

**BUSINESS PARTNER
CODE OF CONDUCT**





Bojan Gantar,
Managing director, CEO of Hidria

PREAMBLE

Hidria is a globally-leading corporation in automotive and industrial technologies. In mobility, we are overcoming the limits of the possible with innovations and revolutionary solutions. We develop highly efficient industrial systems that help protect the environment. By creating an inspiring environment, developing employees' competencies, and living the Hidria Leadership System, we are a reliable development partner that responsibly creates value and builds long-term relationships.

We build partnerships with our business partners and share, in practice, our business philosophy with them. Together with our business partners, we strive to ensure social and environmental responsibility and fair and ethical business practices throughout the supply chain. Strong partnerships will ensure joint success and commitment to sustainable practices, advanced technology and achieving business principles in line with Hidria's corporate values and strategy.

We believe that a common understanding of ethical values and sustainable practices is the essential basis for a firm relationship. The rules and requirements stated in this Business Partner Code of Conduct show our support for the United Nations Global Compact, the defence of Human Rights, our commitment to the Sustainable Development Goals, and the International Labour Organization (ILO). It also establishes the criteria and mandatory requirements that, in compliance with applicable policies and principles, guide the work of Hidria d.o.o.

Hidria will take steps to ensure that partners' business practices comply with this Business Partner Code of Conduct, which forms an important part of every collaboration agreement concluded between Hidria and its business partners and applies to new and existing business partners. From them, Hidria expects not only to conduct business in compliance with this Code of Conduct but to also set similar expectations with their own supply chain.

LABOUR

Our business partners must observe, respect and support the fundamental rights of their employees based on internationally recognized labour laws and applicable national laws.

1. Human Rights

Our business partners must fully respect all generally applicable provisions of international law related to human rights and freedoms. They shall consistently follow all of the provisions of labour law in compliance with the framework of the United Nations Guiding Principles on Business and Human Rights.

2. Child and Forced Labour

Our business partners may not allow child labour. ILO (International Labour Organization) Conventions must be observed. They shall only employ people who have reached the minimum legal age for work according to the legislation applicable in the country of employment. Business partners shall also reject all forms of forced labour and not participate in any forms of slavery and human trafficking.

3. Fair Working Conditions

Our business partners undertake to enforce the right to fair labour conditions in compliance with applicable ILO Conventions. Our business partners ensure the fair payment of employees and observe all legal minimums and all prescribed compensation schemes and rewards defined by internal regulations. They respect the provisions of labour law related to the number of working hours, breaks, and provisions related to overtime work.

4. Freedom of Association

Our business partners respect the employees' rights to form interest groups and associations. Their employees may, at their own discretion, join trade union associations, elect representatives, and join workers' councils in compliance with the law. The right to collective bargaining for the settlement of disputes related to working conditions and the right to strike shall be granted within the framework of statutory provisions and in compliance with the ILO Convention.

5. Prohibition of Discrimination and Harassment

Our business partners do not permit harassment or any kind of discrimination. They encourage the reporting of any eventual violation of the prohibition on discrimination and harassment in the workplace.

They do not tolerate any kind of discrimination based on skin colour, ethnicity, nationality, age, gender, sexual orientation, religious affiliation, human ideology, or political and trade union activity.

Given comparable requirements and tasks, the principle of equal remuneration for work of equal value shall apply irrespective of gender. ILO Conventions are to be observed.

6. Local Communities

Business partners shall respect rights such as cultural rights, customary rights and the heritage of local communities, indigenous people or other traditional groups.

For works that may have a significant impact on land areas inhabited or used by indigenous people

or other traditional groups, the Supplier shall consult and cooperate with the people concerned in compliance with ILO Convention 169.

7. Use of a private or public security force

Our business partners shall operate in compliance with the Voluntary Principles on Security and Human Rights when involved with public or private security providers.

Our business partners undertake to refrain from hiring or using private or public security personnel if, due to a lack of instruction or control on the part of the company, there is a risk of breaching the prohibition of torture and cruel, inhumane or degrading treatment, of jeopardizing life, or of infringing on the freedom of association.

