



CODE OF BUSINESS ETHICS

Embracing ethics from the first line

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01

**A MESSAGE FROM
OUR CEO**



Horse Powertrain was established to provide next-generation powertrain solutions for a more sustainable future. As we shape our company, our ability to deliver rests not only on technical expertise, but on the standards we uphold in how we work and how we engage with others.

This Code of Business Ethics sets out the principles that guide us. It reflects the expectations we have for ourselves and for each other – across all roles, locations, levels and relationships. It is part of building a consistent, high-integrity approach to our business from the beginning.

Caring

We take responsibility for our actions and their outcomes. We care for our people, society and the planet. This focus on Caring informs the decisions we make every day.

Collaborating

Across teams and regions, we are dedicated to building integrity-driven relationships – with each other, our shareholders, customers, partners and the industry. This is how we approach Collaborating.

Creating excellence

And we are here to make a difference. We are bold, customer-centric pioneers, who never stop learning and never stop innovating to drive performance. This defines our approach to Creating excellence.

“Sustainable powertrain solutions are at the core of what we do. Achieving that globally means building a culture where safety, respect and ethical conduct are part of how we work –not just in principle, but in practice.

Please take the time to read this Code carefully. It reflects who we are, how we work, and the kind of company we are—together.”

Matias Giannini, CEO

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OBJECTIVE AND SCOPE

This Code of Business Ethics (the “Code”) was adopted by the CEO 05-12-2015 and applies to all Horse Powertrain¹ Employees².

Scope of this code

Our Code contains a set of mandatory rules which explains, in a systematic and explicit way, the standards, main responsibilities and principles that must govern Horse Powertrain’s business activities.

This document reflects the main ethical principles of the company in all countries where Horse Powertrain operates. Each and every one of our employees must comply with it, regardless of their roles or functions, or their relationship with other employees and collaborators, suppliers, subcontractors, shareholders, partners, clients, communities and all interest groups.

Specifically, the main objectives of this Code are the following:

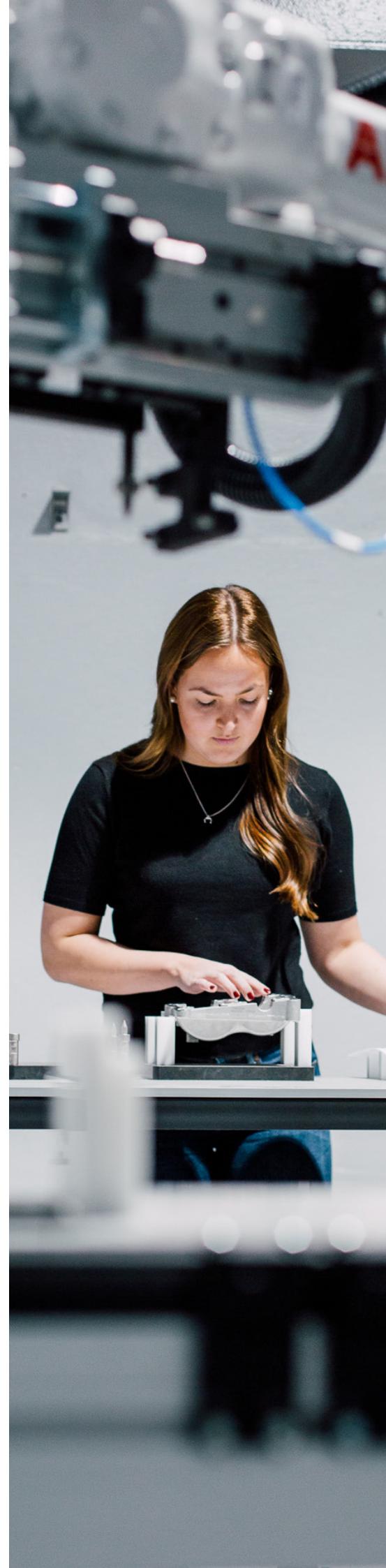
- 1. To establish basic conduct guidelines and**
- 2. To define mandatory ethical rules.** These rules must rule over the work and professional behaviour of those who are subject to the Code of Business Ethics.
- 3. To serve as a reference for stakeholders** that are in some way related to the various parties connected to Horse Powertrain (collaborators, suppliers, clients, shareholders, associates, etc.).

