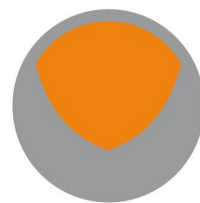


CODE OF CONDUCT FOR BUSINESS PARTNERS



VIRS
varilni in rezalni sistemi



SOCIAL
RESPONSIBILITY

INTEGRITY

SECURITY

These are the
business
foundations of
professionals
who realise the
most "crazy"
ideas!

INTRODUCTION

Renato Pahor, director



Dear Partners,

the company **VIRS d.o.o.**, the proud winner of the **2019 Golden Gazelle Award**, the award for the fastest growing company of 2019 in Slovenia, strives to build and maintain its social responsibility and a business chain based on the principle of sustainable development. We respect the relevant legislation and regulations and the highest standards of business ethics in relation to our business partners. Our business performance is transparent.

We build a relationship of mutual trust with our business partners.

SOCIAL RESPONSIBILITY INTEGRITY SECURITY

We ensure that our supply chain has a high level of integrity. In terms of a comprehensive approach to the sustainability of our business, we have included criteria such as environmental protection, occupational safety and human rights into our decisions concerning the selection of suppliers. We only purchase materials from suppliers who have good practice in the areas of human rights and compliance with legislation.



We have developed our Code of Conduct for Business Partners (hereinafter: the Code), with which we want to emphasize the three fundamental principles that guide our operations. **These are social responsibility, integrity and security.** With the Code, we seek to ensure responsibility towards people and the environment and to ensure **that our operations are environmentally sustainable, socially responsible and ethically sound.**

This is exactly what we also expect from our business partners.

SOCIAL RESPONSIBILITY



*Through our socially responsible activities,
we create added value
for all our stakeholders.*

WE PROMOTE SOCIALLY RESPONSIBLE CONDUCT

The principle of social responsibility is our moral obligation to all stakeholders with whom we enter into business relations and to the local, social and natural environment in which we operate.

We are a company that aims to create a friendlier work environment and processes for the employees in production by offering our welding and cutting solutions. We want to make a positive impact on organisational change and, with innovative and technically sound solutions, increase the production capacity of our business partners to keep them a step ahead of their competitors. All of this dictates us to place social responsibility as one of the cornerstones of the operation of the company Virs d.o.o..

We are focused on sustainable development. We combine economic, environmental and social factors in our operations and business decisions. We provide our employees, who are known to be ambitious and dedicated, with the opportunity for a comprehensive career development through the development of key professional and behavioural competences and a targeted set of educational courses. We train leaders who lead by example.

We expect our business partners to place a strong emphasis on human resource management - provide employee education, keep them well informed, care for their adequate working conditions, appropriate pay and advocate for responsible employment practices.



Human Rights

In our work we are committed to respecting human dignity and the rights of individuals and the communities with which we conduct business. We do not cause or contribute to human rights abuses.

Our colleagues treat everyone with dignity, respect and care and strive to protect human rights.

We also expect our business partners to respect international human rights.

Fair Working Practices and Working Conditions

In the employment process, we are committed to encouraging equality and fairness in employment and a remuneration policy that complies with applicable laws.

We strongly oppose the employment or contracting of child labour or slave labour, or any form of forced labour or enslavement.

We condemn all forms of illegal, unfair and unethical work practices that exploit the workforce, destroy social security or serve as tax evasion, including undeclared work or the "gray economy" and withholding payments.

Our employees work with integrity and treat their colleagues and others with respect, so we expect the same from our business partners.

Discrimination and Harassment

We guarantee equal treatment in employment and do not tolerate discrimination, harassment or any other type of abuse.

We do not allow any direct or indirect discrimination on the basis of professionally irrelevant traits or circumstances such as: gender, marital status, age, national, social or ethnic origin, skin colour, religion, political opinion, disability, sexual orientation, employee representation, or material or other status.

All kinds of discriminatory behaviour, harassment, mobbing or bullying are prohibited.

All colleagues are expected to meet the highest standards of conduct based on mutual respect for all forms of oral and written communication.

All colleagues should avoid any form of harassment, defamation, or any behavior that may be considered aggressive, intimidating, degrading, malicious, or offensive. We expect the same from our business partners.



Minimum Wage and Working Hours

We expect our business partners to implement a fair payment policy that respects laws on labour and personal income.

