SUPPLIER CODE OF CONDUCT

Hilite International[1] ("Hilite"), holds its suppliers and vendors ("Suppliers") to high standards, expecting that they treat others fairly and incorporate sustainable and environmentally responsible practices into their operations. Sustainability is a strategic focus of Hilite's business and a major principle and condition for Hilite's corporate relationships with Suppliers, service providers and other business partners (entire value chain). Hilite evaluates its Suppliers not only according to economic and quality criteria, but takes into account the areas of sustainability management, ethical business conduct, environment and climate protection, social standards and human rights as well as sustainability in the Supplier's supply chain. The term "Suppliers" shall mean any entity(ies) that and person(s) who supply goods or services to Hilite. Hilite only does business with Suppliers that conduct business ethically, with integrity, and that maintain a reputation of being trustworthy. Suppliers must adhere to the spirit and terms contained within this Supplier Code of Conduct ("Supplier COC").

SCOPE

This Supplier COC applies to all of Hilite's Suppliers globally. In addition to complying with the standards under this Supplier COC, Suppliers shall make reasonable efforts to ensure that their suppliers and subcontractors comply with the principles of this Supplier COC.

Universal Standards

Hilite promotes universal principles on human rights, labor, environment, conflict minerals and anti-corruption throughout its operations and incorporates the Ten Principles of the UN Global Compact[2] as well as the UN-Guiding Principles on Business and Human Rights[3] into its policies and procedures. Hilite expects that all its Suppliers' business activities fully comply with the principles of the United Nations Global Compact which form the foundation of the requirements and standards laid out in this Supplier COC as well as with the UN-Guiding Principles on Business and Human Rights.
Hilite is committed to promoting opportunities for all individuals to obtain decent and productive work, in conditions of freedom, equity, security and dignity. Therefore, Hilite requires its Suppliers to meet or exceed the applicable International Labor Standards[4] developed by the International Labour Organization[5].

[1] AVICEM Hilite GmbH & Co. KG and its global subsidiaries
[2] UN Global Compact: www.unglobalcompact.org
[3] UN guiding principles on business and human rights: https://www.ohchr.org.
[4] International Labor Standards: www.ilo.org/global/standards/introduction-to-international-labor-standards/conventions-and-recommendations/lang--en/index.htm
[5] International Labour Organization: www.ilo.org

Social Responsibility

Support for a Safe and Healthy Workplace / Working Conditions

Hilite values and prioritizes the health and safety of its employees and the employees of Hilite's Suppliers. Suppliers agree to follow all applicable health and safety laws, regulations, and policies at all their work locations. Suppliers agree to have zero tolerance for violence or weapons in the workplace, and to prohibit any worker from working under the influence of alcohol, drugs or medication that may diminish an employee's ability to perform his/her job safely. When Suppliers provide employees with accommodations, they must be in compliance with applicable local health and safety regulations. There should be no harsh or inhumane treatment of employees of any kind, including actual or threatened corporal punishment, mental or physical coercion, or sexual or verbal abuse.
Hilite expects its suppliers to meet or exceed occupational safety and health protection at the workplace standards pursuant to applicable laws and regulations.

Human Rights

Suppliers agree to comply with human rights laws, including those relating to slavery and human trafficking, in all business locations, regardless of jurisdiction, and shall forbid illegal and undeclared employment. Further, Hilite's Suppliers will not use or tolerate forced or involuntary labor, including slavery and human trafficking, or any type of child labor that fails to comply with applicable International Labor Standards. Suppliers agree to respect the personal dignity, privacy and personal rights of each individual.
Suppliers agree not to charge their employees excessive fees related to recruitment, accommodations, or travel (particularly related to trans-border migration). Suppliers agree not to confiscate their employees' identity documents or passports.

Wages, Benefits, Working Hours, Safety, No harassment

Hilite expects its Suppliers to employ and pay their employees in compliance with applicable law and meet or exceed minimum working standards, in particular those standards relating to wages, additional benefits, and hours of work. Hilite furthermore expects its Suppliers to ensure safe working conditions and to comply with applicable occupational health and safety regulations. Suppliers agree not to tolerate unacceptable treatment of workers, such as psychological hardship, sexual and personal harassment, or discrimination and not to tolerate behavior (including gestures, language and physical contact) that is sexually coercive, threatening, abusive or exploitative.

Non-Discrimination

Suppliers will ensure equal opportunity in employment and agree to recruit, select, and develop employees based on merit, without regard to race, skin color, religion, gender, age, national origin, sexual orientation, gender identity, marital status, veteran status, physical or mental disability, or any other characteristic protected by applicable laws, and ensure that employees / applicants are not treated differently based on these characteristics.

