

# CODE OF CONDUCT

The company's Code of Conduct is a document that sets out ethical guidelines, values, and expectations for employees and other stakeholders. It ensures that business operations are aligned with ethical standards, legal requirements, and the company's core values.

We are committed to considering the long-term impacts of our activities and business decisions in the areas of environmental, social, and governance responsibility. We strive to identify and implement sustainable solutions, which guide both our employees and the company's operations in Slovenia and across the regions in which we operate. Our aim is to ensure that the principles of sustainable development are embedded in all our activities.

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## 1. INTRODUCTION

Iskra ISD has a long-standing tradition of manufacturing components for various industries. Over the past decade, we have transformed from a producer of simple parts into a development-oriented supplier. Our vision is to become a global development partner for innovative components and assembly systems.

We follow a strategy of sustainable growth, which includes increasing revenues as well as enhancing added value, with the aim of creating benefits for all our stakeholders. Our focus is on the production of technically demanding, innovative components and assembly units that combine materials and connect advanced technologies. An increasing share of our projects is linked to electrification and the reduction of environmental emissions.

We take guidance from our business partners, who incorporate environmental responsibility and reduced ecological impact into their business practices. In line with this, we have begun preparing a strategy and action plan to lower our carbon footprint. We also strive for sustainable growth and mutual progress through long-term collaboration with our suppliers.

As a responsible group of companies, we have adopted a Code of Conduct that commits us to respecting legislation, standards, and good business practices in everything we do. It covers our care for employees, ensuring fair working conditions and a safe, supportive working environment, as well as our commitments to environmental protection, cooperation with business partners, and engagement in the local community.

## 2. ENSURING BUSINESS COMPLIANCE

### 2.1 Acting Fairly and in Compliance with the Law

Iskra ISD is committed to conducting its business fairly and in full compliance with all applicable laws and regulations. We prohibit all forms of unfair business practices and commit not to engage with any business partner who acts in such a manner. Business decisions are based on objective and professional judgement and are always made in the best interest of the company.

### 2.2 Fair and Transparent Practices

We prepare accounting statements, business documentation, and other records in accordance with laws, regulations, and applicable accounting standards. We record accurate and truthful information that reflects a fair and complete view of the company's financial position and business performance. Business documents are retained in accordance with legal requirements.

Explicit prohibition of fraud and falsification of records:

- All forms of fraud, embezzlement, expense abuse, false travel claims, or unauthorized payments are strictly prohibited.

- The manipulation or falsification of records (e.g., control logs, quality measurements, traceability data, working hours, material consumption) is strictly prohibited.

### **2.3 Data Protection**

We store personal and other data in accordance with applicable legislation. Such data is collected and processed in a manner that respects privacy, fundamental rights, freedoms, and the dignity of all individuals involved. We ensure appropriate protection of databases where data is stored, preventing unauthorized access by third parties.

### **2.4 Protection of Trade Secrets**

We are committed to safeguarding trade secrets. We do not disclose sensitive business information to third parties and ensure adequate protection against unauthorized access or distribution of such information.

### **2.5 Information Security**

We respect information security principles in accordance with widely recognized standards. To this end, we have adopted specific information-handling policies aimed at improving the protection of company information, reducing the risk of information unavailability, strengthening integrity and authenticity, and ensuring business continuity. To support the implementation of these policies, employee training is regularly conducted.

Employees must immediately report to authorized personnel any actions aimed at unauthorized discovery, disclosure, transfer, or destruction of confidential data, as well as any other unacceptable handling of confidential or informational assets. Employees must also promptly report suspected phishing attempts, lost devices, unauthorized access, or any incident that could compromise the confidentiality, integrity, or availability of information.

### **2.6 Protection of Intellectual Property**

We respect the intellectual property rights of others and ensure adequate protection of the company's own intellectual property by registering patents for our innovations.