This code of business ethics is mandatory for:

- **Employees** of Horse Powertrain, wherever they are located.
- **Members** of the board of directors within Horse Powertrain, as well as persons holding management positions.
- The various **stakeholders** that operate with Horse Powertrain.

¹ “Horse Powertrain” means HORSE Powertrain, Ltd. and its subsidiaries (i.e. all persons and entities directly or indirectly controlled by HORSE Powertrain, Ltd., where control may be by management authority, equity interest or otherwise).

² For purposes of this Policy, the notion of “Employees” includes:
(I) all Horse employees, regardless of function, position or location, whether working full-time or part-time, under a permanent contract or on a temporary basis, as well as
(II) consultants and agency personnel who work at Horse premises or under the direction of Horse (who usually have a Horse identification and/or an Horse email address) – Note that this Policy shall not be construed as an employment contract and does not give consultants or agency personnel any right to continued employment by Horse; and
(III) the members of the Board of Directors of any Horse group company.



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OUR PRINCIPLES



All individuals must act in a proactive, responsible, and efficient way. They must act with integrity, honesty, and transparency, and furthermore with a credible and trustworthy attitude.

Relations with other institutions, organisations, and public administrations must be ruled by respect under the criteria of maximum and comply with this Code.

This Code includes the values, principles, and ethical standards of Horse Powertrain. These must be followed in all markets in which Horse Powertrain carries out its activities

3.1 ETHICS BEHAVIOUR AND FIGHT AGAINST CORRUPTION

Horse Powertrain has a zero-tolerance approach to any form of corruption or bribery and complies with relevant laws and regulations in all countries in which it carries out its activities.

Horse Powertrain has established policies and procedures to avoid unethical and unacceptable practices. These must be followed by all its workers, especially those in contact with financial entities, economic transactions, and contracts with clients or suppliers. All employees must know the applicable laws and regulations under their area of responsibility and ensure the development of their functions in accordance with Horse Powertrain's internal regulations.

Please note: Lack of knowledge of the applicable legislation and Horse Powertrain's internal regulations, or it being a common practice among workers, are not valid arguments to comply with the conduct.

3.2 WHAT DO WE EXPECT FROM OUR EMPLOYEES?

- All employees must read and comply with this Code.
- All employees must understand that their behaviour reflects the image and values of Horse Powertrain.
- Directors and managers must be a model of ethical behaviour and encourage their teams to follow the principles contained in this Code.
- People whose functions involve other stakeholders must pay special attention to compliance with this Code.
- All employees must not engage in any fraud against Horse Powertrain.
- All employees must follow Horse Powertrain's policies and procedures when using or releasing funds and approving and documenting costs.

3.3 TRANSPARENCY

Horse Powertrain is committed to always providing accurate information.

Horse Powertrain is a data-driven company; therefore, regardless of their role, all employees must provide truthful information in all their communications, whether verbal or written.

All employees must keep communications factual, specific, and precise, and avoid misleading statements, making unqualified judgements or speculations.

Relations with other institutions and public administrations must be governed by institutional respect and guided by criteria of maximum collaboration while adhering scrupulously to our rules.

3.4 CORPORATE IMAGE

Employees must ensure that they do not damage the image of Horse Powertrain, taking special care in meetings with clients or partners, and in public appearances before the media and social networks.

3.5 EMPLOYMENT OF FAMILY MEMBERS

Immediate family members and partners of workers may be hired as employees or consultants only if their appointment follows a rigorous recruitment process, where the selection is based solely on qualifications, performance, skills, and experience. The rule is to ensure that the best profile for the role is appointed, regardless of personal connections.

3.6 RESPECT FOR HUMAN AND LABOUR RIGHTS

Horse Powertrain is committed to respecting human rights recognised in international frameworks.

Employees must support a due diligence process to identify potential and real risks to human rights and establish measures to prevent, mitigate, and remedy human rights violations.

Horse Powertrain encourages all its business partners to undertake human rights due diligence in order to avoid any indirect contribution of generating a negative impact on human rights, including the following:

- Non-discrimination.
- Safe and healthy working conditions.
- Safe products.
- Eradication of forced labour, human trafficking, and modern slavery.
- Fair working conditions regarding wages, benefits, working hours, and holidays.
- Eradication of child labour.
- Migrant labour rights.
- Abuse of force by security forces.

Respect of communities' rights, especially vulnerable groups' rights.

3.7 HEALTH AND SAFETY

Horse Powertrain complies with health and safety law and regulations and has established systems to implement preventive and corrective measures.

Horse Powertrain is committed to providing all employees and subcontractors with resources and knowledge to carry out their activities in a safe and healthy manner.

All employees must be aware of and comply with the health and safety regulations and Horse Powertrain's internal policies to ensure their own safety and the safety of others who may be affected by their activities.

Employees are empowered to intervene in all circumstances that may jeopardise their own or others' safety and health in the workplace.

3.8 NON-DISCRIMINATION AND ANTI-HARASSMENT

The relationship between Horse Powertrain's workforce and all stakeholders must be rooted in mutual respect, integrity, transparency, and trust, with conduct that upholds the dignity of every individual.

Horse Powertrain strictly prohibits any form of workplace harassment as well as any behaviour that is threatening, abusive, exploitative, or sexually coercive. All workers are encouraged to report misconduct by colleagues or third parties that could create discomfort or an unsafe environment.

Discrimination or harassment based on characteristics such as race, ethnicity, caste, religion, ideology, age, nationality, sexual orientation, disability, gender, marital or family status, social background, or any other factor will not be tolerated.

Managers and senior leaders have a duty to ensure fairness in recruitment, promotion, assessment, training, compensation, and retirement while actively implementing equitable practices to support these principles.

All workers must treat others, and be treated, with fairness and respect. Horse Powertrain will not tolerate any type of psychological, moral, physical, or verbal harassment, intimidation, abuse of authority, or inappropriate behaviour, including sexual and gender-based misconduct.

3.9 SUSTAINABLE DEVELOPMENT

Horse Powertrain upholds the highest ESG (Environmental, Social and Governance) standards to ensure an appropriate level of risk management in its supply chain. Reducing Horse Powertrain's environmental footprint throughout the supply chain, through innovative solutions and mobility, is part of Horse Powertrain's environmental goals.

Horse Powertrain is committed to implementing an action plan in the supply chain, aiming to reduce its environmental footprint.

All employees must take an active part in protecting the environment by reducing waste and minimising consumption of energy and other resources.

Employees must consider the protection of the environment in all aspects of their professional activities, complying with applicable legislation and working to prevent and reduce direct and indirect negative impact such as waste management, conservation of biodiversity, avoiding discharges and emissions, reducing consumption of resources (water, energy, raw materials), and generally helping the fight against climate change.

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COMPLIANCE WITH ANTI-TRUST, EXPORT CONTROL, ECONOMIC SANCTIONS AND MONEY LAUNDERING



4.1 ANTI-TRUST

Horse Powertrain operates in a global marketplace where consumers' interests are best served by fair and open competition. Antitrust laws exist in most countries in which Horse Powertrain operates, and the company respects its obligation to compete honestly, fairly, and in full compliance with the law.

Employees must ensure fair competition and always act in accordance with applicable regulations.

Employees should:

- Never restrain competition through unlawful agreements, arrangements, or understandings that limit competition.
- Think carefully when communicating about competitive aspects and avoid language that could imply abusive motive or intent.
- Never engage in discussions that may lead to coordination of competitive behaviour.
- Refer to internal regulations for additional information about anti-trust guidelines.

A few examples

The use of privileged or external information for business deals; spreading false rumours about products, services, or market conditions; false advertising; scams; fraud; or altering the price of third-party products or the valuation of a business.

4.2 ANTI-MONEY LAUNDERING

All employees must comply with all applicable anti-money laundering laws and pay special attention to any red flags that may indicate money laundering.

Horse Powertrain applies all measures required to prevent and avoid money laundering, in accordance with applicable laws and regulations.

Horse Powertrain also ensures that public grants and subsidies are used exclusively for their intended purpose.

4.3 EXPORT CONTROL AND ECONOMIC SANCTIONS

Due to upcoming regulations restricting imports and exports in some territories and prohibition to do business with designated countries or entities; Horse Powertrain is committed to comply with all applicable laws and regulations relating to export controls and economic sanctions.

More about economic sanctions

Different countries and institutions have developed different lists on sanctions and economic measures, which are regularly updated, and which include different restricted parties, both individuals and companies. Businesses must keep an eye on numerous international lists to comply with these global sanctions.

Some examples of these lists include the Specially Designated Nationals List, developed by OFAC in the US; the Sanctions List developed by the United Nations; or the Consolidated list of persons, groups and entities subject to EU financial sanctions.

What are sanctions and embargoes?

Sanctions and embargoes refer to any laws, regulations and compulsory measures enacted by governmental authorities or organisations such as the UN to prohibit or restrict doing business with certain individuals, groups, entities, regimes, countries or territories.

All relevant information regarding transactions to assess the risks of sanctions violations is gathered by the corresponding teams. Horse Powertrain remains alert for red flags that indicate a risk of sanctions anti-money laundering violation.

In addition to the global sanctions' lists mentioned above, there are various other watchlists that businesses should consider when designing their AML compliance programs. Interpol's databases, for example, provide valuable information on individuals and entities involved in criminal activities worldwide.

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MANAGEMENT OF CONFIDENTIALITY

The management of confidentiality at Horse Powertrain includes:

- Sensitive, confidential, and privileged information
- Information regarding employees
- Information regarding groups of interest
- Communication between employees
- Communication with public and private media

5.1 MATERIAL SCOPE

Confidential information refers to information that is not or not yet public knowledge or is otherwise designated as confidential. It includes trade secrets, business, marketing and service plans, consumer insights, engineering and manufacturing ideas, product designs, databases, records, salary information and any other unpublished financial or commercial information.

Horse Powertrain's continued success depends on the use of its confidential information and its non-disclosure to third parties. Unless permitted or required by law, or authorised by Horse Powertrain management, employees shall not disclose or permit disclosure of confidential information.

In addition, employees must use their best efforts to prevent unintentional disclosure of information by taking special care when storing or transmitting confidential information. Employees should always consider whether information is confidential before disclosing it.

Horse Powertrain respects the fact that third parties have similar interest in protecting its confidential information. If third parties, such as joint venture partners, suppliers or customers, share confidential information with Horse Powertrain, such information will receive the same care as Horse Powertrain's confidential information.

Some examples

Verbal or previously written information which includes technical, financial, and commercial information (as well as, among others, models, names of possible clients or partners, commercial operations, proposals, complete reports, market projections, data analysis, work papers, compilations, comparisons, studies or other documents, etc.) whose disclosure can harm, directly or indirectly, its owner.

5.2 CONFLICTS OF INTEREST

What is a conflict of interests? Any situation where the personal interests of an individual collide or potentially could collide with the interests of Horse Powertrain and/or their roles and responsibilities in Horse Powertrain.

Examples of situations that can cause a conflict of interests include giving or receiving benefits (e.g., gifts and entertainment), outside activities which may influence the performance of work, personal and business relationships with competitors of Horse Powertrain, or working with relatives in a direct or indirect reporting relationship can be found in the Horse Powertrain policy on Conflicts of interests.

Finally, employees should not carry out activities outside of Horse Powertrain if such activities interfere with their responsibilities to Horse Powertrain, or if they involve a risk to Horse Powertrain's reputation, or are otherwise in conflict with Horse Powertrain's interests. If in doubt as to whether an

activity is permissible, employees should consult with Human Resources, Legal or Compliance.

Golden rule

Employees must not participate in any decision or activity in which their own personal interests may conflict with those of the Horse Powertrain.

Professional secrets and confidentiality

All employees must respect the professional secrecy (where applicable) and duty to maintain confidentiality, which must continue after the termination of the labour relationship with Horse Powertrain, except in case of explicit authorisation, or whenever it is solicited by judicial authorities.

5.3 DATA PROTECTION AND OTHER PRIVACY ISSUES

Horse Powertrain is committed to protecting the personal data that it processes of its workers and other third parties. Horse Powertrain collects and uses personal data in accordance with applicable data protection law. Worker's must read and comply with Horse Powertrain's data protection policies and procedures.

Employees must ensure the appropriate and efficient use of company's tangible and intangible assets in their professional activities and protect this from any inappropriate use that can have negative repercussions for Horse Powertrain, especially in relation to intellectual property and patents.

