow the Code. We actively promote the Code’s principles and implement them in the supply chain, too.
- 1.5. It is important that the guidelines and rules defined in the Code are followed in every user’s workplace, together with the regulations defined in the legal system regulating their work environment, the provisions of collective agreements, and internal rules of behaviour and conduct.
- 1.6. Managers and directors must act as examples to others. This condition underlines the fact that the Code of Ethics serves as the basis for everyday work; similarly, good business performance is closely linked to following of the Code.



## 2. **HIDRIA'S VISION AND MISSION**

### **WE HAVE A VISION. WE KNOW THE WAY.**

#### 2.1. VISION

We are a leading provider of customised innovative solutions for selected Automotive and Industrial applications using state-of-the-art manufacturing processes.

#### 2.2. WAY

By creating an inspiring environment, developing employees' competencies and following the Hidria Leadership System, we are a reliable development partner that responsibly creates value and builds long-term relationships.

## 3. **HIDRIA'S VALUES**

#### 3.1. RESPONSIBILITY AND RESPECT

We at Hidria are responsible. We respect people and the environment. We work with future generations in mind. We act responsibly in all relations with our employees, customers, end-users, suppliers, local communities and all other important stakeholders in our business.

#### 3.2. KNOWLEDGE AND COMPETENCE

We bring competent people together. At Hidria, each and every employee has the knowledge, experience, personal qualities, motivation, abilities and skills they require in their professional area. We enable the professional and personal development of employees, and encourage teamwork. We work to continuously improve employee expertise by means of internal and external training, encouraging further studies, and scholarships. We share knowhow and experience with each other, with our business partners and with our younger generations.

#### 3.3. INNOVATION

We at Hidria are innovative. We are focused on the future and create new opportunities. We appreciate and reward originality and creativity. As a pre-development supplier of cutting-edge systems for automotive and industrial technologies, we are always looking for new opportunities and innovative solutions aimed at sustainable development. We create solutions with a high level of integrated knowhow. We regularly monitor and reward originality and creativity in our employees. Our innovations shift the boundaries that drive and define progress.

#### 3.4. EXCELLENCE

We at Hidria strive for excellence at all levels of our business. We create excellent products, and are driven by our desire to offer our customers solutions that are one step ahead of the competitors. We always monitor the success and efficiency of all business processes, and work to ensure they are always improving. Our striving for excellence at all levels of business is closely linked to the HLS - Hidria Leadership System.

## 4. HIDRIA'S ETHICAL COMMITMENTS AND GUIDELINES

### 4.1. EMPLOYEES

We at Hidria fully respect all generally applicable provisions of international law in relation to human rights and freedoms.

We consistently follow all of the provisions of labour law.

Hidria does not allow child labour, does not allow slavery nor permit any kind of forced labour. Human trafficking is strictly forbidden.

We pay special attention to the protection of vulnerable groups such as handicapped persons, older employees, pregnant women and post-natal mothers and similar.

Hidria respects the provisions of labour law related to number of working hours, breaks and rest, and provisions related to overtime work.

We ensure the fair payment of employees and observe all legal minimums and all prescribed compensation schemes, and all rewards defined by internal regulations.

Hidria encourages life-long learning and the training of employees at work or outside work.

### 4.2. HEALTH AND SAFETY AT WORK

Hidria provides its employees safety and health work environment, which exceeds all applicable standards of safety and health at work. Employees are informed of the risks and risk assessment for their job, and regularly undergo preventive medical check-ups in line with the risk assessment.

All employees strive to ensure a safety work environment for themselves and their colleagues, and use all required equipment when working; they also regularly attend training sessions in safety and health at work. By means of such training processes Hidria helps raise awareness of the importance of safety and health at work.

In the context of promoting good health, we encourage a healthy lifestyle, introduce fruit snacks in the workplace, and enable employees to participate in a number of organised sports activities. We work on raising awareness of the importance of healthy lifestyle and help train all employees in such.

### 4.3. PROHIBITION OF DISCRIMINATION AND HARASSMENT AT WORK

Hidria advocates the principle of equal opportunity and the prohibition of discrimination based on skin colour, ethnicity, nationality, gender, age, sexual orientation, religious or ideological beliefs, etc.

Hidria does not permit harassment or any kind of discrimination. We encourage the reporting of any eventual violations of the prohibition on discrimination and harassment in the workplace. In this context, Hidria has adopted internal rules and a contact person for reporting, also anonymously, which ensures protection for victims of any possible misconduct and that proper procedures are followed in cases where reports are received.

### 4.4. REPRESENTATIVES OF WORKERS' ORGANISATION

Employees at Hidria are entitled to free association. They may, at their own discretion, join trade union associations, elect representatives and join workers' councils pursuant to the law.

In its own operations, Hidria encourages freedom of free trade union association and any other form of worker association. It works in cooperation with all representative trade

unions, with employee representatives and with each employee individually.

Hidria ensures that employees communicate with the management and owners about issues related to working conditions and the work environment openly, without fear of retaliation, intimidation or harassment.