8. Occupational Health and Safety

Our business partners shall provide their employees with a safe and healthy work environment that fulfils or exceeds all applicable national standards of safety and health at work. They shall take proactive measures to ensure that relevant occupational health and safety requirements are met.

In addition, our business partners who are also manufacturers must consider adopting and advancing an occupational health and safety (OHS) management system compliant with the ISO 45001 standard or an industry-appropriate OHS management system, and take suitable measures to achieve the objectives of an OHS management system.

9. Protection from eviction and deprivation of land

Our business partners undertake to refrain from any unlawful evictions. They shall also refrain from any unlawful deprivation of land, forests, and waters via the acquisition, development or other use thereof.

ENVIRONMENTAL PROTECTION

Hidria is looking for innovative solutions that ensure energy efficiency and reduce harmful emissions. We operate transparently in compliance with international environmental standards and meet all legal and other requirements. Hidria expects the same from its business partners. They should take measures to avoid risks to the environment and human life, limit the environmental impact of their operations and responsibly manage resources.

All processes, operating sites, and production resources employed by our business partners must meet applicable statutory requirements and standards for environmental protection.

Our business partners who are also manufacturers undertake to adopt and advance an environmental management system (EMS) compliant with the ISO 14001 standard or an environmental management system suitable for the industry. Business partners are also obliged to take measures to achieve ISO 14001 objectives appropriately.

1. Environmental Permits and Reporting

Our business partners must comply with applicable environmental laws, regulations and standards. The entire supply chain should strive to establish an appropriate environmental management system. Environmental risks and impacts must be minimized and environmental protection

established in the company's everyday operations.

2. Preservation of Natural Resources and Pollution Prevention

The use and consumption of resources should be minimized. Using environmentally and climate-friendly products, processes and technologies should be an important aspect of the entire supply chain.

3. Protection of Biodiversity

Our business partners are expected to strive towards halting deforestation and conversion of natural ecosystems in supply chains, to protect natural ecosystems and not contribute to deforestation or to the changing or damaging of natural woodlands and other natural ecosystems.

4. Water Management

Our business partners are expected to take action to reduce water consumption and the generation of wastewater. Steps are taken to prevent the contamination of surface and underground water. Wastewater from manufacturing processes should be controlled and checked regularly.

5. Materials and Waste Management

Our business partners are expected to take action to eliminate and minimize waste generation. Materials are to be reused whenever possible. They must follow the principle of first avoiding waste, then recycling, and finally disposing of it. At the minimum, our business partners must comply with applicable statutory provisions and authorities' requirements.

6. Air, noise and soil quality

At the minimum, our business partners are required to comply with applicable statutory provisions and local authorities' requirements.

7. Hazardous Materials

Our business partners undertake to observe the rules of material compliance in compliance with statutory substance prohibitions, restrictions, declaration requirements, applicable standards, and Hidria's Supplier Quality Manual (RoHS, REACH, POPs...). They must implement processes and procedures to properly label, conduct, handle, dispose and replace hazardous materials.

8. Climate actions

Business partners are expected to engage in persistent and active climate actions. Greenhouse gas emissions must be typified, regularly supervised, verified and, when necessary, treated before they are released. Cost-effective solutions should be identified to increase energy efficiency and minimize energy consumption. Business partners are expected to take action for generating or procuring energy from renewable sources, as well as to set ambitious carbon reduction goals.

Business partners should consider adopting and advancing an energy management process according to ISO 50001.

BUSINESS RELATIONS

Hidria builds partnerships with its suppliers and shareholders, and in practice, our business philosophy with them. We work continuously to improve quality and our shared competitiveness.

In its Code of Ethics, Hidria undertakes to operate with honesty, integrity and in compliance with all applicable laws and regulations. Hidria prohibits all forms of unfair business practices and will not conduct business with any business partner that engages in such practices.

1. Avoiding Conflict of Interest

Our business partners undertake to avoid 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. Decisions must be made based on legitimate considerations and not be influenced by personal interests.

