



## **Global Supplier Code of Conduct**

### **A. Introduction**

CTS Corporation and its subsidiaries (collectively, “CTS”) considers collaboration with its supply chain an integral part of its success and strives to operate as an integrated team with suppliers. The selection of suppliers is based not only on the quality and on competitiveness of their products and services, but also their adherence to Environment, Social and Governance (“ESG”) principles. By accepting CTS’ *Global Supplier Code of Conduct* (“Code”), you acknowledge that your agreement to comply with this Code is a prerequisite to becoming a supplier to CTS (“Supplier”) and maintaining a supplier relationship with CTS.

CTS strives to operate its business in accordance with the highest ethical standards and in a manner that mitigates our impact on the environment, maintains a safe and healthy workplace for our employees, utilizes good governance practices, and demonstrates our value as a trusted partner. The principles set forth in this Code play an integral role in CTS’s achievement of its ESG objectives.

#### **1. Assessing, Monitoring and Remedial Actions**

CTS and/or a third party may periodically assess the Supplier’s ESG performance, including: environment, labor practices, working conditions, business ethics and sustainable procurement. This assessment may be used for risk identification and for selection of Supplier sites for audit.

In the event of Supplier non-compliance with this Code:

- the non-compliance will be considered a material breach that may justify termination under the applicable terms and conditions of purchase;
- CTS may require that Supplier implement an action plan to put in place corrective actions to bring its performance in line with CTS requirements; and
- CTS reserves the right to conduct a follow up audit to verify implementation of the planned remedial actions. If such remedial actions are not implemented, CTS reserves the right to terminate its business relationship with Supplier.

## 2. Reporting Non-Compliance to CTS

Suppliers must report any non-compliance with this Code to CTS. The preferred method for reporting non-compliance is the CTS Ethics & Compliance Helpline, which is available to employees and business partners worldwide, via telephone or web. Web access is available at the following link: [CTS Helpline](#).

### **B. Environmental Protection**

#### 1. System of Environmental Quality Management

To minimize the impact of production processes and products on the environment, Suppliers should: (i) make every effort to optimize the use of resources and minimize pollution and greenhouse gas (“GHG”) emissions; (ii) design and develop products taking into account the impact they have on the environment and the potential to reduce, re-use and recycle them; (iii) properly manage, in compliance with any applicable laws, air emissions, water discharges, and waste treatment and disposal; (iv) avoid the use of potentially dangerous substances (as defined by current legislation); and (v) apply a logistics management system that takes environmental impacts into consideration.

The Supplier must have an Environmental Management System (“EMS”) that complies with local law. Certification of the EMS according to international standards (i.e., ISO14001, EMAS or equivalent) is recommended for manufacturing processes of large scale or having a significant influence on the environment.

#### 2. Environmental Policy

CTS endeavors to research and promote innovative technical solutions contributing toward lowering the environmental impact of its products. The Supplier undertakes to implement a policy to reduce GHG emissions in order to contribute to CTS’ achievement of ESG goals. Upon request, Supplier will communicate GHG emissions related to the production and transport (upstream and downstream) of the goods and services purchased by CTS in a form and manner requested by CTS.

### **C. Social Principles**

#### 1. Protection of Human Rights

The Supplier supports the protection of human rights in all countries in which it operates, including in geographical areas where human rights may not yet be sufficiently protected. The Supplier agrees to avoid or prevent situations of complicity or acts of collusion concerning fundamental human rights violations. The Supplier pledges its commitment to fulfill its responsibility toward respecting human rights and will promote their respect throughout its supply chain.

## 2. Freedom of Association

The Supplier shall: (i) support its workforce's freedom of association and the right to be represented by trade unions or other representatives, in accordance with applicable local legislation; and (ii) abstain from forms of anti-union activity that are not consistent with local legislation. The Supplier is committed to good faith collective bargaining.

## 3. Forced Labor and Child Labor

No form of labor practice involving forced, compulsory or child labor is tolerated. The Supplier recognizes the principle of the freedom of choice of employment. Labor is deemed to be forced or compulsory when it is imposed by means of a threat (withholding of food, confiscation of land, non-payment of salary, physical violence, sexual abuse, or non-voluntary prison labor, etc.).

## 4. Discrimination

Supplier's employees must be treated in a fair and non-discriminatory manner, with the guarantee of equal opportunity and the absence of any policy aimed at, or indirectly resulting in, discrimination toward them on any basis prohibited by law, including, as applicable, but not limited to, race, gender, sexual orientation, health condition, disability, age, nationality, or religion (in accordance with applicable laws and regulations).

## 5. Remuneration

The Supplier is committed to ensuring that remuneration is at least equal to the minimum amount mandated by applicable laws and regulations or as set forth in the relevant collective bargaining agreements.

## 6. Working Hours

The Supplier is committed to ensure that: (i) working hours and compensation must be fair and comply with applicable laws, regulations, standards, collective bargaining and practices applicable in those countries where it operates; and (ii) break times and periodic days off correspond at the very least to the minimum requirements of applicable law.

## 7. Health and Safety

CTS strives for an accident-free workplace. The Supplier is committed to ensuring that effective occupational health and safety policies consistent with applicable laws and regulations and based on prevention are applied at its various sites in the form of concrete action plans that involve each employee at their level of responsibility in the company, including labor and management representatives.

## **D. Ethical Principles**

### **1. Prohibited Substances and Materials**

The supplies, products or goods bought from the Supplier by CTS, whether they are standard or specifically developed by the Supplier for CTS, must comply with applicable laws and regulations in the countries where the product is produced, sold or used, including laws and regulations that require traceability of substances of concern for the protection of health or the environment.

### **2. Conflict Minerals**

CTS' policy is to establish transparency with Suppliers on the origin of minerals used in goods sold to CTS, in particular components from conflict affected and high-risk areas ("CAHRA") including but not limited to, tungsten, tantalum, tin and gold (known as "3TG"). The Supplier shall submit in writing the results of efforts to comply with applicable legal standards regarding:

- the detailed composition of the materials used in the manufacturing of the goods supplied as well as any changes in this composition;
- any information necessary to comply with the applicable legislation (e.g., Dodd Frank Act and EU conflict mineral regulations) via the latest version of the Conflict Minerals Reporting Template or CMRT form; and
- the smelter from whom raw materials are supplied either directly or through subcontractors.

The Supplier will: (i) make reasonable efforts, and no less than required by law, to achieve compliance in its operations, to support CTS' commitment to use risk identification analysis to support prioritizing the origin tracing activities for additional materials and work to implement processes and tools to reach this objective; and (ii) undertake remedial measures that CTS deems adequate to cease sourcing from channels that are determined to be non-compliant.

## **E. Compliance with Laws**

CTS expects its Suppliers to be fully compliant with all applicable laws and regulations in the countries in which they operate.

If not specifically covered under the terms and conditions applicable to Supplier's sale of goods or services to CTS, contracts, purchase orders or other contractual instruments, the Supplier agrees to conduct the following activities.

## 1. Anti-Corruption

The Supplier agrees to comply with all applicable anti-corruption laws, including, without limitation, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. Accordingly, the Supplier will not engage in any form of commercial bribery, nor directly or indirectly provide or offer to provide, anything of value to or for the benefit of, any official or employee of a governmental authority or of any government-owned, government-controlled or government-affiliated entity to induce such person(s) to violate their official duties in order to grant the Supplier any benefit, including obtaining or retaining any contract, business opportunity or other business benefit. The Supplier will adopt appropriate measures to promote similar compliance amongst its subcontractors, vendors, agents or other associated third parties.

## 2. Competition

The Supplier agrees to comply with any applicable rule relating to competition, and will not implement any anti-competitive practices (cartels, etc.). The Supplier must independently determine its behavior and its commercial policy on the market in order to maintain healthy competition between all players.

## 3. Conflict of Interest

The Supplier undertakes to have processes to prevent, detect and remediate any conflict of interest, especially any conflict of interest that may influence its business with CTS. The Supplier undertakes to respond diligently and transparently to requests for information from CTS.

## 4. Confidentiality

The Supplier will apply appropriate protections for the confidential information it receives from CTS, including technical data or confidential information CTS receives from its customers, consistent with non-disclosure agreements, terms and conditions or contractual requirements that CTS may require for that purpose. The Supplier will also respect the intellectual property rights of CTS, customers of CTS, and any other third parties.