#### 4.5. SAFETY AND QUALITY

As a development supplier of the automotive industry we are aware of the responsibility arising from legal requirements for product safety. In developing and manufacturing products we ensure they are of optimal quality in relation to the current state of science and technology. We control risks by developing and maintaining an integrated leadership system. We work to build a culture that is designed to improve both products and processes. Product safety for the end user is a top priority.

#### 4.6. PRIVACY AND DATA PROTECTION

Hidria ensures that privacy and personal data protection are observed. Data is stored and archived in accordance with legally defined standards.

We ensure the privacy of all personal data of our employees collected in the course of our work, and the appropriate use of such data.

We strive to collect and process personal data in a way that respects the basic rights, freedoms and dignity of all involved, and in line with all relevant regulations.

We collect and record information required for special, clearly defined and legal authorised purposes, and retain such data only as long as required.

#### 4.7. PROTECTION OF TRADE SECRETS

Trade secrets are considered one of the company's most important assets, as they represent a distinct competitive advantage and serve as a tool with which to fulfil our vision: to be the best European and global provider of automotive and industrial technologies.

Hidria's employees are well aware of the value of trade secrets and work to protect said secrets from unauthorised distribution or any other communication that might contradict applicable internal regulations.

Documents and private and confidential information are of immeasurable value; any disclosure of such may cause damage to the Hidria group. Therefore, each of us is responsible to diligently and carefully protect and store the data available to us, both during our employment and once employment has ceased, as well.

Confidential information includes all data, knowhow and experience, written records, documents, reports, notes, studies, drawings, photos and any other materials and assets of the company – business and financial transactions, research and development activities, as well as any legal and administrative procedures relating to the company.

The disclosure of such information to any persons inside or outside the company must always be approved, and is permissible only when required for the execution of those tasks and responsibilities assigned to the individual.

#### 4.8. ATTITUDES TOWARD THE NATURAL ENVIRONMENT

Hidria's key focus is on innovative breakthrough solutions that make a significant contribution to green mobility of the future and consequently the future of the planet. We develop many innovative green technologies that push the boundaries of technological progress.

Hidria continuously develops an efficient environmental management system in full accordance with legal and customer requirements. We actively promote the core principles of sustainable environmental management and work to implement them in the supply chain.

#### 4.9. HONESTY AND CORPORATE TRANSPARENCY

The company's books of account, accounting documents and other documents are kept based on regulations and applicable accounting standards.

Only accurate and honest data is entered. We are aware that to act any differently is culpable.

All business documents are stored for the legally required period, during which time they are never destroyed, hidden, damaged or otherwise made unusable.

In this way, we ensure a high level of trust among our employees, the management, our owners and other stakeholders, all of whom make decisions related to the company's business based on accurate and credible information.

#### 4.10. ANTI-COMPETITIVE PRACTICES

We are aware of the value of competition and its importance for both market development and the protection of best consumer interests.

We work to manage our operations in full respect and observance of the applicable rules and laws of the countries where we do business, with openness, honesty, integrity and good faith.

We reject any practices that violate the principles of competition and the rules of a free market.

We believe it is crucial that competition be honest and focused on quality.

#### 4.11. CONFLICT OF INTEREST

At Hidria, we work honestly, without bias and for the benefit of the company. In our work, we are careful not to end up in a situation where our decisions could be influenced by interests other than those of our company's best interests or our permitted interests; and we are especially careful to avoid conflicts of interest among the company's managers.

We do not use business connections we have established in the course of work for the company after our career at the company has ended, and do not use our past work in the company to establish business connections with Hidria on behalf of and for the account of other legal subjects.

If our employees are interested in investments outside their work area that are not compatible with their obligations to the company, they promptly inform the persons in charge.

We are all responsible for avoiding situations and activities that could lead to a conflict of interest, or that could impact the ability to make business decisions in the best interest of the company.

#### 4.12. DONATIONS, SPONSORSHIPS, POLITICAL PARTIES

Hidria particularly supports the local environment in which we live and work with donations and other forms of contributions to the social environment, especially in sports, culture, and other socially important activities and events in both the local and wider environment.

We adhere to the principle that we only make donations if they are in line with the company's mission and focus on social responsibility; at the same time we do not donate or assume sponsorships that could affect the reputation or business position of the company. We make sponsorship contracts in such a way that Hidria's benefit from such is comparable to the benefits Hidria actually receives through sponsoring.

We do not misuse donations and sponsorships to conceal possible illegal or unethical actions and issues, and we reject any requests to finance political parties, elections or referendum campaigns.

Employees at Hidria do not work on personal political projects and activities that could be understood as representing Hidria.

#### 4.13. GIFTS AND HOSPITALITY

Hidria fully observes the applicable laws on accepting and giving gifts.

We accept and only occasionally give gifts and expressions of hospitality that have no impact or influence on business decisions.

When accepting gifts, we are always careful not to introduce any actual or perceived conflict of interest, and we do not accept or give gifts of cash, securities or precious metals, loans, personal favours, gifts or expressions of hospitality of an improper nature at an improper location.