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OUR RELATIONSHIP WITH THIRD PARTIES

6.1 RELATIONSHIPS WITH CUSTOMERS

Horse Powertrain is aware of the importance of its products to its clients and end users, as such Horse Powertrain complies with consumer protection laws and put in place appropriate policies and procedures.

6.2 RELATIONSHIPS WITH SUPPLIERS

Horse Powertrain considers its supply chain of vital importance to be able to develop its business activities. All employees who participate in the process of selecting suppliers must act impartially, applying objective criteria and avoiding personal interests. Horse Powertrain extends the highest ESG (Environmental, Social and Governance) standards among its suppliers of goods and services to ensure correct risk management in the supply chain.

In addition, it establishes measures to ensure responsible supply, especially in relation to conflicts from armed zones in which human rights are not respected.

6.3 RELATIONSHIPS WITH PARTNERS AND SHAREHOLDERS

Horse Powertrain must ensure that in its relations with partners and shareholders it provides truthful and transparent information. All employees must ensure that due diligence is conducted on third parties to avoid financial and reputational risks.

6.4 RELATIONSHIPS WITH SOCIETY AND LOCAL COMMUNITIES

Regarding social contributions, donations or sponsorship Horse Powertrain must ensure alignment with all internal policies regarding social action.

6.5 GIFTS AND HOSPITALITIES

Accepting or offering gifts or invitations may be interpreted as an improper way to obtain an unfair business advantage or influence business decisions.

Employees must avoid making or receiving any type of gifts to clients, suppliers, public administrations, collaborators or partners, which could be considered as bribery.

What is a gift and/or hospitality?

Gifts and/or hospitalities generally include, among others, the following:

- (I) gifts, entertainments, and offers of hospitality at Horse Powertrain's expense,
- (II) political or charity donations,
- (III) travel expenses for the client's representative or public officials,
- (IV) promotional expenses,
- (V) sponsorships and benefits for a community,
- (VI) training programs,
- (VII) club memberships,
- (VIII) personal favors and/or
- (IX) disclosure of confidential and private information.

07

REPORTING OF CONCERNS

Horse Powertrain has made a reporting line available to all its workforce, in accordance with Horse Powertrain's internal whistleblowing policy. This is available to Horse Powertrain employees, collaborators, suppliers of goods and services, subcontractors, partners, clients, communities and other interest groups:

- The reporting line is public, anonymous and ensures no retaliation for those who use it.
- The objective is to offer a safe channel to report any possible breach of this Code and other internal regulations, as well as applicable laws, and to freely express complaints, concerns or doubts in relation to the principles contained therein.
- All employees can make any consultation and submit reports through the following means identified in the corporation's website or intranet.

It is the responsibility of each employee to ensure full compliance with all provisions of this Code. Ensuring the highest standards of integrity is the personal responsibility of each employee and cannot be delegated.

In case of doubt, employees should always be guided by the basic principles set out in this Code.

Guidance and assistance regarding this Code should be sought, first and foremost, from your manager. For further guidance, you may also refer to the corporate policies, directives and guidelines related to this Code.

Inquiries about this Code may also be directed to the Legal & Compliance Department at legal-compliance@horse-powertrain.com

REGION	LINK & DETAILS
Global (except China & Sweden)	https://report.whistleb.com/en/horse WhistleB, Whistleblowing Centre (Online reporting channel and alternative contact options, such as a telephone hotline available through link)
China	https://zgh.com/whistleblowing/?lang=en (Online reporting channel and alternative contact options, such as a telephone hotline available through link)
Sweden	https://visselblasning.trustheart.se/aurobay Telephone: +46 (0)8-82 40 00 (Mon–Fri, 08:00–16:00 CET) By post: Human & Heart HR AB, Pelle Bergs backe 3c, 791 50 Falun, Sweden

08

COMPLIANCE AND DISCIPLINARY REGIME

8.1 COMPLIANCE WITH THIS CODE

All employees, members of the management, as well as other relevant stakeholders must comply with this Code's contents in all the matters that affects them.