### **2.7 Zero Tolerance for Corruption**

The company applies a zero-tolerance policy to all forms of corruption, bribery, extortion, embezzlement, criminal acts, and misuse of position. Our employees shall not promise, offer, or provide any unlawful advantage to business partners or any other person, nor shall they accept such advantages. They must reject any promises or offers of benefits that are not permitted under applicable regulations, internal rules, or ethical principles.

## **2.8 Political Neutrality**

The company is politically neutral; employees may not represent the company in political activities without authorization.

Political contributions: Company funds may not be used to support political parties, candidates, or campaigns.

Lobbying / relations with public authorities: Representation of the company's interests before public bodies is permitted only with authorization from management and in accordance with the law.

## **2.9 Anti-Money Laundering**

We comply with legal requirements and best practices for preventing money laundering. We will decline or discontinue any transaction suspected of being linked to money-laundering activities.

## **2.10 Avoiding Conflicts of Interest**

We avoid situations and activities that could lead to conflicts of interest or impair our ability to make business decisions in the best interest of the company. Business decisions must always be based on objective and professional judgement. Employees may not use their connection with the company for personal gain and must avoid involvement in activities that conflict with the company's interests.

## **2.11 Donations and Sponsorships**

Donations and sponsorships must be transparent, pre-approved, and properly documented. They must not be used to obtain improper business advantages or to influence business decisions.

## **2.12 Fair Competition**

We comply with all applicable competition and antitrust laws. We do not participate in coordinated activities aimed at forming cartels or restricting competition.

# **3. RESPECT FOR EMPLOYEE RIGHTS AND ENSURING OCCUPATIONAL SAFETY**

We respect and uphold the fundamental rights and freedoms of employees as defined in applicable legislation. We fully and consistently comply with all provisions of labour law.

## **3.1 Ensuring Fair Working Conditions and Compensation**

We provide employees with fair working conditions and fair compensation. We comply with all statutory minimum standards and prescribed remuneration schemes, and we observe all legislative requirements regarding working hours, breaks, and overtime.

### **3.2 Prevention of Child Labour and Forced Labour**

In accordance with the conventions of the International Labour Organization, we employ only individuals who have reached the legally defined minimum working age under applicable legislation. The company does not employ children and rejects all forms of forced labour.

### **3.3 Prohibition of Discrimination and Harassment**

In line with our Workplace Protection Policy, we are committed to ensuring a safe and supportive working environment. This includes protecting employees from sexual and other forms of harassment and workplace bullying, prohibiting discrimination and retaliation, implementing measures to safeguard employees, and ensuring the protection of dignity at work.

### **3.4 Occupational Health and Safety**

We provide a safe and healthy working environment for all employees. We comply with all applicable occupational health and safety standards and, as part of workplace health promotion, encourage a healthy lifestyle.

## **4. GIFTS, HOSPITALITY AND INVITATIONS**

Business gifts and hospitality can be part of standard business practice; however, they must not influence the objectivity of business decisions or create the appearance of improper influence.

### **4.1 Permitted Gifts and Courtesy Items**

Only symbolic-value gifts and customary business courtesies are permitted, provided they comply with applicable laws, business practices, and the company's internal rules.

### **4.2 Prohibition of Inappropriate Benefits**

Employees may not offer, promise, give, or accept gifts, services, hospitality, or any other benefits that could influence business decisions or constitute bribery.

### **4.3 Transparency of Conduct**

In cases of doubt regarding the appropriateness of a gift or invitation, employees must consult their supervisor or the responsible department and act in a transparent and accountable manner.

## **5. RESPECT FOR HUMAN RIGHTS**

The company respects fundamental human rights and the dignity of every individual.

### **5.1 Commitment to International Standards**

In our operations, we adhere to internationally recognized human rights principles and expect the same conduct from our business partners.

### **5.2 Freedom of Association**

We recognize employees' right to freedom of association, trade union membership, and collective bargaining in accordance with applicable legislation.

### **5.3 Respect for Dignity**

Every individual must be treated with respect, without humiliation, exploitation, or inhumane treatment.

## **6. PREVENTION OF HUMAN TRAFFICKING AND EXPLOITATION**

The company firmly rejects all forms of human trafficking, forced labour, debt slavery, exploitation of vulnerable individuals, and other forms of modern slavery.

### **6.1 Zero Tolerance**

We apply a zero-tolerance policy toward any form of human trafficking or labour exploitation, whether directly or indirectly through business partners.

### **6.2 Fair Employment Conditions**

Employment must always be based on a voluntary decision by the individual. Retaining personal documents, unjustified recruitment fees, restricting freedom of movement, or any other form of coercion is strictly prohibited.

### **6.3 Supply Chain Responsibility**

We expect our suppliers and other business partners to uphold the same principles and to actively prevent human trafficking and exploitation within their organizations and supply chains.

#### **6.4 Identification of Risks and Reporting Suspicions**

Employees must remain alert to potential signs of forced labour or exploitation and report any suspicions immediately to their supervisor or through designated reporting channels.

### **7. DIVERSITY, EQUAL OPPORTUNITY AND INCLUSION**

Employee diversity represents an important value and a competitive advantage for the company.

#### **7.1 Equal Opportunities**

We ensure equal opportunities in recruitment, promotion, training, and professional development, regardless of an individual's personal circumstances.

#### **7.2 Inclusive Work Environment**

We foster a culture of respect, collaboration, and inclusion, where diverse opinions, experiences and perspectives are valued.

### **8. REPORTING VIOLATIONS AND WHISTLEBLOWER PROTECTION**

The company encourages open communication and responsible conduct. Employees and other stakeholders have the right and the obligation to report actions that are contrary to applicable legislation (including environmental laws), internal regulations, or this Code of Conduct.

#### **8.1 Reporting Options**

Violations can be reported to a supervisor, the HR department, the designated compliance officer, or through other internal reporting channels as defined by the company. Reports may also be submitted anonymously. The procedures for reporting and handling violations are detailed in a separate internal regulation governing irregularity reporting.

#### **8.2 Confidentiality and Fair Handling**

All reports are treated confidentially, professionally, and impartially, in accordance with internal rules and applicable legislation.

### **8.3 Prohibition of Retaliation**

The company does not tolerate retaliation against anyone who, in good faith, reports suspected wrongdoing or participates in an investigation. Whistleblower protection is further governed by the internal regulation on reporting violations.

## **9. USE OF COMPANY ASSETS**

Company assets are intended solely for performing work tasks and achieving the company's business objectives.

### **9.1 Responsible Use**

Employees must use equipment, machinery, tools, vehicles, materials, information systems, and other assets carefully, efficiently, and responsibly.

### **9.2 Prohibition of Misuse**

Private use of company assets without proper authorization is not permitted. Intentional damage, removal, or unauthorized disposal of company property is likewise prohibited.

### **9.3 Digital Assets**

The use of email, internet, software, and other digital tools must comply with internal information security rules and applicable legislation.

## **10. COMMUNICATION WITH THE PUBLIC AND THE MEDIA**

The company's reputation is built on responsible, truthful, and consistent communication.

### **10.1 Authorized Spokespersons**

Only authorized individuals may issue statements to the media, the public, or other external stakeholders on behalf of the company.

### **10.2 Social Media**

Employees must act responsibly when using social media and must not disclose confidential information, trade secrets, or content that could damage the company's reputation.

### **10.3 Protection of Information**

Internal information that is not publicly available must not be shared with external parties without proper authorization.

## **11. CUSTOMER RESPONSIBILITY AND PRODUCT SAFETY**

Quality, reliability, and safety of our products are the foundation of customer trust.

### **11.1 Product Compliance**

The company's products and services comply with applicable legislation, technical requirements, and customer specifications.

#### **11.2 Traceability and Quality**

We ensure proper traceability of materials and processes and consistently implement quality management systems.