When involved in negotiations with partners on important business matters and important business decisions must be made, we do not accept presents from them nor promise or give presents from our side.

Anyone who receives or is offered a free present or any other benefit that cannot be directly attributed to common business courtesy must reject it. Further, they must promptly report this to their direct superior or to the person in charge of compliance-related reports.

#### 4.14. BRIBERY

At Hidria we do not promise, offer or give business partners or any other person any illicit benefits, nor accept such.

Furthermore, we also reject any promise or offer of benefits not permitted by regulations, internal regulations or ethical principles.

Benefits are items, favours or services representing a pecuniary or non-pecuniary benefit. Illicit benefits are also benefits that are essentially permitted yet are intended to influence our or another person's business decisions.

We duly inform all business partners, representatives, authorised persons, agents and other persons with whom we are in contact at work of this position.

#### 4.15. PREVENTION OF MONEY LAUNDERING

Hidria is working to implement all regulations and good practices aimed at preventing money laundering.

Money laundering is an exchange or other transfer of money or other assets originating from a criminal act, and the concealing or hiding of the true nature, origin, situation, movement, disposal, ownership or rights related to money or other assets originating from a criminal act.

Money laundering is any legal and actual turning-over of cash or assets of unlawful origin; the use of money or other assets from legal sources for terrorist purposes belongs to the same framework. We are aware that each of said mentioned acts is a criminal act.



#### 4.16. INNOVATION AND INTELLECTUAL PROPERTY

Hidria develops, encourages and rewards innovative thinking in all its employees. We award our employees for the highest achievements in innovation.

We are also engaged in building our own innovation system, which is formally represented through Hidria's Innovation Centre, which brings together Hidria's institutes, technology centres, incubators for developing new programmes, and innovation activity.

We regularly monitor and reward innovativeness in our employees. The principal aim of such a policy is to develop innovations that will make Hidria part of the larger effort working toward the sustainable development of the environment. The Hidria Innovation Centre generates technologically complex solutions for the automotive industry and industrial technologies that embody a high degree of integrated knowledge.

Our intensive work on innovation at Hidria is constantly upgraded with our participation in many international projects and associations.

The results of our own creativity must be protected accordingly before being presented to the public; this protects our intellectual property and prevents others from taking advantage of the results of our work.

The rights related to industrial property are expressed as patents, brands and models.

At work, employees ensure that Hidria's intellectual property is duly protected; we are also sure not to interfere with or infringe on the industrial property rights of third/other persons.

#### 4.17. INFORMATION SECURITY

To protect our own information and information belonging to others, we follow the principles of information security using generally applicable standards. Various area policies have been adopted information management, with the aim of improving the level of protection of all information at Hidria, reducing the possibility of information becoming unavailable, improving the comprehensiveness and authenticity of information, and providing continuous operation.

Employees and business partners alike are obliged to contribute to information security. All are expected to follow security policies and their attachments, participate in prescribed training sessions on information security, consistently protect and change passwords, report incidents to the IT department, report changes in access rights to information assets, and more.

All employees and third parties are obliged to promptly inform their direct superior, authorised person, or director of any act directed at the unauthorised uncovering, disclosure, relaying, destruction of information, or other unfair acts related to information sources. All concerned are personally obliged to do anything reasonably possible to prevent such activity.

#### 4.18. OUR PARTNERS

Special attention is given to our business partners.

Our customers, suppliers and other business partners expect, in addition to the high quality of our products and services, extraordinary professionalism and absolute integrity in our mutual dealings. Therefore, correctness, honesty and transparency are the basis for any communication and all contracts with our business partners.

#### 4.19. REPORTING UNFAIR ACTS [compliance officer]

The aim of this Code is to maintain the existing awareness on the part of Hidria's employees and serve as a systematic description of expected conduct and behaviour in the context of the job, towards superiors, subordinates, other social stakeholders and the larger social environment.

At Hidria we act ethically – and not in any way that could be construed as unfair, illegal or unprofessional. We pay attention to such conduct, regardless of who may be concerned, whether an employee, business partner, or any other person. In all of our conduct we protect the identity and integrity of employees and others who report unfair practices in the company in good faith and on well-grounded reasons; this protects well-intentioned informants from any possible negative consequences of their well-grounded reports.

In order to enable reporting unfair practices that are not compliant with this Code, we have appointed a reporting trustee who also acts as the Compliance Trustee. Hidria's employees are informed about the methods used to report violations of the Code; and they know that by reporting such violations they do not risk experiencing any unfair or inappropriate treatment or risk to themselves, their immediate family or their job at Hidria.

Contacts for anonymous Reporting: Marjetka Kenda Mlakar, compliance officer, E-mail: [marjetka.kendamlakar@hidria.com](mailto:marjetka.kendamlakar@hidria.com) Telephone: +386 8 202 8571

Adopted by the Board of Directors H&R d. d. on February 16 2023

Mrs Andrejka Krapš Rejc  
Chairwoman of the Board of Directors H&R d.d.