If no legal or tariff provisions are adopted, the calculation of personal income must be in line with tariffs, specific for the industry, location and service, that provide an adequate standard of living for employees and their families.

Our business partners must comply with Convention No. 100 (Convention on the Equal Remuneration for Men and Women Workers for Work of Equal Value) of the International Labor Organization (ILO).

Child Labour and Forced Labour

Our business partners are committed to avoiding all forms of child labour. Children are persons under the age of 15 or persons below the age limit for which compulsory schooling is applicable in each country.

Employed minors under the age of 18 may only perform work that complies with legal provisions. Our business partners do not allow any form of forced labour as well.



Prohibition of Undeclared Work

Our business partners must not illegally employ foreign workers, avoid paying social security contributions and taxes, and carry out undeclared work in an organised manner.

Environment and Nature Protection

Market changes and the development of science and society give us opportunities to develop new products, services and processes. Prudent and rational use of natural resources is also essential in this respect.

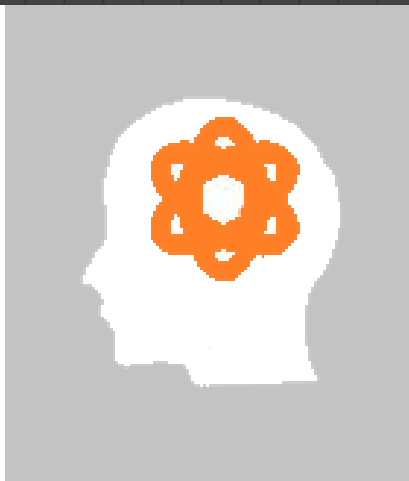
We develop innovative, reliable and high quality welding and cutting solutions that can sustainably improve the quality of people's life.

We are dedicated to maintaining a healthy environment while being committed to reducing the impact of our operations on the natural environment.

All of our colleagues comply with all applicable laws, regulations and rules for the environmental protection and safety.

We expect our business partners to respect the applicable environmental standards and commit to respecting sustainable operations and environmental protection, and that environmental protection is part of their company values.

INTEGRITY



We are establishing an environment of fair business and responsible behaviour in accordance with ethics and integrity in the direction of healthy competitiveness, a safe working environment and the economic environment as a whole.

WE STRIVE TOWARDS A FAIR MANNER OF DOING BUSINESS

We act transparently and in accordance with a mission that reflects the ethics and legal norms of the company, while at the same time striving towards trust of the social environment.

The loyalty of our employees, business partners and the respect for the environment in which we operate are important to us. **Fairness, honesty and integrity** are essential elements of our corporate culture. We expect the same values from our business partners.

"The presence of integrity means the absence of corruption."

We cooperate with the Chamber of Commerce and Industry of Slovenia (CCIS), the Regional Chamber of Craft and Small Business and the Managers' Association of Slovenia.



Compliance with Laws and Regulations

The company VIRS d.o.o. operates in good faith within the relevant legislative framework. We follow the rules, regulations and legislation, including legislative requirements, codes of the industry, and organisational standards related to our business activities.

We regard regulatory measures as the foundation.

Our ethics go way beyond legislative compliance, the integrated norm of good corporate governance, best practices and community expectations.

We expect that our business partners will also act ethically and fairly in their operations, always be in compliance with applicable laws and regulations, including this Code.



Fair Competition and Business Conduct

Relations of our company with business partners are based on trust and mutual benefit, consistent with competition law.

We are committed to ethical and fair competition.

We sell our products, solutions and services based on their quality and functionality.

We make independent pricing and marketing decisions.

We do not coordinate our activities with our competitors. We do not offer or solicit unethical payments or rewards, nor do we participate in or assist with illegal boycotts.

We avoid damaging competition and the reputation of business partners and all behaviour that could damage the credibility of a competitor.

We comply with all applicable trade controls, restrictions, sanctions and legislation governing the import and export of goods, services and information. We also commit ourselves to respecting the legislation in the field of counter-terrorism.

We do not withhold payments to partners in a malicious, illegal or inappropriate way and do not allow such practices in our supply chain. **We are fighting against the unethical practice of the "debt chain".**

We publish business information and business reports in accordance with the true state of affairs and applicable laws.

We expect fair business conduct and the respect for competitive principles from our business partners as well.