Animal Welfare

Suppliers which process animal products will ensure to implement standards and best-practice methods to comply with animal welfare along the entire supply chain. Hilite also expects its suppliers to give preference to alternative methods that do not involve animal testing, except where required by law. However, the supplier shall follow the national and international rules regarding animal protection and animal testing, e.g. the German Animal Protection Law (TierSchG) or the EU Directive 2010/63.
Furthermore, Hilite commits to the following ethical principles, and expects the supplier to do likewise and to work to ensure their compliance along the entire supply chain:
• the 3R principle regarding animal testing (reduction, refinement, replacement),
• the five freedoms of the Animal Welfare Committee (AWC) as a criterion to evaluate animal welfare, and
• the standards for the improvement of animal health and welfare (Terrestrial Animal Health Code) of the World Organization for Animal Health.

Freedom of Association

Hilite expects its Suppliers to acknowledge the right of freedom of association and the right of collective bargaining for all its employees, to the extent permitted by applicable laws. Workers or their representatives should be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, retaliation, intimidation, or harassment.

Respect for Local Communities

Hilite requests its Suppliers to behave in a socially responsible manner by respecting the rights of local communities and indigenous people, including their cultures and traditions in each country in which they operate.

Non-Retaliation

Hilite expects its Suppliers to prohibit retaliation against anyone who makes a good faith report of a violation of policy or law. This includes but is not limited to employees, suppliers, stakeholders, and human rights defenders. Human rights defenders are internationally

recognized individuals or groups who promote and protect internationally recognized human rights and fundamental freedoms through peaceful and legal means. Supplier commits to neither tolerate not contribute to threats, intimidation or attacks against human rights defenders in relation to their operations to create safe and enabling environments for civic engagement and human rights at local, national, and international levels.

Environment and Sustainability

Environmental Stewardship

Suppliers agree to have an environmental management system to ensure to all stakeholders that the environmental impact of their operations is being measured and improved and risks for the environment assessed and eliminated. Suppliers shall aim to introduce an environmental management system which meets the requirements of ISO 14001[6] or the EU Eco-Management and Audit Scheme (EMAS). Suppliers' management systems should continually assess and seek to reduce the adverse impact of their facilities and products on the environment and on the communities in which they operate. This applies first and foremost to the impacts on the global climate change which are to minimize as much as and where possible.

Respect and protection for the environment

Suppliers agree to integrate sound environmental practices into their business decisions that advance the protection of human health, natural resources, and the global environment.

Reduction in Environmental Impact

Suppliers agree to conserve natural resources, use chemicals in a responsible manner, and recycle materials at every stage of the product life cycle. Suppliers agree to support the elimination of materials and methods that pose environmental risks, health risks, or hazards, and agree to work to minimize the impact of their operations and that of their own suppliers on the environment.

Suppliers are expected, when possible, to ensure optimal water and air quality with dedicated actions and measurements, including reducing greenhouse gases according to the current regulations for carbon footprint (amongst others according to the EU legislature under the European Green Deal, i.e. the Corporate Sustainability Reporting Directive and the Sustainable Finance Disclosure Regulation), ensure a proper waste management system is in place, increase resource (energy, water, materials) efficiency through reduction and recycling, and to develop a chemical management system to ensure the safe handling, storage, transportation, and disposal of chemical.

Climate Protection and reduction of greenhouse gas emissions

[6] https://www.iso.org

Hilite expects its Suppliers to follow international best practice to reduce carbon emissions to help achieve a net-zero global economy by 2050 and thus contribute to the decarbonization of the automotive industry.

Hilite further expects that Suppliers adopt circular economy principles when designing and supplying their products to reduce the amount of resources required and waste produced in manufacturing, supplying and using those products.

Suppliers are expected to engage in sustainable and ethical sourcing practices, including only purchasing from ethically responsible sub-suppliers, sourcing raw materials from conflict-free regions, and conducting the due diligence necessary to ensure that suppliers meet these requirements.

A key aspect for Hilite is furthermore the reduction of the greenhouse gas emissions and therefore, the carbon footprint. Suppliers are an important part of Hilite's production network. Their approach (commitment) to climate protection and the reduction of resource consumption has a direct impact on Hilite's own carbon footprint. Therefore, Hilite raises awareness amongst its suppliers and supports them on its way to more sustainability in the supply chain. Hilite aims to reduce the CO2-footprint of its products over its life cycle by using its supply chain as a key lever to reduce its upstream Scope-3-emissions. Upstream Scope-3-emissions are indirect greenhouse gas emissions resulting from the production of Hilite's business's products or services. Hilite therefore commits to determining relevant Scope-3 factors, estimating the resulting greenhouse gas emissions and improving and expanding the emissions estimate over time.

