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Supplier Code of Conduct

Preamble

STRATTEC Security Corporation hereinafter jointly referred to as STRATTEC strives to achieve growth based on a socially responsible conduct in all spheres in which they pursue their business activities and in all countries in which they operate.

STRATTEC expect its suppliers to support its effort by observing basic ethical principles and statutory provisions and by their responsible approach to their production processes. It is in this context that STRATTEC has developed this Supplier Code of Conduct and requires its supplier to comply with it.

1.0 General Principles, Laws and Statutes

The supplier commits to upholding its social responsibility in all business dealings. In all its business activities and decisions, the supplier shall respect the laws in effect and any other applicable provisions in the countries where it is active. Suppliers will obtain and keep current all required environmental permits, approvals, registrations and follow their operational and reporting requirements,

2.Labor

Suppliers commit to respecting the human rights of workers, and to treat them with dignity. This applies to direct and indirect suppliers, as well as all workers including temporary, migrant, student, contract, direct employees, and any other types of workers. Suppliers shall ensure that if there is ever a need to use public safety services, human rights of workers are followed.

2.1 Prohibition of Forced Labor

Forced labor in any form, including but not limited to, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not permitted. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services.

2.2 Young Workers

Child labor shall not be used in any stage of manufacturing. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment per the country's labor regulatory laws, whichever is greatest. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime.

2.3 Working Hours

Working hours shall not exceed the maximum set by local law. All overtime shall be voluntary. Workers shall be allowed at least one day off every seven days.

2.4 Wages and Benefits.

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Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. All workers shall receive equal pay for equal work and qualifications. Workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted.

2.5 Non-Discrimination/Non-Harassment/Humane Treatment.

Suppliers shall commit to a workplace free of harassment and unlawful discrimination. There shall be no harsh or inhumane treatment including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers; nor is there to be the threat of any such treatment. Companies shall not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity or expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training.

2.5.1 Use of Public or Security Forces

If suppliers are required to rely on public forces for protection, they shall have a clear procedure to record and document any incident and establish a training procedure to ensure Human Rights protocols are a must to follow. Ideally, suppliers shall comply with the ban on hiring or using private or public security forces to protect a business project if, due to a lack of instruction or control on the part of the company, the prohibition of torture and cruel, inhuman, or degrading treatment is disregarded during the deployment of security forces.

2.6 Freedom of Association and Collective Bargaining.

Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.

3.0 Health and Safety

Suppliers recognize that in addition to minimizing the incidence of work-related injuries and illnesses, a safe and healthy working environment enhances the quality of products and services, consistency of production and worker retention and morale. Suppliers also recognize that ongoing worker input and education are essential to identifying and solving health and safety issues in the workplace.

3.1 Occupational Health and Safety

Worker potential for exposure to health and safety hazards (chemical, electrical and other energy sources, fire, vehicles, and fall hazards, etc.) shall be identified and assessed, mitigated using the Hierarchy of Controls. Workers shall be provided with appropriate, well-maintained, personal protective equipment, and educational materials about risks to them associated with these hazards

3.2 Emergency Preparedness

Potential emergency situations and events shall be identified and assessed, and their impact minimized by implementing emergency plans and response procedures including emergency reporting, employee notification and evacuation procedures, worker training, and drills.

Emergency drills shall be executed at least annually or as required by local law, whichever is more stringent. Emergency plans shall also include appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, contact information for emergency responders, and recovery plans.

3.3 Occupational Injury and Illness

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Procedures and systems shall be in place to prevent, manage, track and report occupational injuries and illnesses, including provisions to encourage worker reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and facilitate the return of workers to work.

3.4 Physically Demanding Work

Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks shall be identified, evaluated, and controlled.

3.5 Machine Safeguarding

Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks, and barriers shall be provided and properly maintained where machinery presents an injury hazard to workers.

3.6 Sanitation, Food, and Housing

Workers shall be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by the supplier, or a labor agent shall be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting, and adequate conditioned ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

3.7 Animal Welfare

Suppliers will respect the welfare of animals and provide humane treatment. No animal should be raised and killed for the single purpose of being used in automotive products.

3.8 Health and Safety Communication

Suppliers shall provide workers with appropriate workplace health and safety information and training in the language of the worker or in a language the worker can understand for all identified workplace hazards that workers are exposed to, including but not limited to mechanical, electrical, chemical, fire, and physical hazards. Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers.

4.0 Environment

STRATTEC expects the supplier to have a policy/ management system for environmental protection in place. Preferably if the supplier is certified according to an internationally approved norm. The supplier shall comply with all national and international environmental standards and laws that apply to its location of business.

4.1 Environmental Permits and Reporting

All required environmental permits (e.g. discharge monitoring), approvals, and registrations shall be obtained, maintained, and kept current, and their operational and reporting requirements shall be followed.

4.2 Pollution Prevention and Resource Conservation

Emissions and discharges of pollutants and generation of waste shall be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance, and facility processes; or by other means. The use of natural resources, including water, fossil fuels, minerals, virgin forest products and soil, shall be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling, or other means.

4.2.1 Soil quality

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SSC expects its suppliers to monitor and control their impact on soil quality to prevent erosion, nutrient degradation, subsidence and contamination. Suppliers shall work towards reducing and controlling any negative impact that it might have on the environment and to run business in a socially responsible and environmentally sustainable way.

4.3 Hazardous Substances

Chemicals, waste, and other materials posing a hazard to humans or the environment shall be identified, labeled, and managed to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal. Hazardous waste data shall be tracked and documented.

4.4 Solid Waste

Suppliers shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous). Waste data shall be tracked and documented.

4.5 Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances, and combustion byproducts generated from operations shall be characterized, routinely monitored, controlled, and treated as required prior to discharge. Suppliers shall conduct routine monitoring of the performance of its air emission control systems.

4.6 Materials Restrictions

Suppliers shall adhere to all applicable laws, regulations, and customer requirements regarding the prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

4.7 Water Management

Suppliers shall implement a water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All waste water shall be characterized, monitored, controlled, and treated as required prior to discharge or disposal. Suppliers shall conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

4.8 Energy Consumption and Greenhouse Gas Emissions

Suppliers shall establish and report against an absolute corporate-wide greenhouse gas reduction goal. Energy consumption and all Scopes 1, 2, and significant categories of Scope 3 greenhouse gas emissions shall be tracked, documented, and publicly reported.

4.8.1 Raw material suppliers must also strive to build a low-carbon ecosystem throughout the product development.

4.8.2 Suppliers shall actively reduce greenhouse gas emissions in the overall process from procurement of raw materials to product development, production, and delivery. Suppliers shall build a low-carbon ecosystem throughout the supply chain by encouraging other suppliers (including raw material companies) in the parts supply chain that they do business with to also participate in these activities.

4.8.3 Suppliers must promote the transition to low-carbon emission materials and actively trade with raw material and parts suppliers who actively implement eco-friendly/low carbon policies.

4.8.4 Suppliers shall support their suppliers in managing their energy usage and greenhouse gas emission data and conduct periodic monitoring.

4.8.5 Suppliers shall urge their suppliers to voluntarily participate in comprehensive greenhouse gas responses such as environmental management campaigns (CDP[1], RE100, etc.), natural ecosystem/forest protection activities, and participation in the eco-friendly parts business.

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4.9 Protection of Biodiversity

SSC expects suppliers to ensure protection of natural ecosystems and not to contribute to the changing, deforestation, or damage of natural woodland and other natural ecosystems. If it cannot be ensured that the protection of the marine ecosystem is guaranteed, the use of deep-sea raw materials for our products should not be done and expect suppliers and their supply chains to do the same.