Donations and Sponsorships

At the company Virs d.o.o., we are aware that the decision to donate is voluntary and never in expectation of a reimbursement. The sponsorship of individuals, groups or organisations is not carried out with the intention of obtaining an unauthorised business advantage.

We expect the same behaviour from our business partners.

Fight Against Corruption

We strongly condemn corruption and do not tolerate it. It is forbidden to directly or indirectly offer, promise, give, demand, induce or engage in any unfair advantage or benefit, or to accept such advantage or benefit in order to obtain, maintain or in any way facilitate a transaction.

The unfair advantage or benefit includes: cash or cash equivalents (e.g. vouchers), gifts, credits, discounts, travels, personal benefits, accommodation or services.

We do not allow the payment (or "bribery") of government officials or private companies in order to ensure or speed up any routine measures. Corruption also covers abuse of office or function, as well as when someone wrongly proves to be inappropriately influencing the person making decisions.

Gifts and Hospitality

Gifts that can reasonably be presumed to be an attempt to tamper with an employee of the company VIRS d.o.o. are not permitted.

Employees are prohibited from accepting or giving gifts that exceed the value of modest gifts from business partners.

We avoid all actions that portray a sense of seeking, receiving, or offering favourable treatment in exchange for personal gain. We do not give or accept any benefits that present (or could reasonably be considered to present) unfair business incentives that would violate the legislation or regulations or may put us in a tough spot. Our colleagues are not allowed to use personal assets or resources for something that should not be done with our assets.

Usual business lunches and small attentions, e.g. gift baskets during the holidays are acceptable, provided they are not inappropriately excessive, do not represent a pattern of frequent acceptance and do not create a sense of attempt to influence business decisions. We expect business partners to avoid giving offers to employees at the company VIRS d.o.o. of travel, frequent lunches or expensive gifts.

Gifts in the form of cash or cash equivalents, e.g. gift cards are not allowed under any circumstance.

Privacy and Personal Data Protection

Business partners must comply with all applicable laws and regulations relating to the collection, processing, use and transfer of personal data, notably covered by the EU Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

All information received in the course of providing services shall be treated as, and shall remain, strictly confidential, subject to appropriate authorization from the business partner prior to any release.

In addition, they must respect the protected expertise, experience, patents, production and trade secrets of the company VIRS d.o.o..

Business partners do not disclose such information to third parties without the express written consent of the company VIRS d.o.o..

We expect our business partners to comply with all applicable laws regarding the protection of personal data of our colleagues, customers, suppliers and other persons involved.

Business partners should take steps to avoid conflicts of interest, whether of a personal, activity or organizational nature, that may jeopardize the ability of any party associated with the business partner, or of any VIRS d.o.o. employee, to act in the best interest of the company VIRS d.o.o. or their clients.

Decisions our business partners take in regards to the business of the company VIRS d.o.o. must not be influenced by personal or private interests.



SECURITY



*Health and safety are of paramount importance
and are beneficial to the operations
of the organization.*

SECURITY AS A VALUE

We consider human safety to be one of the essential values of operations of the company Virs d.o.o..

Measures to ensure a safe working environment and measures related to the product and service safety are of paramount importance in that manner.

Business partners are expected to take all appropriate measures to ensure the safety of workers, premises and equipment. Any security measures in place must not harm the safety of third parties or jeopardize respect for the human rights of workers and third parties.



Occupational Health and Safety

We expect business partners to respect the health and safety of their employees and to comply with the applicable legal provisions for occupational health and safety.

Their employees and contractors must follow safety instructions and have appropriate protective equipment, if necessary, and use it at all times. Business partners must comply with internationally recognised standards, actively seek to identify and address safety weaknesses, and continually improve workplace conditions in order to ensure and protect the health and safety of employees.

Process Safety

It is important that our business partners systematically evaluate and control the operational risks of any potential hazards, possibility of injuries or other damages resulting from business cooperation with the company Virs d.o.o. (such as research, production and transportation). Their employees and contractors must comply with safety procedures and safety risks, and must take immediate action in the event of an accident.

Product Safety

Our business partners must comply with the safety regulations, properly label the products and notify about their handling requirements. Our products require operators to use particular occupational safety features and the operators must comply with these requirements.

Our products meet all applicable regulatory requirements and we expect the same from our partners for their products.

