

CODE OF CONDUCT FOR SUPPLIERS



I. INTRODUCTORY PROVISIONS AND PURPOSE

Jihostroj a.s. is a traditional Czech engineering company based in Velešín, continuing a tradition of aerospace and hydraulic manufacturing that reaches back to 1919. Through its Aerospace and Hydraulics divisions and its own specialised operations such as surface treatment, heat treatment and the tool shop, the Company supplies fuel and control systems for the aerospace and defence industry and hydraulic systems for agricultural and construction machinery. The reliability of these products has a direct impact on safety and on the environment, and it depends on the integrity of our supply chain.

This Supplier Code of Conduct (hereinafter the "**Code**") sets out the binding requirements that all suppliers of materials, components, chemical substances and outsourced processes must meet in the area of material and substance compliance and responsible sourcing. The Code complements Jihostroj's corporate Code of Conduct. Where requirements differ, the stricter one applies.

The purpose of the Code is to ensure that every product Jihostroj places on the market complies with applicable European Union law and that the way our suppliers work reflects sound environmental, social and governance (ESG) practices. In practice this means complying with contractual requirements, handling the substances and materials in a product lawfully and with care for the environment, respecting human rights and sourcing raw materials responsibly, and running an honest and transparent business in which the supplier can trace and evidence the origin of what it supplies and take responsibility for it. Suppliers are expected to know the substances and the origin of what they deliver, to provide accurate and timely compliance data, and to pass these requirements on to their own suppliers. Compliance with this Code is a precondition for any business relationship with Jihostroj a.s.

II. ENVIRONMENTAL RESPONSIBILITY

Jihostroj expects its suppliers to take active responsibility for the environmental impact of the materials, parts and processes they provide. Suppliers must comply with all environmental laws that apply to them and to the goods they deliver, and they should prevent pollution, use energy and raw materials efficiently, and reduce waste and emissions. We give preference to suppliers who operate an environmental management system such as ISO 14001, and every supplier must be able to show how it keeps its products and processes within the law. The requirements below explain what this means in practice for the substances and materials that reach our products.

1. **REACH:** Suppliers must comply with Regulation (EC) No 1907/2006 (REACH). Specifically, they must ensure that the substances, mixtures and articles supplied are not subject to a restriction under Annex XVII of the Regulation, or that they fully comply with any such restriction. They must also ensure that all requirements for the registration and authorisation of substances under REACH are met, including for substances listed in Annex XIV where these are relevant to the products supplied.
2. If an article contains a substance of very high concern from the Candidate List at a concentration above 0.1 % by weight, the supplier must, in accordance with Article 33, inform us before delivery, state the substance and its concentration, and provide information for its safe use. Suppliers must inform us whenever the Candidate List is updated and a delivered article is affected.
3. **RoHS:** Because Jihostroj's products may become part of electrical and electronic equipment, suppliers must comply with Directive 2011/65/EU (RoHS). The restricted substances, which include lead, mercury, cadmium, hexavalent chromium, certain brominated flame retardants and four regulated phthalates, must remain within the legal limits in every homogeneous material,

normally 0.1 % by weight and 0.01 % for cadmium. Where a delivered item relies on a RoHS exemption, the supplier must state that exemption and confirm when it expires. On request, suppliers must provide a declaration of conformity together with supporting test or material data.

4. **SCIP database:** Every article placed on the EU market that contains a substance of very high concern at a concentration above 0.1 % by weight must be notified to the European Chemicals Agency through the SCIP database. Suppliers must provide us with the information we need to meet this obligation for the articles they deliver, including the SCIP reference number or a complete data set that allows us to submit the notification ourselves. This information must be kept up to date as the article or the Candidate List changes.
5. **POPs:** Suppliers must comply with Regulation (EU) 2019/1021 on persistent organic pollutants. Substances listed under this Regulation, such as certain fluorinated compounds and flame retardants, must not be present above the permitted limits, including the low limits that apply to unintentional trace contamination. On request, suppliers must confirm that the materials supplied are free of the listed POPs or remain within the legal limits.
6. **PFAS:** Per- and polyfluoroalkyl substances (PFAS) are the subject of increased regulatory attention in the European Union. Suppliers must comply with the specific PFAS restrictions in force under REACH and the POPs Regulation. On request, and regardless of the current regulations, suppliers must state whether PFAS are present in their products, identify them, and describe how they plan to replace them where alternatives exist.
7. **Deforestation (EUDR):** Where a supplier delivers wood, natural rubber or other goods covered by the EU Deforestation Regulation (Regulation (EU) 2023/1115), including packaging and pallets, the material must be produced without deforestation and in accordance with the laws of the country of origin. With the delivery, suppliers must provide the geolocation of the plots where the raw material was produced, or the due diligence statement (DDS) information we need in order to file our own due diligence statement.
8. **PPWR:** Regulation (EU) 2025/40 of the European Parliament and of the Council on packaging and packaging waste (PPWR) applies from 12 August 2026 and sets requirements for packaging placed on the European Union market. The Regulation introduces a range of obligations concerning packaging design, material composition, recyclability, waste reduction and the use of substances of concern. Under Article 16, packaging suppliers must provide all information and documentation needed to demonstrate conformity, including the technical documentation under Annex VII, the material composition, the weight of the individual packaging components and data on recycled content. On request, suppliers must submit this documentation, and if they are themselves the packaging manufacturer within the meaning of the PPWR (for example for standard transport packaging), they must also provide the EU declaration of conformity and ensure correct packaging marking. Suppliers must inform us without delay of any change to the packaging that may affect conformity, in particular a change of material, design or marking.