#### **11.3 Responsible Action in Case of Non-Compliance**

In the event of identified defects or non-compliance, we act promptly, transparently, and responsibly, and work with customers to find appropriate solutions.

## **12. COMPLIANCE WITH INTERNATIONAL TRADE REGULATIONS**

We strictly comply with applicable regulations in international business activities.

### **12.1 Sanctions and Embargoes**

We do not conduct business with entities or countries subject to international sanctions or embargoes where prohibited by law.

#### **12.2 Export Control**

We follow export control regulations and ensure the accuracy and completeness of export documentation.

## **13. CLIMATE COMMITMENTS AND ENERGY MANAGEMENT**

We recognize the impact of our operations on the climate and natural resources.

### **13.1 Emission Reduction**

We strive for the gradual reduction of greenhouse gas emissions and for improving energy efficiency.

### **13.2 Efficient Use of Resources**

We promote responsible use of energy, water, and raw materials, and support the principles of circular economy.

## **14. FACILITY SECURITY AND PROTECTION**

We ensure the safety of employees, visitors, and company property.

### **14.1 Access Control**

Access to production areas and other secured zones is permitted only to authorized persons.

### **14.2 Visitors**

Visitors must comply with company safety rules and be properly registered.

### **14.3 Preventing Misconduct**

Employees are obliged to report any suspicious behavior that could threaten the safety of people or property.

## **15. ENVIRONMENTAL PROTECTION**

The company has an established environmental management system that complies with applicable environmental regulations and the principles of responsible use of natural resources. Our environmental compliance is demonstrated through certification under the international standard SIST EN ISO 14001. For activities that have an environmental impact, we hold the required environmental permits. The operation of environmental technologies is carefully monitored through appropriate management measures and prescribed monitoring processes.

Through environmental responsibility, we contribute to reducing the depletion of natural resources, strive to maintain ecological balance, improve quality of life in the community, reduce energy-related costs, and strengthen the company's recognition in both local and global markets.

All employees share responsibility for environmental protection, which we demonstrate through the following activities:

- Consistently separating all waste generated and ensuring it is handed over to authorized waste operators.
- Working towards the continuous reduction of waste generation and promoting the reuse of waste as secondary raw materials.
- Increasing process efficiency and reducing the consumption of energy and raw materials through production modernization.
- Reducing environmental emissions by introducing cleaner technologies.
- Incorporating materials into our products that comply with relevant legislation and regulations (e.g., REACH, RoHS, CMRT).
- Monitoring water consumption, preventing pollution, and ensuring proper operation of wastewater treatment/discharge systems in accordance with applicable permits.
- Using hazardous substances responsibly, in the minimum necessary quantities, with proper storage, labeling, and training. Where feasible, we seek alternatives with lower hazard potential.

As we aim to actively contribute to a cleaner environment and the responsible use of natural resources, we expect our business partners to respect these commitments as well.

## **16. CLIMATE COMMITMENTS AND ENERGY MANAGEMENT**

We recognize the impact of our activities on the climate and natural resources.

### **16.1 Emission Reduction**

We are committed to the gradual reduction of greenhouse gas emissions and to improving energy efficiency. Greenhouse gas emissions (the company's carbon footprint) are monitored in accordance with recognized methodologies, and we are progressively expanding data collection to include emissions across the entire value chain.

### **16.2 Efficient Use of Resources**

We promote the responsible use of energy, water, and raw materials and support the principles of the circular economy. We prioritise improvements in energy efficiency, invest in more energy-efficient machinery and equipment where feasible, and reduce energy consumption per unit of production.

## **17. COOPERATION WITH SUPPLIERS**

To ensure the sustainable development and growth of the company, we strive to establish and develop long-term relationships with suppliers who share our vision and our goals for innovative, high-quality, and reliable cooperation. We support the implementation of continuous improvement initiatives related to quality assurance, environmental protection, and the creation of a safe and encouraging working environment.