Hilite further welcomes ideas, suggestions and other contributions to reduce the carbon impact of Hilite products.

Protection of Biodiversity

Hilite expects from its suppliers to protect natural ecosystems and not to contribute to the changing, deforestation, or damage of natural woodland and other natural ecosystems. Where applicable, the guidelines of the High Conservation Value Resource Network (HCV) and the High Carbon Stock Approach (HCSA) are to be applied.

Hilite intends to have a deforestation-free supply chain, and expects Suppliers to include deforestation and land conversion in the risk management system in alignment with the European Union Deforestation Regulation.

Hilite gives preference to suppliers that are committed to the principles of certified, sustainable agriculture and forestry in their land and forest use.

Currently, it cannot be ensured that the protection of the marine ecosystem is guaranteed due to insufficient research on ecological consequences of deep-sea mining. Hence, Hilite excludes the use of deep-sea raw materials for its products (in accordance with the precautionary principle) and expect its suppliers and their supply chains to do the same.

Supply Chain

Suppliers agree to comply with the principles of non-discrimination in the selection of suppliers and in dealings with suppliers. Suppliers agree to assist in complying with the contents of this

Code of Conduct to the best of their ability and in particular assist Hilite to the best of their ability when Hilite requests appropriate support measures to eliminate or prevent a risk or violation of human rights-related or environmental obligations in the supply chain.

Governance and Compliance with Laws, Rules, and Regulations

Suppliers are expected to comply with all applicable laws, rules, regulations, this Supplier COC, and Hilite's policies that apply to their line of business, wherever business is conducted.

Conflicts of Interest

Suppliers will avoid engaging in any business activity that could create an actual or perceived conflict between Supplier's interest and those at Hilite. Suppliers will not, without proper disclosure and authorization from Hilite, allow Hilite employees to accept personal services, payments, or loans, or allow a Hilite employee's close family member to work for the Supplier in a capacity that may affect the Hilite employee's decisions at Hilite. In addition, Suppliers agree not to provide confidential information regarding their company to Hilite employees, unless proper prior approvals by both the Supplier and Hilite have been given. Suppliers shall immediately notify Hilite of any concerns or knowledge of a potential conflict of interest.

Gifts and Invitations

All Hilite employees must abide by Hilite's Gifts and Invitations Policy.[7] If Suppliers ever provide gifts/gratuities or invitations to Hilite employees, they must never be in cash (or cash equivalents), must not have a value that exceeds EUR 50 and must be infrequent. Business-related entertainment or social contact may be appropriate only if it is infrequent and not lavish. Finally, employees in Hilite's Supply Chain Management organization may be subject to stricter standards, and Suppliers agree to ask about such standards prior to making any gifts or providing entertainment to members of that organization.

Fair Trade and Competition

Everyone benefits from fair, free, and open markets, and Hilite works to outperform its competition fairly and honestly. Suppliers agree to compete strictly on the merits of their products and services and make no attempts to restrain or limit trade in violation of applicable antitrust, competition laws and any other applicable rules and regulations.

Bribery, Corruption, and Money-Laundering

Suppliers agree to comply with the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and other applicable anti-corruption laws wherever they do business. Neither Hilite's Suppliers nor any of their own Suppliers, subcontractors or agents will directly or indirectly provide, or offer to provide, anything of value to, or for the benefit of, any government official to obtain or retain any contract, business opportunity or other benefit, or to influence any act or decision of that person in his/her official capacity. Suppliers agree to have reasonable procedures to inform and train their employees to promote compliance with these laws. Suppliers will not offer illegal benefits or illegal favors such as bribery payments, kickbacks, or other illegal benefits including

[7] The Gifts and Invitations Policy can be found in Hilite's Code of Conduct (www.hilite.com/de/newsroom/news/downloadcenter)

inappropriate gifts and undue hospitality towards Hilite employees for the exchange of business opportunities.

Suppliers agree to comply with all applicable laws governing the prevention of money laundering and not to take part in any money laundering or other fraudulent activity.

Trade Restrictions and Controls

Suppliers agree to comply with applicable legal licensing requirements and restrictions on exports and trade dealings, including bans on exports to a prohibited country; bans on imports from, or dealings in property originating in, a sanctioned country; travel to or from a sanctioned country; investments in a sanctioned country; or financial transactions and dealings involving a sanctioned country or designated individuals and entities. Suppliers will immediately notify Hilite of any concerns, knowledge of potential non-compliance, or other issues related to export and customs compliance.

