



**CODE OF CONDUCT  
FOR  
PARTNERS  
OF THE STRATEC GROUP**

## General

STRATEC SE and all its group companies (“STRATEC”) are committed to maintaining a socially responsible and environmentally friendly corporate culture. The employees of STRATEC play an important role in this and ensure that the principles of environmental, social and ethical conduct are observed, implemented and integrated into the corporate culture.

STRATEC sets itself high standards and, equally, expects the conduct of its suppliers and partners (“Partners”) to be characterised by recognition of and respect for human rights and environmental standards. STRATEC constantly strives to improve its corporate attitudes and actions and its products and services in the interest of sustainability and it asks its suppliers to contribute to this by taking the same approach.

The Partner and STRATEC agree that the following Code of Conduct will apply for their future cooperation. This Agreement forms the basis for all future supplies and services. The Partner is obliged to adhere to the principles and requirements of the Code of Conduct and to impose a binding obligation to comply with the standards and regulations stated in this document on its suppliers and subcontractors. This Agreement will enter into force when signed. A violation of this Code of Conduct may ultimately give STRATEC reason and good cause to end the business relationships, including all related supply agreements.

The Code of Conduct is based on national laws and regulations such as the German Supply Chain Act (*Lieferkettensorgfaltspflichtengesetz, LkSG*) as well as international treaties such as the Universal Declaration of Human Rights of the United Nations, the Children’s Rights and Business Principles, the United Nations Guiding Principles on Business and Human Rights, the international labour standards of the International Labour Organization and the United Nations Global Compact.

### **I. Social responsibility**

#### **I.1. Prohibition of forced labour**

The Partner must ensure that no forced labour, slave labour or similar types of labour are used within its organisation. All work must be carried out of a worker’s own free will and without threat of punishment. The Partner’s employees must be able to leave their job or terminate their employment contract at any time. Furthermore, there must not be any unacceptable treatment of workers, such as psychological hardship, sexual or personal harassment, or degradation.

The Partner must refrain from contracting or deploying security personnel if using such personnel will result in the inhumane or degrading treatment or harm of individuals or the impairment of their freedom of association.

#### **I.2. Prohibition of child labour**

Child labour must not be used at any stage of production. The Partner is required to observe the recommendation made in the ILO Conventions as regards the minimum age for the employment of children. According to this, this age should not be lower than the age at which compulsory education in the place of employment ends. Children under 15 years of age should not be employed under any circumstances. If children are found to be working, the Partner must immediately take effective measures to remedy this and to enable the children to attend school. The measures must be documented appropriately.

The Partner must take effective, appropriate measures to protect the rights of young employees, i.e. employees under 18 years of age. In particular, young employees must not be used for work that is harmful to the health, safety or morals of children. If and when special safety provisions are in place, the Partner must comply with these.

**1.3. Fair pay**

The remuneration that the Partner pays its employees for regular working hours and overtime must meet the national legal minimum wage or the customary industry minimum standards, whichever is higher. The remuneration paid for overtime must also be greater than the remuneration paid for regular hours. The Partner must pay remuneration that is sufficient to cover the usual living costs and to build up a minimum level of savings.

Employees must be granted all the benefits required by law. The Partner is not permitted to make deductions from wages as a penalty. The Partner must ensure that employees are given clear, detailed and regular written information on the elements of their remuneration.

**1.4. Fair working hours**

The Partner must ensure that working hours correspond to the applicable laws or industry standards. Overtime is only permitted if it is carried out of a worker's free will. The Partner must also comply with the other applicable legal regulations on working hours, particularly with regard to the maximum limits on working hours.

**1.5. Freedom of association**

The Partner must respect and guarantee employees' rights to establish and join organisations of their choice, to take part in collective bargaining, and to strike. In cases in which freedom of association and the right to take part in collective bargaining are restricted by law, the Partner must provide alternative opportunities for employees to independently and freely convene for the purpose of collective bargaining.

The Partner must also ensure that employee representatives are protected against discrimination on the grounds of their role. Employees must not be discriminated against on the grounds that they have established or joined or are a member of such an organisation. Employee representatives must be allowed to freely access their colleagues' workplaces to ensure that they can exercise their rights in a lawful, peaceful way.

**1.6. Prohibition of discrimination**

Discrimination against or unfair treatment of employees in any way is not permitted unless it is justified on grounds related to employment requirements. For example, this applies for discrimination on the grounds of gender; race; caste; national, ethnic or social origin; skin colour; disability; health; political views; heritage; world views; religion; age; pregnancy or sexual orientation. The personal values, privacy and personal rights of each individual must be respected.

**1.7. Health and safety in the workplace**

The Partner is obliged to create a safe and healthy working environment. It must develop and implement appropriate occupational health and safety systems, including the necessary measures to prevent accidents and damage to health that could occur in connection with the activities carried out. Suitable measures must be taken to prevent excessive physical or mental exertion. The Partner's employees must also be given regular information and training on the applicable health and safety standards and measures. Employees must be given access to an adequate amount of drinking water and access to clean sanitation facilities.

**1.8. Preservation of natural resources**

The Partner must not infringe any legitimate rights and exploit land, forests or waters upon use of which individuals rely. It must avoid any harmful soil changes, water and air pollution, noise emissions and excessive water usage if this would be harmful to the health of individuals, significantly compromise the natural resources used for the production of food, or prevent individuals from accessing clean drinking water or sanitation facilities.

**1.9. Complaints procedures**

The Partner is responsible for setting up an appropriate, effective complaints system at company level for individuals and groups that may be affected by adverse impacts. The complaints process must be made accessible to employees while also enabling them to keep their identity confidential and providing them with effective protection against discrimination. If the Partner receives any relevant indications from STRATEC, it must follow this up in an appropriate way and take remedial measures if necessary. The Partner must document this accordingly and share this documentation with STRATEC on request.

**1.10. Dealing with conflict minerals**

The Partner must establish processes that are compliant with the Organisation for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas for the conflict materials tin, tungsten, tantalum and gold and for other materials such as cobalt, and it must also require its suppliers to do the same. Smelting and refining without appropriate, audited due diligence procedures should be avoided.

**2. Environmental responsibility****2.1. Treatment and drainage of industrial waste water**

Waste water from operating procedures, production processes and sanitation facilities must be classified, monitored, tested and, if necessary, treated prior to discharge or disposal. Measures should also be taken to reduce the generation of waste water.

**2.2. Dealing with atmospheric emissions**

General emissions from operating procedures (atmospheric emissions and noise emissions) and greenhouse gas emissions must be classified, routinely monitored, tested and, if necessary, treated before they are emitted. The Partner is also responsible for monitoring its emission control systems and it is obliged to find efficient solutions to minimise any emissions.

**2.3. Dealing with waste and hazardous substances**

The Partner must take a systematic approach to identifying, managing, reducing and responsibly disposing of or recycling solid waste. The prohibitions on the export of hazardous waste laid down in the current version of the Basel Convention of 22 March 1989 must be observed.

Chemicals or other materials that present a hazard when released into the environment must be identified and managed in such a way that safety is guaranteed when handling, transporting, storing, using, recycling, reusing and disposing of these substances. Mercury must be used in compliance with the prohibitions of the Minamata Convention of 10 October 2013 and persistent organic pollutants must be used in compliance with the current version of the Stockholm Convention of 23 May 2001.

**2.4. Use of raw materials and natural resources**

The use and consumption of resources during production and the generation of waste of any kind, including water and energy, must be reduced and/or avoided. This is either achieved directly at source or through procedures and measures, for example, by adapting production and maintenance processes or procedures within the company, by using alternative materials, by cutting down, by recycling or by reusing materials.

**2.5. Dealing with energy consumption/efficiency**

Energy consumption must be monitored and documented. Economic solutions must be found to improve energy efficiency and minimise energy consumption.

### **3. Ethical business conduct**

#### **3.1. Fair competition**

The Partner must adhere to the standards of fair business activity, fair advertising and fair competition. The applicable competition laws must also be implemented; in particular, these prohibit agreements and other activities that influence prices or terms when working with competitors. Agreements between the Partner and suppliers that are aimed at limiting their customers' freedom to freely determine their prices and other terms upon resale are also prohibited.

#### **3.2. Confidentiality/data protection**

The Partner is obliged to provide adequate protection for the private information of its employees, suppliers, customers and consumers. When collecting, storing, processing, transmitting and sharing personal information, the Partner must comply with laws on data protection and information security as well as regulatory requirements.

#### **3.3. Intellectual property**

As an innovative company with equally innovative partners, protecting expertise, trade secrets and intellectual property is of great importance to STRATEC. The Partner is obliged to respect, uphold and protect all rights to intellectual property, trade secrets and confidential information. Technology and expertise must be transferred in such a way that STRATEC's intellectual property rights, trade secrets and confidential information are protected.

#### **3.4. Integrity/bribery, accepting advantages**

The Partner must adhere to the highest standards of integrity throughout all its business activities. The Partner must enforce a zero tolerance policy in respect of the prohibition of all kinds of bribery, corruption, extortion and embezzlement. Procedures for monitoring and implementing standards must be employed in order to guarantee compliance with anti-corruption laws.

### **4. Implementation of requirements**

STRATEC expects its Partner to identify risks within supply chains and to take appropriate measures to avoid and minimise risks. In the event of a suspected breach and in order to ensure the security of supply chains with increased risk, the Partner must promptly and, if necessary, regularly inform STRATEC of any breaches and risks it had identified and of the measures taken.

STRATEC usually verifies compliance with the aforementioned standards and regulations by means of supplier self-assessment and risk-based audits at the Partner's business locations. In this regard, the Partner agrees to STRATEC carrying out such audits on a regular basis (maximum once per calendar year) or for a specific reason in order to verify compliance with the Code of Conduct at the Partner's business locations. Audits are carried out by personnel instructed by STRATEC, during normal business hours and with sufficient notice. The Partner can object to specific auditing measures if such measures would result in a violation of mandatory legal regulations on data protection.

If a violation of the provisions of this Code of Conduct is identified, STRATEC shall inform the Partner of this in writing within one month and set it an adequate grace period for remedying this violation. If such a remedy is not possible in the foreseeable future, the Partner must inform STRATEC of this immediately and, together with STRATEC, come up with a plan containing a schedule for ending or minimising the violation. If such a violation is committed culpably, if the grace period lapses to no avail and/or if the implementation of the measures contained in the plan in accordance with the schedule does not result in remediation of the violation, and if continuing with the contract up to the point of ordinary termination becomes unreasonable for the Client and no less severe means are available, STRATEC can break off the business relationship and, once the grace period set has lapsed to no avail and if it has threatened to do so when setting this grace period, terminate all contracts. The legal right to extraordinary termination without setting a grace period remains unaffected, particularly in the event of violations that are considered particularly serious, as does the right to claim damages.

**5. Acknowledgement and agreement by the Partner**

By signing this document, the Partner undertakes to act responsibly and to comply with the aforementioned principles and requirements. The Partner is also obliged to communicate the content of this Code to its employees, representatives and subcontractors in a way that is understandable to them and to make all necessary provisions for implementing the requirements.

The Partner's name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

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The signatory's name (in block letters): \_\_\_\_\_

Position: \_\_\_\_\_

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Place, date

Signature, stamp