5.0 Ethics

To meet social responsibilities and to achieve success in the marketplace, Suppliers and their agents shall uphold the highest standards of ethics including the following:

5.1 Business Integrity

The highest standards of integrity shall be upheld in all business interactions. Suppliers shall have a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement.

5.2 No Improper Advantage

Bribes or other means of obtaining undue or improper advantage shall not be promised, offered, authorized, given, or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage.

5.3 Disclosure of Information

All business dealings shall be transparently performed and accurately reflected on the Supplier's business books and records. Information regarding participant's labor, health and safety, environmental practices, business activities, structure, financial situation, and performance shall be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

5.4 Intellectual Property

Intellectual property rights shall be respected. The transfer of technology and know-how is to be done in a manner that protects intellectual property rights, and customer and supplier information shall be safeguarded.

5.5 Fair Business, Advertising and Competition

Standards of fair business, advertising, and competition shall be upheld.

5.6 Protection of Identity and Non-Retaliation

STRATTEC encourages suppliers to have a policy in place to facilitate disclosures of questionable practices, encourage proper individual conduct and alert the Audit Committee of potential problems before they have serious consequences. Shareholders, associates and other interested parties may submit complaints or concerns regarding the accuracy of our financial statements, press releases or other public disclosures, accounting, internal accounting controls or auditing matters.

Subject to any restriction posed by law, suppliers will promptly inform STRATTEC of any concern related to issues governed by this Code and collaborate with STRATTEC in subsequent investigations.

When potential adverse impacts are discovered, suppliers will investigate, and where appropriate, will engage with potentially affected stakeholders and/or their representatives with the aim of identifying mutually agreeable solutions or remedies and providing for or cooperating in their remediation through legitimate processes. Suppliers will cascade this expectation through their own supply chains.

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Programs that ensure the confidentiality, anonymity, and protection of supplier and employee whistleblowers shall be maintained, unless prohibited by law. Suppliers shall have a communication process for their personnel to be able to raise any concerns without fear of retaliation.

5.7 Responsible Sourcing of Minerals

Suppliers shall adopt a policy and exercise due diligence on the source and chain of custody of the tantalum, tin, tungsten, gold, and cobalt in the products they manufacture to reasonably assure that they are sourced in a way consistent with the Organization for Economic Co-operation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict- Affected and High-Risk Areas or an equivalent and recognized due diligence framework.

5.8 Privacy

Suppliers shall commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers, and employees.

5.9 Prohibited substances and materials

All the supplies, products or parts bought from the supplier by STRATTEC, whether they are standard or specifically developed by the supplier for the company, must not contain any product, material or substance prohibited by the legislations or regulations applicable in the supplier's countries, the European Union and more generally, in all of the countries in which these supplies, products or parts are marketed and used. If applicable to the goods delivered to STRATTEC the supplier also complies with its obligations concerning the area of, conflict minerals.

5.10 Counterfeit Parts

The supplier develops, implements and maintains methods and processes appropriate to its products and services to minimize the risk of introducing counterfeit parts and materials into products.

5.11 Export and Import Regulations

The supplier ensures to comply with national and international import and export control laws. These comprise but are not limited to sanctions, embargoes and other laws, regulations and directives controlling the transmission or shipment of goods, technology and payments.

6.0 Management Systems

Suppliers shall adopt or establish a management system with a scope that is related to the content of this Code. The management system shall be designed to ensure: (a) compliance with applicable laws, regulations and customer requirements related to the participant's operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code.

6.1 Company Commitment

Suppliers shall establish human rights, health and safety, environmental and ethics policy statements affirming Supplier's commitment to due diligence and continual improvement, endorsed by executive management. Policy statements shall be made public and communicated to workers in a language they understand via accessible channels.

Suppliers shall ensure that if there is ever a need to use Public or Private Safet Forces, Human Rights protocols are a must to follow.

6.2 Management Accountability and Responsibility

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Suppliers shall clearly identify senior executive and company representative(s) responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management systems on a regular basis.

6.3 Legal and Customer Requirements

Suppliers shall adopt or establish a process to identify, monitor and understand applicable laws, regulations, and customer requirements, including the requirements of this Code.

6.4 Risk Assessment and Risk Management

Suppliers shall adopt or establish a process to identify the legal compliance, environmental, health and safety, labor practice and ethics risks, including the risks of severe human rights and environmental impacts, associated with Participant's operations. Suppliers shall determine the relative significance for each risk and implement appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

Areas to be included in a risk assessment for environmental health and safety are production areas, warehouse and storage facilities, plant/facilities support equipment, laboratories and test areas, sanitation facilities (bathrooms), kitchen/cafeteria and worker housing/dormitories.

6.5 Improvement Objectives

Suppliers shall establish written performance objectives, targets and implementation plans to improve the Supplier's social, environmental, and health and safety performance, including a periodic assessment of Participant's performance in achieving those objectives.

6.6 Training

Suppliers shall establish programs for training managers and workers to implement Participant's policies, procedures, and improvement objectives and to meet applicable legal and regulatory requirements.

6.7 Communication

Suppliers shall establish a process for communicating clear and accurate information about Supplier's policies, practices, expectations, and performance to workers, suppliers, and customers.

6.8 Worker/Stakeholder Engagement and Access to Remedy

Suppliers shall establish processes for ongoing two-way communication with workers, their representatives, and other stakeholders where relevant or necessary. The process shall aim to obtain feedback on operational practices and conditions covered by this Code, and to foster continuous improvement.

6.9 Audits and Assessments

Suppliers shall conduct periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code, and customer contractual requirements related to social and environmental responsibility.

6.10 Corrective Action Process

Suppliers shall establish a process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and reviews.

6.11 Documentation and Records

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Suppliers shall create and maintain documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

6.12 Supplier Responsibility

Suppliers shall establish a process to communicate Code requirements to Sub-suppliers and to monitor Sub-supplier compliance to the Code. Subject to any restriction posed by law, suppliers will promptly inform STRATTEC of any concern related to issues governed by this Code and collaborate with STRATTEC in subsequent investigations.

When potential adverse impacts are discovered, suppliers will investigate, and where appropriate, will engage with potentially affected stakeholders and/or their representatives with the aim of identifying mutually agreeable solutions or remedies and providing for or cooperating in their remediation through legitimate processes. Suppliers will cascade this expectation through their own supply chains.

STRATTEC reserves the right to conduct audits and take further measures in coordination with the supplier to verify compliance of the points mentioned.

Confirmation of the STRATTEC Supplier Code of Conduct

We acknowledge receipt of the STRATTEC Supplier Code of Conduct and confirm the compliance with the contents for all deliveries and services for the STRATTEC Company. We undertake to require our own suppliers to comply with the provisions pursuant to this Code of Conduct. We are perfectly aware that STRATTEC will consider any major infringement of the above obligations by us as a breach of contract and that STRATTEC will reserve the right to take appropriate measures.

_____	_____	_____
Supplier Name	Legal Representative Name	Legal Representative Title

Legal Representative Signature / Date

Current Author:	Jose Lopez	Author Supervisor:	Claudia Gonzalez
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DOCUMENT REVISION LOG

Revisions level may not contain the letters I, O, Q, S or Z.			
Rev.	Date	Section(s)	Description

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-	3/19	N/A	Initial Release into VKMS
A	8/2022	4, 7, 9, 10 & 11	Updated sections 4 and 7. Added sections 9, 10 and 11
B	8/22	1, 4, 7 and 12	Updated Sections 1, 4, 7 and 12. A section was added as section 11. Section11 become section 12.
C	2/24	4	Added Environmental Policy to section 4
D	7/2024	Various	Code was updated to get in line with RBA (Responsible Business Alliance) Code of Conduct.
E	8/2024	4.0, 4.2.1 & 4.9	Updated section 4.0, added sections 4.2.1 and 4.9