

Ethical Code of the Titus Group

The process of planning and manufacturing of our products today, shapes the world in which we will live tomorrow.

In the framework of the mission of the Titus Group, we undertake to pursue sustainable development, which leads to responsible use of natural resources and the reduction of emissions to the environment. We would like to contribute to better environmental conditions and keep the planet clean for future generations. We pursue a sustainable and circular management of resources, including water and waste.

The operating activities of the Titus Group are lawful and fair. Through our actions and behaviours, we are creating an equitable society, based on the respect for human beings and their rights.

The commitment to sustainable development of the Titus Group is a commitment shared by everyone who is a part of the Group or has a professional working relationship with the Group.

Table of Contents

Introduction	4
Our vision, mission, and principles	5
Our vision	5
Our mission	5
Our operating principles.....	5
General principles	6
Leading by example	6
We are responsible for our own actions.....	6
We follow the principle of sound management.....	6
We are guided by the principle of continuous improvement.....	6
Our core values and standards of conduct	7
We respect the integrity and personality of individuals.....	7
We respect human rights.....	7
We operate legally.....	7
We guarantee fair, non-discriminatory, and transparent employment procedures and conditions.....	7
We prohibit and condemn all forms of corruption and bribery.	8
We have a zero-tolerance policy when it comes to discrimination.....	8
Environmental and social responsibility are at the core of our actions.	8
Managers must lead by example through their work, actions, behaviours, and values.	8
As employees, we work for the benefit of the company.	9
We are professional and diligent employees.....	10
We include our employees in the planning process and encourage cooperation.	10
Employees have the right to openly express their opinion.	10
Occupational health and safety are important topics for us.....	10
We encourage our employees to lead healthy lifestyles.....	11
We prohibit and condemn thievery and fraud.....	11
We must prevent conflicts of interests.	11
Children and young people are our future, which is why we are taking care of them.	11
We prohibit all forms of forced labour and human trafficking.....	12
We condemn and prohibit all forms of abuse of authority, harassment, and the use of unsuitable disciplinary proceedings.	12
We respect our agreements and promote fair operating conditions.....	13
Environmental sustainability and sustainable development are at the forefront of our operations.....	14
We do not use conflict minerals.	15
We maintain professional secrecy and confidential information, and guarantee information security.....	16
We protect personal data.....	17
Implementation of this Code.....	18
Preventing breaches	19

Reporting and processing breaches	19
Employees	19
We expect our business partners to do the same.....	20
Adoption of this Ethical Code and its publication	20

Introduction

Dear Colleagues!

The Ethical Code of the Titus Group (hereinafter referred to as: the Code) provides the principles, values, and rules of ethical conduct, as well as honest business practices and standards of good conduct of all companies of the Titus Group. It is binding for all participants in the business operations of the Group.

The Code provides employees with guidelines to ensure integrity and build long-term business relationships between colleagues, business partners and representatives of the Company, as well as within the social context.

The Code respects and relies on internationally acknowledged human rights set out in the Universal Declaration of Human Rights and the Fundamental Conventions of the International Labour Organisation (ILO).

In preparing our core principles, values, and rules of ethical conduct and standards of conduct, we have followed the governing principles of the UN and its Sustainable Development Goals (SDG).

The Code is the basis for all other internal rules of the Group. The main logic behind the conduct of all employees of the Group is consistently following the highest moral principles and the principles of fairness, loyalty, and professionalism; and constant respect of rules and guidelines set out in national and international legislation. As well as in the internal acts of the Company, while following the guidelines and recommendations prepared by institutions concerned.

The Code is published on the website of the Titus Group and must be read and understood by all employees and our business partners.

The Titus Group requires its suppliers, subsuppliers, subcontractors and other business partners to accept the principles and requirements of this Code and adhere to them. The Titus Group evaluates and chooses its business partners based on their capacity to follow and fully respect this Code.

The Ethical Code of the Titus Group is our guidepost when it comes to operating activities and mutual relations. It is a useful tool for completing daily tasks which enable compliance with the main strategic goals of the company, as well as the realisation of the vision of Titus Group.

Our vision, mission, and principles

Our vision

To be the world's best engineering for precision components.

Our mission

To provide manufacturers with component solutions that improve their competitiveness.

Our operating principles

- Always gain total knowledge of our customers and their markets.
- Focus on identifying and creating high volume component niches.
- Meet our customers' expectations with global consistency.
- Build long term associations with customers, suppliers, colleagues and shareholders.
- Invest in abilities of individuals at every level.
- Continuously enhance input efficiency and sustainability.
- Provide equal opportunities to all.

General principles

We undertake to respect the principles which are conditional for long-term success of the Group.

We are the architects of change - by recognising the need for change, we can plan and manage change.

Leading by example

By acting the way we expect our colleagues to act, we are leading by example.

We are responsible for our own actions

We realise that every single decision has consequences, and we take responsibility for these consequences. We lead and work to achieve the goals and the successful operation of the Titus Group.

We follow the principle of sound management

We make our decisions and lead our organisation in line with the principle of sound management, which also includes operating with our common sense. In practice, this means that rules are not the limit when it comes to designing improvements. We are always trying to find more efficient solutions and possible simplifications while thinking about what we do, why we do it (is this truly necessary to achieve our goal? Is this an added value?), and how we do it (the relationship between quality, time, and costs).

We are guided by the principle of continuous improvement

Our thought processes are based on opportunities and risks; we plan, execute, control, and act. We continuously improve our management systems, the competencies of our employees, resources, processes, and products, thus also improving our business results.

In planning and executing change, we examine its influence on other related processes to **maintain the integrity of our management system and maximise the desired effects** (the PDCA (*Plan-Do-Check-Act*) principle).

Our core values and standards of conduct

We respect the integrity and personality of individuals.

The management, employees, other colleagues, and business partners of the Titus Group consistently respect the dignity, personal integrity, and privacy of other employees.

We respect human rights.

We guarantee the respect of human rights pursuant to international conventions, the constitution, and legislation. We protect the personal data of our employees pursuant to legislation and internal policies. We undertake to operate according to the constitutionally enshrined rights of respect for human life and dignity, freedom, and righteousness.

We operate legally.

We perform our work in a transparent manner and respect the provisions of the constitutions of the countries the Group operates in, the European law, legal regulations of individual countries the Group operates in, international conventions, bylaws, collective agreements, as well as adopted ethical and other standards.

In addition, we also respect the requirements set out in all internal policies of the Group.

We guarantee fair, non-discriminatory, and transparent employment procedures and conditions.

When it comes to employment, we adhere to the entirety of the applicable international law provisions for the protection of human rights and freedoms, and consistently respect the provisions of labour legislations.

We pay particular attention to the protection of vulnerable groups such as children, disabled people, older workers, pregnant women, and post-partum mothers.

We respect the applicable legislation related to the permitted scope of working hours, breaks, daily and weekly rest period, and notice period, as well as the provisions related to overtime and other allowances for working conditions; furthermore, we also have a transparent work time recording system.

Employees may make use of their annual leave and other work absences pursuant to the applicable legislation and internal acts.

We provide regular and fair salary to our employees while considering all statutory minima and legally prescribed compensations; furthermore, our employees are covered by all statutory social insurance schemes.

All employees must be aware of their rights and obligations stemming from their employment relationships which are defined by the internal policies of companies within the Group and with which the employees are familiar.

We promote life-long learning and education of employees at the workplace and outside of the context of work.

We prohibit and condemn all forms of corruption and bribery.

We prohibit all forms of corruptive behaviour, including bribery and abuse of authority in order to achieve personal financial gain, which also includes the prohibition of accepting or giving bribes, gifts, and other indirect or direct benefits.

In addition, we also prohibit any breaches of the law, forgery of documents, deceit, or corruptive actions.

We have a zero-tolerance policy when it comes to discrimination.

We have a zero-tolerance policy when it comes to all forms of discrimination based on gender; race; skin colour; age; health; disability; religious, political or other beliefs; union membership; national and social background; family status; financial situation; sexual orientation; or any other personal circumstances. We regulate our requirements pursuant to applicable legislation and internal policies.

Environmental and social responsibility are at the core of our actions.

The adopted policies of the Group commit us to the respect of the interests of the social environment, maintenance of a clean and healthy habitat, and a sustainably oriented development by taking into consideration the benefits of both current and future generations.

We systematically prevent or reduce the environmental influence of the activities performed by our companies by focusing on safe working conditions, an economic use of energy and materials, waste and packaging management, handling of hazardous substances (chemicals) and reduction of all types of emissions to the environment.

We reinforce the awareness of our environmental responsibility by notifying and educating our employees and all business partners, and by developing products and processes which reduce our environmental influence to the lowest possible level.

We have an efficient environmental management system, in the framework of which we respect the requirements set out in the applicable legislation, as well as the requests of our customers and environmental regulations, and follow the European and global guidelines and standards in the field of environmental management.

Managers must lead by example through their work, actions, behaviours, and values.

The management of the Titus Group sets an example for employees through their work, actions, behaviours, and values.

When making decisions, we respect the dignity, personal integrity, and privacy of each individual.

In accordance with our own options and the adopted learning plans, we manage our own professional training in the field of management skills.

We create the necessary conditions for employees to succeed in the efficient performance of their duties, we take care of the personal and professional development of our employees, we perform annual interviews with our colleagues for the purpose of creating an open dialogue and synchronise their personal goals with our common objectives, we identify potential human resources and successors, perform mentorship tasks, and transfer our knowledge to our colleagues.

We make sure that, as our employees develop, they become more personally responsible for their own field of work.

We reward and promote employees objectively and fairly, in line with internal policies, instructions, and the collective agreement.

We commend them for a job well done and provide constructive criticism. We take care of an appropriate atmosphere in our organisation and nurture the sense of belonging and satisfaction of our employees which, in turn, promotes an efficient performance of their work tasks, creativity, and innovation; furthermore, we also champion a respectful and fair attitude towards all employees.

As employees, we work for the benefit of the company.

All employees, and other colleagues working for or on behalf of the companies within the Titus Group, are working towards successful operating activities to protect the good name of the Group.

We are familiar with our internal work instructions, as well as with the vision, mission, strategy, objectives, and values of the Group; we respect them, and create a sense of belonging within the Group.

We continuously undertake additional training to perfect our knowledge, transfer the acquired knowledge to our colleagues for the needs of the operating processes and strategic objectives of the Group, and develop on a personal and professional level.

We are hardworking and we perform our work tasks in a quality, professional, responsible, and individual manner. In our work, we are committed, loyal, development- and goal-oriented, we take initiative, are flexible when it comes to executing our tasks, and we have a positive attitude.

We treat our colleagues in a respectful, friendly manner; we are honest and focused on constant improvement in all areas. We share our knowledge with our colleagues and constantly learn from them.

We are aware of the responsibilities in our field of work, and we fully assume them.

As employees, we perform our work successfully, fairly, and efficiently, while safeguarding the good name of the Group and achieving good business results.

We are professional and diligent employees.

We are professional, conscientious, and unbiased when it comes to the execution of our work tasks. We follow internal rules and instructions and respect the principle of sound management.

When handling the assets of the Group, we act with due care and take proactive decisions.

We include our employees in the planning process and encourage cooperation.

We make sure that our employees are included in the planning process, and periodically provide them with information on the planned activities, improvements, and their impact using regular communication methods.

We nurture good mutual relationships by using well-timed, transparent communication and open dialogue between colleagues.

We contribute to a good working atmosphere, mutual trust, and respect. We also respect the work and time of other employees.

In addition, we make sure that our employees are made aware of their rights and obligations in the framework of their employment.

Employees have the right to openly express their opinion.

All employees are entitled to create, join, or refrain from joining a union or a similar organisation with the purpose of collective bargaining, pursuant to applicable legislation.

Executives constantly cooperate with all representative unions, employee representatives, and each individual employee.

We enable open communication between the employees, the management, and the owners in relation to working conditions and situations, without fear of retribution, intimidation, or bullying. We have an internal system enabling anonymous and non-discriminatory consideration of initiatives, opinions, and complaints of our employees.

Occupational health and safety are important topics for us.

Employees, colleagues, and other participants in the working and business process must take care of their own health and for the health of their colleagues by following safe working measures and taking part in training sessions and preventive health check-ups.

Employees are aware of the risk assessment of their own workplace and regularly take part in preventive health check-ups pursuant to said risk assessment.

We provide employees with safe, healthy, and suitable working conditions, as well as all necessary and suitable personal protection equipment; furthermore, we also regularly train our employees in the field of occupational health and safety, first aid, and fire safety, thus raising awareness of the importance of health and safety at work.

Working under the influence of alcohol or prohibited psychoactive substances is forbidden and further regulated by an internal policy.

We have developed and set up contingency plans for emergency situations based on perceived risks and established procedures for action to be taken in such situations, which include potential risks and scenarios on what to do in the event of a fire, natural disaster, a chemical incident, evacuation processes, etc., and we also have coordinated procedures for the cooperation with local government institutions.

In addition, we have also set up an emergency response system in the event of occupational injuries, which takes into consideration the applicable legislative requirements and regulations. We analyse every occupational injury and near incident based on a prepared report, and trigger corrective measures, thereby reducing the risk and pursuing the goal of becoming an “injury-free company”.

When handling chemicals, we respect all applicable sectoral legislation and follow internal policies. Whenever possible, we use chemicals with a reduced risk to health and safety and a reduced environmental influence. We also reduce said risk by diligently training the users of hazardous chemicals.

The operating and working premises of our companies are suitably designed, maintained, and equipped with installations pursuant to legislative requirements.

In pursuing occupational health and safety, we act in accordance with all relevant applicable legislation and internal acts.

We encourage our employees to lead healthy lifestyles.

We encourage our employees to lead healthy and active lifestyles by enabling them to benefit from suitable nutrition; furthermore, drinking water and spaces where they can rest and take a break are also always available. In addition, we enable them to take part in various forms of recreation and enrol in a sports club.

We prohibit and condemn theft and fraud.

All forms of theft, evasion, and fraud at the workplace, as well as misuse of the name, products, property, and information of Titus, are prohibited and may result in termination of the employment relationship or a liability for damages of the offender.

We must prevent conflicts of interests.

We expect that all employees will avoid any existing or potential conflicts of interests or notify the company.

A conflict of interests is a situation where employees could allow personal interests to take over the interests of the company.

Children and young people are our future, which is why we are taking care of them.

We prohibit all forms of child labour, whereby a child is any person under 15 years of age. We provide special protection for employees under 18 years of age.

Child labour is any form of work which prevents children from growing up and developing in a healthy manner and obtaining a quality education.

We protect young workers, interns, school pupils and students by creating suitable working conditions which do not encroach upon their health and safety; in addition, the aforementioned categories of workers do not undertake hazardous work tasks and do not work at night.

We provide work opportunities and professional training for school pupils and students of legally required age for them to undergo practical training in the framework of their educational programmes, and provide them with suitable statutory remuneration for their work.

We prohibit all forms of forced labour and human trafficking.

We prohibit all forms of forced, prison, slave, and involuntary labour.

Pursuant to this requirement, we also prohibit withholding of payments, request of a security, confiscation of personal documents and other personal belongings, and delayed payments (for more than a month).

All employees are entitled to perform their work at the premises of the company (unless otherwise agreed), voluntarily leave their workplace after the end of their work, quit their job, and make use of the legal notice period.

We do not allow for any human trafficking or business operations enabling it. During our operating activities and in the framework of our supply chain, we respect all applicable legal provisions related to the prohibition of slavery and human trafficking.

We condemn and prohibit all forms of abuse of authority, harassment, and the use of unsuitable disciplinary proceedings.

Any harassment (bullying), abuse of authority and use of unsuitable disciplinary proceedings at the workplace is prohibited.

The management informs the employees of their duties arising from their employment relationships, as well as of due and appropriate conduct relating to their colleagues.

In addition, we also prohibit, do not use, and do not support corporal punishment, threats, other psychological or physical violence, or public and humiliating warnings, punishments, or disciplining.

It is prohibited to interfere with the integrity of another individual and use inappropriate forms of communication such as screaming, insults, ridicule, or disparagement.

Disciplinary proceedings and pre-dismissal processes are held pursuant to legislation, whereby employees are also made aware of their right to effective judicial protection.

We respect our agreements and promote fair operating conditions.

Within the Titus Group, we develop good relationships with customers, suppliers, and other business partners based on mutual trust and principles, values, and standards of conduct of the Group. When it comes to mutual relations, we follow good business practices.

We expect our suppliers and business partners to consistently and responsibly respect the provisions of this Code which are specified by individual internal documents of the suppliers within the Group.

Our suppliers and business partners are obliged to comply with the legislation governing restrictive practices, distortion of competition, and measures to prevent restrictive practices and concentrations which significantly limit effective competition. In addition, they are also expected to comply with the regulations in the field of export control, maintain a regulated supply chain safety system (in order to prevent terrorism etc.), and comply with the legislation in the field of general product safety.

We constantly check our customers, suppliers, and other business partners, and efficiently manage the risks arising from our professional relationships with them. We perform examinations to verify their compliance with the requirements set out in this Code.

In addition, we also respect and comply with the requirements of our customers to which we have agreed.

Environmental sustainability and sustainable development are at the forefront of our operations.

In the implementation of its mission, the Titus Group considers the values and principles of sustainable development in the framework of our economic capabilities and the responsibility towards owners, employees, business partners, and the environment.

We systematically prevent the environmental influences of our activities or reduce them to the lowest possible level.

We constantly improve our energy efficiency and increase the share of used energy from renewable sources.

We recognise and make use of the opportunities to reduce the consumption and the pollution of water and to recycle it.

When generating and managing waste, we strive to prevent waste generation; failing that, we discover solutions to reuse, recycle and, as a last resort, dispose of said waste.

We realise sustainable development through the functioning of each individual member of the Group in their own working environment, whereby the sustainable development guidelines of the Group serve as a guidance.

We expect our suppliers and business partners to comply with statutory environmental requirements and maintain and comply with all necessary environmental permits.

The Titus Group recommends that all business partners that impact the environment introduce certified environmental management systems or similar systems, and expects its business partners to strive to decrease their use of resources, including energy, waste, and water; prevent pollution; make sure that their noise pollution remains at acceptable levels; and improve the general environmental impact of their activities and products, which also consists of increasing the share of used energy from renewable sources.

We do not use conflict minerals.

Within the Titus Group, we are aware of the applicable statutory requirements related to “conflict minerals”, including tin, tantalum, tungsten, their ores, and gold originating from conflict areas; furthermore, we respect the applicable legislation and comply with the requirements set out in the guidelines provided by the OECD.

We expect our suppliers and business partners to respect all applicable legislation and, consequently, to comply with the obligation of exercising their due diligence when it comes to obtaining minerals and materials from high-risk regions and areas. With due diligence, we can prevent human rights abuse, funding of armed groups or similar negative effects, and uncover the use of conflict minerals, thus complying with the requirements provided by the OECD on due diligence when it comes to guaranteeing responsible supply chains of minerals from conflict and high-risk areas.

The goods provided to the Titus Group must comply with applicable laws and regulations for conflict minerals.

We maintain professional secrecy and confidential information, and guarantee information security.

For the relationship between Titus, its employees, and its business partners to be based on mutual trust, we do not reveal confidential information to unauthorised persons.

We undertake to maintain professional secrecy and safeguard other confidential information in line with the legislation and internal rules.

All information obtained by the employees in the framework of their work tasks can only be used for professional purposes and may never be used for personal purposes or to secure the advantage of third unauthorised persons or companies.

The business partners of the Group must also undertake to maintain professional secrecy and safeguard other confidential information of which they become aware of during their dealings with the companies within the Group.

When complying with our professional obligations, employees and any subcontractors of our business partners must only use the aforementioned information for the purpose of our business cooperation.

We must protect and treat confidential information in a suitable manner to prevent said information to be revealed to third parties.

When it comes to our work, we follow information security principles and guarantee that our work does not endanger the safety of the IT systems of the company; furthermore, we also do not expose our company to any potential risks of malicious cyber-attacks.

All employees and third parties must immediately inform their superiors or their contact persons within the Company in the event of a behaviour which is aimed at unauthorised discovery, reveal, transfer, destruction or other unacceptable treatment of confidential information and other IT resources, while doing whatever is reasonably possible to prevent such an activity.

We protect personal data.

The access to personal data is only allowed to employees who need them to perform their work tasks and who are appropriately authorised to do so.

All employees with access to personal data must protect them from unauthorised persons, store them, process them, and keep records of them pursuant to the law, internal policies, and their powers.

We are aware that the right to privacy is one of the most important human rights, which is why we also respect every individual's privacy at their workplace.

Implementation of this Code

Our Ethical Code is publicly available at <https://www.titusplus.com/uk/en/about/values/>; furthermore, employees are also aware of the Code on bulletin boards, the Intranet, and through personal communication.

We inform all employees of the provisions set out in the Code and their amendments through regular training sessions; all new employees of the Group are made aware of the Code upon entering their employment relationship.

Business partners and suppliers commit themselves to respect the Code when entering business cooperation with us.

We must guarantee that the principles, standards of conduct and requirements of this Ethical Code are known and respected by our business partners and other participants in the business process.

We expect employees and business partners of the Titus Group to act pursuant to the values and principles of the Ethical Code and notify us of any breaches of the Code.

Preventing breaches

We prevent any breaches through suitable awareness and training sessions for our employees, business partners, suppliers, subcontractors, external partners, and participants in the business process.

In the event of any breach of this Ethical Code, we implement suitable procedures pursuant to the applicable legislation and the applicable internal acts and policies of the Company.

Reporting and processing breaches

Any breach of the provisions of this Ethical Code is a serious, severe breach of liabilities arising from an employment or business relationship.

Employees

All employees and people working for or on behalf of the Titus Group must report any detected breaches of the Ethical Code using one of the methods described below.

For anonymous reports, employees may use the box which is otherwise used for providing suggestions and improvements, and which can be accessed by all employees.

Information on any detected breach may also be sent to the email address ethics@titusplus.com; the nature of the breach will be evaluated, and the breach itself will be processed according to its severity using a suitable internal process.

All employees can inform department heads or Company management of any detected breaches orally or in writing.

All received breach reports shall be processed according to internal processes; breach reports and offenders shall be suitably processed pursuant to the applicable legislation and internal processes.

In the event of an anonymous tip, a tip received in the box or at the email address set out above, they shall be administered according to the process used for improvement suggestions received in the box. We reserve the right to process any reports even after the process of reporting the breach, according to the severity of each individual breach.

Employees are made aware of the method for reporting any breaches of this Code, and are aware that, by reporting said breach, they are not taking the risk of being treated inappropriately or endangering themselves, their loved ones, or their employment within the Company.

We guarantee that the informant shall not be treated unequally or discriminated against, shall not be intimidated, and shall not face retaliation due to their report. The companies within the Group shall protect the informants from any retaliation.

In any case, the employees of the Group may contact suitable external institutions or seek judicial protection.

Any reveal or announcement of circumstances of the actual or potential breach of this Code shall be protected as trade secrets.

We expect our business partners to do the same

In the event of an identified breach by customers, suppliers, and other business partners, we follow the internal business partner verification process.

The Titus Group reserves the right to verify, in a suitable manner, whether business partners are complying with this Code. Any verification shall be planned during business hours and mutually agreed with the business partner, who will provide us with suitable documents which clearly and transparently prove that said business partner respects this Code.

Our business partners will, to the best of their abilities, become aware of the business practices of their suppliers, subcontractors, and other business partners, and will require all said suppliers, subcontractors, and business partners to respect this Code for business partners or the values set out herein.

Business partners and companies within the Titus Group will respectfully and confidently discuss any questions related to this Code for business partners.

Business partners must report all breaches of this Code by sending an email to the email address set out above, or by placing a phone call to their contact person within the Company.

Serious and repeated violations by our business partners may lead to a termination of the business cooperation. If we discover that any of our business partners use child labour, we will terminate our cooperation with said business partner and inform the relevant institutions to protect the best interests of the child.

Adoption of this Ethical Code and its publication

This Ethical Code is adopted by the management of the Company or the CEOs and the procurators of the Titus Group and shall apply on the eighth day after publication on bulletin boards and websites of the Company.

The Ethical Code dated 2 January 2014 shall cease to apply on the date of publication of this Ethical Code.

In Dekani, on March 21, 2022

Tadej Gosak, CEO, Titus Europe

