

LTH CASTINGS COMPANY CODE OF CONDUCT



LTH Castings

CASTING THE FUTURE

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PURPOSE OF THE CODE

Our company's code of conduct defines who we are, what we believe in, and sets out the principles and rules of ethical behaviour, good business practice, and the standards to which we are committed.

The Code of Conduct forms the basis for all other internal rules, policies, and practices that provide protection and a good working environment for employees and a foundation for sustainable development for the company.

We recognise that our employees add significant value to the company and are therefore our greatest asset. Integrity, compliance with legislation, and responsibility towards people are the guiding principles of LTH Castings' corporate management.

WHO WE ARE?

We are a company of committed people who understand the importance of ethical behaviour and moral principles and together we are CASTING THE FUTURE.

Values that unite us in the realisation of our shared vision:

The LTH Castings Group is a specialist in **aluminium high-pressure die-casting**. We offer our partners a full range of services at various levels of complexity under the concept of being a **full-service supplier**, while ensuring cost efficiency through the development and optimisation of castings and processes, as well as with an in-house tool shop.

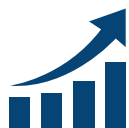
and the realisation of our **mission**:

In our operations, all employees work together to achieve business excellence in our operations through **comprehensive customer service**, investment in **knowledge**, innovative **development** of products and processes, and continuous improvement in **productivity** and **quality**. In our operations, we are aware of our responsibility to the local **community** and the **environment**.

are based on the building blocks of our business success: **quality, knowledge, and responsibility for delivering on our promises**.

WHAT VALUES CONNECT US?

SUSTAINABLE GROWTH AND PROGRESS



We are committed to sustainable growth and progress, focusing on planned and sustainable changes and investments that are environmentally and employee friendly. We follow the latest trends, look for development opportunities, and invest in progress.

We provide our employees with a working environment that encourages them to develop thinking, acquire new skills, and thus professional and personal growth. Above-expected work performance and progress are stimulated and rewarded.

INTEGRITY



We are honest with ourselves and others, honour agreements, take responsibility, and solve problems on the spot. We guarantee equal treatment for all employees.

We guarantee a fair reward and payment for a job well done.

EMPLOYEE HEALTH



We offer our employees a healthy working environment, a good work-life balance, regular working hours, and flexibility. We make every effort to take account of their abilities and their ambitions. We respect the time and privacy of our employees and provide them with financial stability.

We implement preventative measures to influence the long-term health of our employees.

POSITIVE RELATIONSHIPS



We build positive relationships based on respect. We are committed to respectful, two-way communication based on respect for different points of view and mutual understanding. We value mutual cooperation, help, and support. Feedback is developmental and focused on the future and progress.

We recognise and reward hard work, good ideas, and successfully completed tasks.

COOPERATION



We know that together we are stronger and more successful, so we encourage mutual cooperation (between departments, sectors, and locations) based on team spirit, taking everyone's opinion into account, sharing knowledge, taking responsibility, and finding solutions together.

Our partners and customers are also important partners in finding the best solutions.

We are aware of our impact on the environment, so we listen to and work with local communities and the wider social environment.

PRINCIPLES OF OUR WORK

WE APPRECIATE OUR EMPLOYEES

At LTH Castings, we promote an organisational culture based on respect for each individual, valuing their contribution to the achievement of common goals and supporting their development. We are committed to dialogue with all employees because we want to hear their opinions and ideas and create the conditions for their implementation.

Because we believe in the potential of each individual, we look after their development and enable them to progress. We are a learning organisation that enables the continuous acquisition of new knowledge, the sharing of experiences, an effective mentoring system, and the development of all employees. Investing in continuous development and training is an ongoing task, and acquiring new knowledge and passing it on to colleagues is the duty of each individual.

WE CARE ABOUT A SAFE WORKING ENVIRONMENT AND THE HEALTH OF OUR EMPLOYEES

Efficient and high-quality performance is only possible in a safe and healthy working environment. We are committed to raising awareness among employees so that they can ensure their own health by strictly following safety procedures to reduce the risk of injury or health problems. We pay particular attention to the protection of vulnerable people, including young workers, young mothers and pregnant women, older workers, and people with disabilities.

We take preventive measures to reduce potential hazards and stress in the workplace and to ensure a reduction in occupational illnesses and ensure the health of our employees. Through continuous risk identification and assessment, which forms the basis for the introduction and improvement of safety measures and the use of technological improvements, we facilitate work processes and ensure the safety of our employees.

We carry out regular inspections and tests of work equipment to ensure that it complies with health and safety regulations and that employees use it safely.

All employees are required to comply with regulations and internal policies relating to health and safety at work. Through planned education, training, and awareness-raising, we ensure that all employees at all levels are aware that they are an important element in shaping safety and health at work, and that only healthy employees can create a safe and healthy organisation.

We take effective measures to prevent accidents, injuries, and illnesses that are work-related or occur during work. Our aim is to reduce the causes of risk in the work environment. We constantly work to improve the protection of employees in the event of an accident, including the use of compulsory insurance and employers' liability insurance. We provide appropriate emergency medical assistance and first aid supplies in the workplace. We also provide safe and clean working and support areas.

We provide all employees with prescribed personal protective equipment free of charge at all times and carry out regular, periodic, and, when necessary, extraordinary medical examinations. We provide employees with free access to prevention and education programmes to raise awareness of healthy lifestyles. We also encourage participation and involvement in various sporting activities through the LTH Active Sports Club, which helps to raise awareness of the importance of a healthy lifestyle.

We do not allow or tolerate the use of alcohol, drugs, or other intoxicating substances.

PROHIBITION OF DISCRIMINATION, HARASSMENT, AND ABUSE

We believe in the equality and worth of all people and respect those who think differently. We respect all the rights guaranteed by the constitution and the law as well as international documents in the field of human rights. We guarantee equal opportunities for all individuals regardless of colour, race, nationality, social or ethnic origin, medical condition or disability, sexual orientation, political or religious beliefs, gender, age, or any other condition that could lead to discrimination.

We promote policies that work to eliminate inequality and discrimination, ensure equal opportunities for women and men, and respect and fulfil the rights of minorities and indigenous peoples. In our company, we do not tolerate any form of workplace violence or harassment, psychological abuse, forced or compulsory labour, or the threat of such behaviour.

We respect human dignity, privacy and personal rights. Everyone is obliged to refrain from inappropriate behaviour that threatens the dignity of another person. If we see inappropriate behaviour by a colleague, we must inform our supervisor. If we identify inappropriate behaviour by a supervisor, we will inform his or her manager or an authorised person.

PROTECTION OF PERSONAL DATA

We handle personal data securely, carefully, and transparently, in accordance with personal data protection legislation. We collect personal data only to the extent necessary to fulfil legal requirements and the legitimate interests of LTH Castings or on the basis of the individual's personal consent, which can be revoked at any time. We restrict access to personal data to authorised individuals and bodies in accordance with applicable legislation. If we believe that our privacy rights have been violated, we will contact a manager or a Privacy Officer.

RIGHT TO FAIR PAYMENT

At LTH Castings, we are committed to competitive, performance-based, and fair pay. We ensure that employee wages and benefits are clearly and accurately described and that all payments meet or exceed legal minimums and/or industry standards.

All payments are made in a traceable manner and at a specified time. Unauthorised deductions from wages and the withholding of wages as a disciplinary measure are prohibited.

Employees are entitled to social benefits in accordance with applicable legislation.

We comply with relevant legislation and working time agreements. Working time (overtime and maximum working hours, breaks and rest periods, work schedules, maternity/parental leave, sick leave, family leave, paid overtime) is organised in such a way as to prevent accidents at work due to physical and mental fatigue and to maintain the health of employees. Overtime must not exceed legal limits. This principle also applies to the work of agencies for the provision of temporary work, the posting of workers, and external work.

We ensure that employees' interests are represented in the organisation of working time, and we take their needs into account as far as possible in the organisation of working time.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

In our company, we respect the right to freedom of association of our employees and provide them with employment conditions in accordance with the applicable national legislation. We treat members of all workers' organisations or unions equally and do not discriminate against anyone.

We recognise the right of employees to bargain collectively. We engage in constructive and open management dialogue with all employees and social partners.

BUSINESS TRANSPARENCY

WE WORK IN ACCORDANCE WITH THE INTERESTS OF THE COMPANY

Working at LTH Castings and realising a common vision enables employees to realise personal goals and interests that are in line with the interests of the company. It is the responsibility of all company employees to avoid situations, opportunities, and relationships that conflict with the interests of the company.

When acting outside the company, we do not interfere with the interests of our company or influence decisions within the company that conflict with its objectives. By acting honestly, we contribute to our own and our company's reputation.

BUSINESS TRANSPARENCY

We conduct our business and maintain our records in accordance with applicable laws, regulations, and accounting standards. We enter truthful and honest information in books, accounts, and other documents.

We store all business documents securely for the required period of time. We communicate transparently about our business, providing information that is not a trade secret honestly, up to date and on time.

If we believe that our goals, interests, or relationships conflict with the company's goals and mission, we will inform management or someone authorised by management. We proceed in accordance with the management's decision.

We comply with applicable restrictions under international law, including export control regulations on the export or re-export of goods, software, services, and technology.

INTEGRATED MANAGEMENT SYSTEM POLICY

The Integrated System Policy provides a starting point for defining general and implementation objectives in the areas of product quality, information security, corporate integrity, environmental management, occupational health and safety, and energy management. The policy is presented in a statement that includes the requirements of the IATF 16949, SIST EN ISO 14001, ISO 45001, and ISO 50001 standards and is the starting document in the integrated system.

Together with all employees, the management develops strategies, plans activities, and provides the means to achieve the goals of the policy with which we have defined the “zero errors” strategy. The company is committed to providing resources for the efficient implementation of business processes and the operation of management systems.

We have an effective supplier verification process in place. We carry out regular quality inspections of suppliers, supplied parts, and materials. We do not allow counterfeit parts and materials to be introduced into our products.

We implement the policy through teamwork. The members of the integrated management system team contribute their knowledge and suggestions to the selection of the best possible solutions within the continuous improvement programme for the environmental management system, the quality system, the occupational health and safety system, and the energy efficiency improvement system.

We encourage innovation at all levels to further improve product quality and the working environment, reduce environmental impact, and increase energy efficiency. Compliance with the requirements of the Integrated System Policy is the duty of every employee.

CORRUPTION AND BRIBERY

At LTH Castings, we have zero tolerance for any form of corruption. Corrupt practices, including giving and receiving bribes in any form, nepotism, and abuse of authority or position, are strictly prohibited.

Offering or accepting gifts, payments, or other benefits in connection with LTH Castings duties or activities is strictly prohibited. Gifts and other benefits may only be accepted or offered if their value does not exceed the legal limits and if their acceptance or offer does not raise concerns about the recipient's ability to make professional or business decisions (appropriate gift or hospitality).

All breaches of LTH Castings' anti-corruption policy will be investigated and sanctioned.

PREVENTION OF MONEY LAUNDERING

All employees must ensure that the company is not misused for money laundering or other illegal purposes. Money laundering is any legal or actual transaction involving money or property of illegal origin, including the use of money or other property of legal origin for terrorist purposes.

The duty to prevent money laundering means that before any transaction we are required to obtain sufficient information about the counterparty, its business environment, and the purpose of the transaction or business. We pay particular attention to transactions that are inconsistent with or disproportionate to normal business.

We are required to report any suspicious transaction immediately to our line manager.

FREE COMPETITION

LTH Castings is committed to free competition and strict compliance with antitrust regulations. In carrying out our activities, we strictly comply with the applicable legislation in the field of prevention of restrictions on competition, acts of unfair competition and unfair business practices, and we respect our competitors. At LTH Castings, we believe that the key measure of our success should be the quality of our products and services. To meet the needs and demands of our customers, we follow technological developments, modern trends and best practices, and continually improve our products and services.

SOCIAL RESPONSIBILITY AND ENVIRONMENTAL PROTECTION

LTH Castings is aware that the success of the company is also linked to the success of the wider natural and social environment, so in our operations we strive to follow guidelines for sustainable and socially responsible policies (in accordance with the UN Global Compact) and to protect fundamental human rights and rights at work as derived from the recommendations.

Since 2017, we have followed the guidelines for socially responsible operations in accordance with the ISO 26000 standard. We work with external non-governmental organisations in this area to verify compliance.

Adherence to the standards expected of our suppliers is based on the Code of Conduct for Suppliers.

ACTIVITIES THAT PROMOTE THE DEVELOPMENT OF SOCIETY AND IMPROVE QUALITY OF LIFE

Donations and sponsorship agreements are made in line with our vision, mission, and values. We encourage and support activities that promote social development and improve the quality of life in the local communities where we operate.

We regularly measure emissions (water, air, noise), collaborate with local technical schools, and carry out joint R&D projects with various faculties.

We do not use our resources (material, financial) to support activities that could damage the company's reputation or business position or that could be used to conceal immoral activities.

PROHIBITION OF CHILD EXPLOITATION, FORCED LABOUR, AND SLAVERY

At LTH Castings we do not employ or permit the employment of children under the age of 15 in accordance with the International Labour Organisation (ILO) Convention, UN Conventions, and national laws.

We provide additional protection for minors under the age of 18 and do not allow them to perform work that, by its nature, would endanger their safety and health.

We do not tolerate any form of forced labour or modern forms of slavery or slavery-like practices (withholding documents, etc.).

We also do not permit our business partners to engage in conduct that is inconsistent with the above conventions and national laws.

SAVING RESOURCES AND CIRCULAR ECONOMY

The production of castings consumes considerable amounts of energy, which is why we committed to energy efficiency in 1999 as part of our ISO 14001 environmental management system, which was certified in the same year.

As an energy-intensive industry, in 2016 we implemented and certified an energy management system in accordance with the ISO 50001 standard. The energy management system acts as a tool to improve energy efficiency, and we have introduced digital monitoring of consumption.

In our operations, we protect natural ecosystems and biodiversity and do not contribute to the alteration, deforestation, or degradation of natural forests and other ecosystems. Where appropriate, the guidelines of the High Conservation Value (HCV) Resource Network and the High Carbon Stock Approach (HCSA) should be used.

By effectively reducing, reusing, and recycling water and cleaning wastewater, we reduce our negative impact on the environment.

REDUCING THE CARBON FOOTPRINT

In the context of sustainable development, the company has set itself the strategic goal of becoming carbon neutral by 2030 by reducing its carbon footprint in the areas of gas and electricity consumption through the integration of green energy.

The main milestones on the way to carbon neutrality are the use of recycled aluminium alloys, the promotion of local use, CO₂-neutral production with the Factory of the Future project, and the implementation of energy-saving best practices in production processes (industrial LED lighting, heat pumps for the ventilation system in heating and cooling, use of heat from compressors for heating water and process washing of aluminium products, etc.).

We calculate our carbon footprint using the Global Reporting Protocol methodology. We work with an external verifier to ensure the credibility of our carbon footprint calculations.

HANDLING OF HAZARDOUS SUBSTANCES AND WASTE

The handling of hazardous waste is fully defined in the Rules for the Maintenance of Treatment Facilities and the Storage and Handling of Special Waste. Acting in accordance with this document ensures that we fully control the sources of pollution resulting from our activities and fulfil our responsibility to prevent, reduce, or eliminate the risks that may arise from the use of hazardous materials, chemicals, and substances.

We encourage and support the use of sustainable, renewable natural resources, while reducing waste and increasing reuse and recycling.

ASSET MANAGEMENT AND SECURITY

Employees handle the company's assets (material, financial, and intellectual) responsibly and with due diligence. The same applies to the use of working time that we do not devote to private activities, and we record work done and working time honestly and with due diligence.

PROTECTION OF COMPANY ASSETS

We protect property from damage, destruction, loss, or misappropriation. We only use company assets to achieve the company's business objectives and in accordance with our authority. Real estate is professionally managed with the aim of creating long-term value. We organise and execute business travel economically.

PROTECTION OF TRADE SECRETS AND INTELLECTUAL PROPERTY

Our innovation and creativity at work enables us to successfully pursue our mission, vision, and goals. It is therefore particularly important to pay special attention to the protection of intellectual property.

Trade secrets and confidential information are information, data, and creations of the company that are marked as such or where it is obvious that the company or our business partners would be harmed if they were disclosed to an unauthorised person. This includes all information available to individuals that is not yet available to the general public, as well as data that is protected by law (industrial property rights, personal data protection).

Employees must protect the company's intellectual property and handle confidential information with care and a high degree of sensitivity. This applies both to information of an internal nature and to information obtained from customers or other business partners in the course of their work. Exceptions are made where disclosure is authorised by a responsible person in the company or where disclosure is required by relevant legislation.

In the event of a possible exchange of confidential information with third parties, it is necessary to ensure that the parties' obligations regarding the non-disclosure of confidential information or data are respected.

Employees must not take advantage of business benefits and opportunities belonging to the company that they discover when using the company's intellectual property (knowledge, equipment, information systems, information, etc.) to act against the company's business interests. The prohibition on disclosing confidential information does not end with the termination of the employment relationship.

INFORMATION SECURITY MANAGEMENT

Information security management is the foundation of our safe and smooth operations. LTH Castings protects information or data from unauthorised access by continuously improving its information security policy and by implementing appropriate security systems and procedures.

All employees contribute to the appropriate and careful use of information technology. In order to prevent unauthorised access to information resources, we do not share our identification passwords or digital certificates with anyone. When we leave the workplace, we log out of the computer or lock the screen. We do not use the identity of other users and, as part of our responsibilities, we keep the authorities informed of any changes in the status of employees in relation to their assigned access.

We follow the rules of safe use of information resources.

COMMUNICATION

When communicating internally with colleagues or with external stakeholders, employees are guided by our values (sustainable growth and progress, honesty, health, positive relationships, cooperation). At the same time, we take into account the following guidelines for communicating with different stakeholders.

COMMUNICATION BETWEEN EMPLOYEES AND EXTERNAL PARTIES

Communication between employees and external parties (customers, suppliers, and other business partners) is the largest part of our business communication. We divide it into direct oral communication and written and electronic communication.

ORAL COMMUNICATION

We use oral communication in everyday work, meetings, and gatherings. It is used to inform, solve challenges, and make decisions. The basis of good oral communication is listening, respect, and checking for understanding, which make oral communication effective. When communicating with external partners on the phone, we say hello and introduce ourselves; when communicating internally, we say a friendly greeting. We return unanswered phone calls or provide call forwarding.

To communicate successfully at meetings and conferences, it is important to organise them on time, clearly define the topic and agenda, coordinate the necessary preparation of materials, define the expected outcomes, and invite the right group of participants. We use available information support to organise and hold meetings and ensure that all participants have the opportunity to express their views. We come to meetings on time and properly prepared.

WRITTEN AND ELECTRONIC COMMUNICATION

Written and electronic communication requires particular care, as it leaves traces and does not allow direct insight into the understanding of the message. When writing e-mails, letters, and other documents, we are clear and concise and follow the rules of our overall graphic image.

When communicating by e-mail, we are careful to write the subject of the message concisely so that the content of the message is clear to the recipient. Recipients include only employees who are affected by the content. We avoid the “urgent” label as much as possible, preferring to use oral communication in cases of urgency. We set an automatic reply when we are unavailable.

WITH CUSTOMERS AND BUSINESS PARTNERS

When communicating with customers and other business partners, we follow the principles of business communication and etiquette. We communicate with customers in a variety of ways – written, oral, formal, informal, verbal, and non-verbal.

The aim of communicating with customers is to recognise and understand their needs and expectations and, when communicating with other business partners, to be able to express our needs and expectations. We want to build and maintain long-term partnerships with them, so it is important to be respectful, give clear, accurate, and unambiguous information, and not promise what we cannot deliver. We communicate quickly and responsively, and we see every complaint or disagreement as an opportunity to do better.

WITH THE MEDIA AND THE GENERAL PUBLIC

Top management and the spokesperson communicate with the media. Messages given to the media are coordinated internally, do not reveal any business secrets, and ensure that our company’s image is correctly portrayed to the outside world.

Special attention should also be paid to informal communication about the company between acquaintances or on social networks. As employees, we have a responsibility to look after the interests of the company and our colleagues when communicating in this way and to not reveal business secrets. If in doubt, consult your manager or public relations representative.

ENFORCING THE PRINCIPLES OF THE CODE OF CONDUCT

All provisions of this Code are consistent with all applicable national laws and regulations, minimum industry standards, ILO and UN Conventions, international law, and other relevant legal requirements.

The Code applies to all employees of LTH Casting Group, regardless of their position or location. Managers must set a good example for their employees, familiarise them with the content of the Code, and support them when they are approached. Behaviour in accordance with the Code of Conduct is one of the fundamental obligations of the employment relationship for employees of the LTH Castings Group.

We also expect all other stakeholders to respect all written rules and principles. We are committed to informing all business partners of the defined principles and rules.

The entire management of the LTH Castings Group is responsible for monitoring and enforcing the principles of the Code.

RELATED DOCUMENTS

- Rules of Procedure of the Integrated Management System
- Purchasing Code of Conduct
- External certifications: IATF 16949, ISO 14001, ISO 45001, ISO 50001, TISAX, ISO 26000, which we renew regularly

HOW WE REPORT AND DEAL WITH POTENTIAL IRREGULARITIES?

All LTH Castings employees are required to report any illegal, unprofessional, or unethical behaviour. We will protect the identity and integrity of employees and others who, in good faith and on the basis of well-founded facts, inform authorised persons of wrongdoing in the company in accordance with the law and our whistleblower policy. We protect those who report unfair or illegal practices from possible negative consequences.

Employees are required to report any identified or potential violation of the Code and other internal policies or practices that are illegal, unethical, or otherwise objectionable in any of the following ways:

- directly to their manager,
- via the dedicated e-mail address: compliance@lthcastings.com
- by regular mail to LTH Castings d.o.o., Vincarje 2, 4220 Škofja Loka; with the annotation "COMPLIANCE".

VALIDITY OF THE CODE

The Code of Conduct has been approved by the company's management and applies to the entire LTH Castings Group from July 1, 2023 onwards.

The management is required to ensure that employees and all stakeholders involved in the company's business are familiar with the content of the Code and act in accordance with its principles and rules.

The Code of Conduct is published on the company's website and intranet portal.

Matjaž Turk, CEO

Peter Šifrer, Procurator

Igor Grilc, Director

Andrej Megušar, Director