Conflict Minerals

Suppliers agree to adhere to applicable legal requirements in relation to conflict minerals and shall ensure compliance with such laws. Hilite expects suppliers to adhere to their due diligence obligations as outlined in the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.” This includes ensuring transparency on smelters and refineries involved in the processing of tin, tungsten, tantalum, and gold. In this context we also require the submission of any information necessary to comply with current applicable laws and regulations via the latest version of the Conflict Minerals Reporting Template (CMRT form) as provided by the Responsible Minerals Initiative(RMI).

Security, Data Protection, Confidential Information, and Intellectual Property

Suppliers will comply with all applicable laws, regulations, and compliance requirements concerning security and data protection. Suppliers must keep confidential the information, personal data, technology, know-how or intellectual property that Suppliers receive, or have access to, through dealings with Hilite. Suppliers will refer to contractual terms of business or supply agreement(s) with Hiliteor existing non-disclosure agreements for details on obligations relating to proprietary and confidential information. Suppliers shall ensure that its business practices are consistent with sound, industry standard security practices.

Management Processes

Suppliers agree to have policies and procedures that:

a) Ensure that Supplier's management team is accountable for compliance, performs audits with respect to Supplier's obligations under this Supplier COC and other relevant agreements with Hilite, and complies with laws and regulations that apply to their activities.

b) Require risk assessments and implement risk management systems to mitigate the environmental, health and safety, and labor practice risks related to their activities. Suppliers shall provide supporting documentation when requested by Hilite.

c) Ensure the integrity of financial reports and information in accordance with applicable generally accepted standards.

d) Provide for communication channels that allow employees to report concerns or unethical practices.

e) Design and oversee policies for the ethical conduct of business within their organization that address topics such as ethical business practices, fair and safe working conditions, respect for human rights, sustainability, gifts, gratuities, and entertainment, conflicts of interest, confidentiality, respect for intellectual property, anti-corruption, anti-bribery, and to train employees on these topics.

f) Contribute ideas and suggestions for reducing the carbon impact of Hilite products.

g) Cascade the business practices consistent with this Supplier COC down to direct suppliers and take reasonable efforts to ensure that their suppliers comply with the principles of the Supplier COC or similar document expressing a commitment to conducting business ethically, environmentally sound, honestly and in compliance with all applicable laws.

h) Suppliers should apply the same obligations to the contractors working on their production sites, including labor agencies.

Compliance with this Code and Reporting Commitment, Audit Right

This Supplier COC contains general requirements applicable to all Hilite Suppliers. Suppliers' contracts may contain more specific provisions addressing some of these same issues. Nothing in this Supplier COC is meant to supersede any provisions of a particular contract, and to the extent there is any direct conflict between this Supplier COC and any provision of a particular contract, the contractual provision will control. If any of the provisions of this Supplier COC should be or become invalid or unenforceable in whole or in part, the validity of the other provisions thereof shall not be affected.

Suppliers will use their best efforts to be familiar with the business practices of their suppliers, sub-contractors, and other business partners and to require all such suppliers, subcontractors, and business partners to comply with this Supplier COC and the values herein. Suppliers further agree to demand compliance with the contents of this COC from its suppliers, to review it at appropriate intervals and in the event of indications of violations, as well as to promote it to the best of their ability. Suppliers will to the extent legally possible further foresee that their suppliers assist to the best of their ability if Hilite requests from Suppliers appropriate support

measures to eliminate or prevent a risk or violation of human rights-related or environmental obligations in the supply chain.

Suppliers agree to contact Hilite to discuss any questions beor potential violations in relation to this Supplier COC in a prompt, open, and respectful manner. In addition, Suppliers and Suppliers' employees and business partners are encouraged to report concerns of any activity of which they have knowledge that suggests a violation of the law, this Supplier COC, or that is inconsistent with ethical business practices to any of the following reporting channels:

- Hilite's Purchase Department (primary contact)
- Hilite's Legal Department

Hilite will not tolerate retaliation against anyone who raise concerns or report misconduct in good faith.

Hilite reserves the right to verify compliance with the COC, at Hilite's discretion, for example, through self-assessment, third parties or by presenting certificates (audit right). The Suppliers undertake to participate at appropriate intervals in training courses held or organized by Hilite on the contents of the COC. Hilite shall also have the right to demand information from the Suppliers in order to clarify the circumstances if there are indications of a violation of this COC.

Additional Requirements

Hilite's customers may have additional or more stringent requirements that Hilite is required to pass on to its Suppliers, and Hilite shall communicate these requirements to the relevant Suppliers.

This Supplier Code of Conduct is available for download on Hilite's corporate website (www.hilite.com/de/newsroom/news/downloadcenter).

Hilite reserves the right to update the content of this Supplier Code of Conduct from time to time.