We require our suppliers to be certified according to ISO 9001, with the objective of progressing toward certification under IATF 16949 and ISO 14001. In addition to the General Purchasing Conditions, all suppliers of components and external contractors working with Iskra ISD must also comply with the quality and environmental requirements set out in the Supplier Handbook.

Suppliers of Iskra ISD are important business partners; therefore, it is essential that we share the values and principles set out in the document ESG Code of Conduct for Business Partners, which is published on our website:

[https://iskra-isd.com/images/suppliers/ESG Code of Conduct for business partners EN ver.01-20.5.2025.pdf](https://iskra-isd.com/images/suppliers/ESG_Code_of_Conduct_for_business_partners_EN_ver.01-20.5.2025.pdf)

## 18. ENGAGEMENT IN THE LOCAL COMMUNITY

We participate in initiatives that contribute to improving the quality of life in the local community. Among other activities, we support local associations and organizations through donations, particularly those that assist socially disadvantaged groups.

## 19. GUIDELINES AND COMMITMENTS FOR EMPLOYEE CONDUCT

Employees are guided in their decision-making and performance of duties by the following core values:

**COOPERATION:** we are Iskra ISD, one team.

- We encourage open, solution-oriented communication.
- We share knowledge and good practices.
- We strengthen partnerships with other organizations.

**INNOVATION:** more knowledge for development.

- We actively encourage all employees to contribute ideas and suggestions.
- We are rolling out new technologies and innovative working methods.
- We draw inspiration from new trends, trade fairs, and partnerships.

**SATISFIED CUSTOMERS:** we strive for excellence.

- We honor our contractual commitments to customers and consistently perform them.
- We build partnerships and long-term relationships with our customers.
- We are responsive and provide up-to-date feedback.

**ENTREPRENEURSHIP:** we boldly take on new challenges.

- We actively pursue new business opportunities in all areas.
- We set our goals with boldness and ambition and strive to achieve them.
- We do not shy away from change, transforming it into opportunities.

## 20. CODE OF CONDUCT

In addition to the operational guidelines defined by the company's core values, employees are bound by rules outlining the expected behaviour in various situations. Employees are required to observe the following:

- We treat one another with respect, offer help, and collaborate.
- We communicate honestly, openly, and with integrity.
- We respect every individual and uphold fundamental human rights in our work.
- Employees do not engage in gossip and do not participate in it.
- We stop the spread of false or unverified information.
- We do not express personal beliefs (philosophical, religious, political, or any other) through clothing, behaviour, or spoken statements.
- We call attention to irregularities and inappropriate conduct when observed.
- We are not under the influence of alcohol or illegal drugs during working hours or at the workplace.
- We do not use mobile phones while operating vehicles, machinery, or performing tasks that involve risk of injury, or while walking along transport routes.
- We share information and knowledge with colleagues.
- We create an environment where everyone can express their opinions.
- We encourage creative thinking.
- We adhere to deadlines and agreements.
- We inform others promptly if a task cannot be completed on time.
- We acknowledge and praise colleagues for well-performed work.
- We act responsibly toward the environment in which we live and operate.

## 21. IMPLEMENTATION, OVERSIGHT AND ACCOUNTABILITY

This Code applies to all employees, management, and any other persons acting on behalf of Iskra ISD.

### 21.1 Management Responsibility

Managers at all levels are required to lead by example and promote adherence to the Code of conduct.

### 21.2 Awareness and Training

Employees must be familiar with the content of the Code, and the company provides appropriate training to ensure understanding.

### **21.3 Consequences of Violations**

Violations of the Code are treated seriously and may result in disciplinary measures.

### **21.4 Updating the Code of Conduct**

The Code of Conduct is reviewed regularly and updated as necessary.

## **22. FINAL PROVISIONS**

This Code of Conduct applies to all companies within the Iskra ISD Group. It enters into force on 1 September 2025 and is applicable from that date.

Iskra ISD d.o.o.  
Managing director: Igor Hafnar