## 5. Counterfeit Products

The Supplier will prohibit any activity that facilitates the production or trade of counterfeit products or components throughout its supply chain and will cooperate with CTS and its customers in any investigation related to suspected counterfeit activity.

## 6. Money Laundering

The Supplier will prohibit any activity that facilitates money laundering or the funding of terrorist or other criminal activities.

## 7. Export Controls

Supplier agrees to comply with all applicable export control and sanctions laws and regulations, including those of the EU, the United States and any other applicable jurisdiction (collectively, "Export Control & Sanctions Laws"). Supplier will not violate, and will not cause CTS to violate, any Export Control & Sanctions Laws (e.g., by transshipping goods through, or supplying goods or services from, sanctioned countries, or with the assistance of any individuals or entities appearing in export-restricted or sanctions lists).

With respect to the goods or technology that Supplier sells or licenses to CTS, the Supplier will provide to CTS the information necessary to ensure compliance with Export Control & Sanctions Laws, including any potential military use or military end-user of such goods, Export Control Classification Number ("ECCN"), percentage of U.S. content, or if requested, of other country or regional content prior to the sale or Supplier's start of real production, whichever is earlier. Licenses or other authorizations required for the export of goods or services, or to conduct business in sanctioned countries or with sanctioned entities or persons, will be the responsibility of the Supplier unless otherwise agreed by CTS.

## 8. Personal Data

The Supplier undertakes to comply with all applicable laws and regulations concerning the collection and use of personal data. No use and treatment other than those provided for in the contracts and applicable laws and regulations may be implemented by the Supplier.

## 9. Cybersecurity

The Supplier must demonstrate adequate cybersecurity controls to protect any non-public information received from CTS. This information may include technical specifications, order quantities, materials, services, access to CTS or customer systems, or other non-public information related to goods or services provided to CTS by the Supplier.

The Supplier shall report any security incidents to CTS within 48 hours of occurrence. Security incidents include any email compromises, physical security breach, data loss, and access control failure that exposes any CTS information, could be utilized to attack CTS, or compromises the Supplier's ability to deliver goods or services to CTS.

CTS recommends that public information security frameworks, such as NIST Cyber Security Framework or ISO/IEC 27001 be adapted for the security needs of the Supplier.

If the Supplier has direct access CTS systems, additional security controls will be required. If the Supplier has been defined as part of a ITAR/DFARS 252.204-7012 supply chain or manufacturing process, CTS will work with the Supplier to understand what additional security controls may be required, such as the adaption of NIST SP 800-171 and their flow down requirements.

CTS must continually review its supply chain security requirements and may periodically issue cybersecurity surveys or information requests to Supplier, which CTS relies upon to demonstrate its own compliance with customer requirements. Supplier shall complete all cybersecurity surveys or information requests within the requested time period.

#### **F. Sustainable Procurement**

CTS expects its Suppliers to deploy the ESG principles of this Code throughout their supply chain. The Supplier therefore undertakes to: (i) raise its own supplier's awareness of ESG issues; (ii) establish a responsible procurement policy respecting these principles; and (iii) implement all due diligence measures with respect to its own subcontracting chain.

**G. Supplier Agreement**

The Supplier acknowledges having read and understood this Code above and agrees to apply it throughout its company/group. If necessary, it commits itself and all its subsidiaries throughout the world.

The Supplier understands that if CTS issues a self-assessment questionnaire it should be completed. CTS may also audit Supplier for compliance with this Code.

Supplier acknowledges and certifies, through the undersigned authorized representative, its commitment to comply with this *Global Supplier Code of Conduct* as a condition of entering into and/or remaining in a business relationship with CTS or one of its subsidiaries.

Supplier Name: \_\_\_\_\_

\_\_\_\_\_  
Printed Name of Individual Signing

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

***Acknowledgement instructions:***

1. Print the Code and physically sign it; scan the signed document to create a PDF file.
2. Email the scanned PDF document to [supplier.code@ctscorp.com](mailto:supplier.code@ctscorp.com) with the subject line: "Supplier Acknowledgement – [Your Company Name]".
3. Ensure that the email includes the Supplier’s name and any relevant reference numbers in the body of the email for easy identification.