III. ETHICAL SOURCING AND HUMAN RIGHTS

Jihostroj wants its products to be made from responsibly sourced materials and to rest on supply chains that respect people, the law and the mutually agreed requirements between Jihostroj and the supplier. The following requirements apply to every supplier and to the partners they rely on.

1. **Conflict minerals:** Suppliers must carry out due diligence in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals (tin, tantalum, tungsten and gold, and others) from Conflict-Affected and High-Risk Areas. On request, suppliers must identify the smelters and refiners in their supply chain and report them to us using the Conflict Minerals Reporting Template (CMRT) for 3TG and the Extended Minerals Reporting Template (EMRT) for cobalt, copper, natural graphite, lithium, mica and nickel. Suppliers should source from smelters and refiners that are validated under a recognised assurance programme, and they must not supply minerals that fund armed groups or are linked to human rights abuses.
2. **Human rights and working conditions:** Suppliers must respect internationally recognised human rights in accordance with the United Nations Guiding Principles on Business and Human Rights and the core conventions of the International Labour Organization. They must not use forced, bonded or involuntary labour and must not use child labour. Suppliers must respect freedom of association and the right to collective bargaining, treat workers fairly and without discrimination, pay at least the statutory or agreed minimum wage, and observe the legal limits on working hours. They must provide a safe and healthy working environment and protect the health of their workers (occupational health and safety).

IV. REPORTING OF UNLAWFUL CONDUCT (WHISTLEBLOWING)

In accordance with Act No. 171/2023 Coll. on the protection of whistleblowers, the Company has established an internal reporting system.

1. **Duty to report:** Any person who has a reasonable suspicion of unlawful conduct or of a breach of this Code or of other regulations has the right and the duty to report it.
2. **How to report:** Reports may be submitted through secure channels, including the dedicated e-mail box for the internal reporting system: ochranaoznamovatel@jihostroj.cz. Other forms of reporting (in writing, orally or in person) are submitted to the designated Competent Person in accordance with Act No. 171/2023 Coll. The detailed procedure and contact information for personal or oral submissions are published on the Company's intranet and website.
3. **Protection of the whistleblower:** The Company guarantees complete confidentiality of the whistleblower's identity. A supplier is strictly prohibited from taking any retaliatory measures (for example dismissal, pay reduction or discrimination) against a person who has made a report in good faith. A knowingly false report, however, is considered a breach of the Code.

V. PRODUCT SAFETY AND QUALITY

1. **Product Safety:** Product safety and compliance with technical specifications are our priority. Suppliers are required to report any suspected non-conformity or risk that could jeopardise the functionality or safety of the supplied product or result in its non-compliance with the agreed specification. The contact person for such reports is Jihostroj's Quality Manager (Safety Manager); the relevant contact details are available on the website www.jihostroj.com.
2. **Prevention of Counterfeit Parts:** The Company applies strict measures to prevent counterfeit materials and components from entering the manufacturing process. Suppliers are responsible for establishing an internal system to prevent the use of counterfeit parts in supplies to Jihostroj.

A counterfeit part is any part that has been intentionally manufactured, marked or altered in such a way as to misrepresent its actual origin, manufacturer, quality or legality.

- 3. Data Integrity:** Falsification, alteration or deliberate misrepresentation of test results, measurements or quality records relating to supplied products is considered a breach of this Code.

VI. PROTECTION OF INFORMATION AND ASSETS

- 1. Intellectual Property and Know-how:** Technical documents, drawings, technological procedures and business data constitute key assets of Jihostroj. Suppliers are required to treat such data as confidential, ensure its secure management within their organisation and not disclose it to third parties or otherwise make it public without Jihostroj's prior consent.

VII. FINAL PROVISIONS

This Code applies to every supplier of Jihostroj a.s. and forms part of the agreed terms of the business relationship. By accepting an order or by continuing to deliver, a supplier confirms that it understands this Code and will meet its requirements.

Jihostroj may at any time ask a supplier for information, declarations, samples or documents that demonstrate compliance with this Code, and may verify those documents through questionnaires, visits or independent audits. Suppliers must answer truthfully and completely and must report any breach or suspected breach without undue delay.

If a supplier does not comply with this Code, Jihostroj will require a prompt explanation and a corrective action plan. Depending on the seriousness of the matter, Jihostroj may suspend deliveries, stop placing new orders or terminate the business relationship, and may claim compensation for any damage it incurs as a result.

This Code reflects European Union law as it stands today. Jihostroj will update it in line with developments in the law, and the applicable version is always the current one published by Jihostroj on the company website www.jihostroj.com. Suppliers are responsible for working with the latest version. Questions about this Code or the reporting of a concern may be sent to the contact address designated by Jihostroj - compliance@jihostroj.cz.

On behalf of Jihostroj a.s.:

In Velešín, 21 August 2026

Ing. Bohdan Gajdušek
Chief Executive Officer