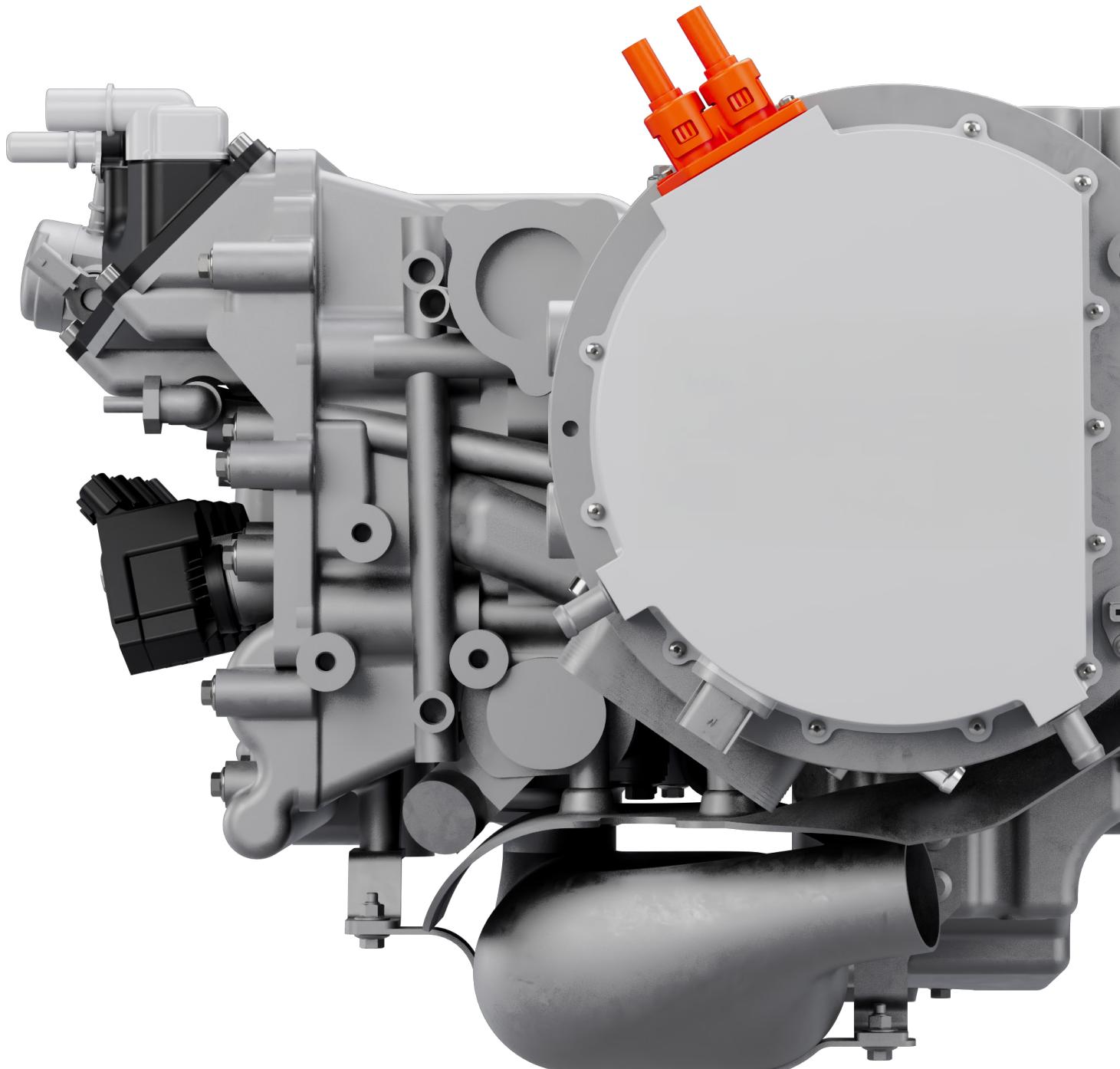
8.2 ACCOUNTABILITY FOR NON-COMPLIANCE

Non-compliance with this Code of Business Ethics by workers will result in appropriate actions taken by Horse Powertrain to address and rectify the behavior. Sanctions may include disciplinary measures up to and including termination of employment, in accordance with company values, standards and legal requirements. All actions will be consistent with applicable laws and regulations.

In Horse Powertrain, we expect you to comply with this Code of Business Ethics.

Caution

Lack of knowledge of the applicable legislation and Horse Powertrain's internal regulations or it being a common practice among workers are not valid arguments not to comply with the conduct.





NEXT - GEN
POWERTRAIN
SOLUTIONS