2. Fair and Transparent Practices

Our partners' books of accounts, accounting documents and other documents must be kept in compliance with regulations and applicable accounting standards. Only accurate and honest data shall be entered. Our business partners are aware that contrary actions are culpable.

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

3. Data Protection

Our business partners must ensure that privacy and personal data protection are observed. Data is stored and archived in compliance with legally defined regulations. Such information is to be appropriately protected from disclosure to and against access by third parties.

Business partners must collect and process personal data in a way that respects the basic rights, freedoms and dignity of all involved.

4. Free Competition

Our business partners must comply with all applicable competition and antitrust laws. They shall refrain from forming cartels or engaging in concerted practices designed to distort competition as defined by antitrust laws.

5. Corruption

Our business partners shall not promise, offer or give their business partners or any other person any illicit benefits, nor accept such. They shall reject any promise or offer of benefits not permitted by regulations, internal regulations or ethical principles.

Business partners shall adopt a zero-tolerance policy prohibiting all forms of corruption, bribery, extortion, embezzlement, insolvency offences and advantage-taking.

6. Responsible Purchasing

Our business partners undertake to identify and replace materials and products containing minerals that come from areas affected by high-risk conflicts ["conflict minerals"]. Business partners shall adopt a policy and undertake due diligence measures in their supply chain to ensure that

conflict minerals are only sources from mines and smelters outside of conflict-affected high-risk areas.

7. Trade Secrets

Our business partners are aware of the value of trade secrets and work to protect said secrets from unauthorized distribution or any other communication that might contradict applicable internal regulations.

They ensure that intellectual property is duly protected. The disclosure of such information to any person must always be approved.

8. Money Laundering

Our business partners are required to comply with legal regulations and good practices aimed at preventing money laundering. Transactions that serve the purpose of money laundering must be refrained from.

DUE DILIGENCE AND COMPLIANCE MANAGEMENT SYSTEM

Our business partners are expected to implement and maintain a management system within the scope that complies with the content of this Business Partner Code of Conduct. The management system should be designed to identify, prevent, mitigate and account for risks and impacts on the environment and people.

1. Legal and Customer Requirements

Our business partners are aware of the responsibility arising from legal requirements for product safety. In developing and manufacturing products they ensure optimal quality in compliance with the current state of science and technology. They must control risks by developing and maintaining an integrated management system.

2. Supply Chain

Our business partners are expected to implement processes to effectively communicate the principles of this Business Partner Code of Conduct to its suppliers and sub-suppliers and to monitor supplier compliance with the Code. They must ensure that their supply chain complies with all principles to the best of their ability.

3. Risk Management

Our business partners are expected to implement measures to effectively identify and monitor legal compliance, labour practice, ethics and environmental risks in compliance with this Business Partner Code of Conduct, including documentation proving that its commitment to the Business Partner Code of Conduct has been implemented.

4. Training Programmes

Our business partners are expected to educate their management and other employees about key principles of this Business Partner Code of Conduct and other applicable laws, standards and regulations referenced herein.

5. Reporting Channel

Our business partners must adopt internal rules and an internal reporting channel where violations of applicable laws and regulations can be reported. They must ensure 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.

6. Counterfeit Parts

Our business partners should develop, implement, and maintain methods and processes appropriate to their products and services to minimize the risk of introducing counterfeit parts and materials into products.

7. Customs and Export Control Regulations and Economic Sanctions

In the interest of a safe supply chain, our business partners must refer to restrictions on the export of goods, services, software and technology, as well as applicable restrictions on trade with certain countries, regions, companies, organizations or individuals.

Our business partners must abide by applicable export laws and regulations under national law, EU regulations, or other international embargo and export regulations. They must notify promptly if a delivery or service is entirely or partially subject to export restrictions under national law, EU regulations, or other international embargo and export laws.

8. Compliance Checks

Hidria reserves the right to take reasonable steps to check for compliance with the Code of Conduct. Our business partners shall actively support any required compliance checks.

Potential breaches should be reported to: compliance@hidria.com.

Supplier's Company Name:

Legal, Compliance or Sustainable Development Representative:

Function:

Date:

Signature: