1. **Purpose**

MTS Systems Corporation is committed to providing a safe, productive and distraction-free work environment for everyone who conducts business on its premises or attends MTS-sanctioned events. Furthermore, MTS complies with all applicable federal, state and local laws relating to fair employment practices.

1. **Scope**

This policy applies to all individuals who conduct business at MTS’ North American locations, including employees of MTS and all MTS subsidiaries. It also applies to all individuals who are contractors, vendors, and consultants of MTS or any of MTS’ subsidiary organizations located in the state of New York.

1. **Definitions:** Harassment is any unwelcome conduct that creates an intimidating, hostile or offensive work environment that unreasonably interferes with an employee’s work performance. Harassment includes but is not limited to:
	1. **Sexual Harassment:** Offensive remarks about an individual’s gender as well as unwelcome sexual advances or requests. “Quid pro quo” harassment occurs when an employee’s willingness to submit to unwelcome sexual advances, requests or conduct is used by a manager as the basis for employment decisions such as review scores, work assignments and promotions or as a condition of continued employment.
	2. **Verbal Harassment:** Slurs, jokes, epithets and other derogatory statements or comments regarding an individual or group’s membership in a protected class (defined below). The above actions can still be considered harassment even if the speaker did not intend for the statements to be offensive or inappropriate.
	3. **Physical Harassment:** Unwanted touching, hitting, pushing or other inappropriate physical contact. Physical harassment also includes inappropriate gestures or expressions towards an individual or group relating to a protected characteristic.
	4. **Visual Harassment:** Displaying derogatory or offensive posters, cartoons, drawings, notes or other media regarding an individual or group’s protected class status. Visual harassment also includes use of the internet, e-mail or other electronic media to access and/or distribute derogatory or offensive material regarding an individual or group’s protected characteristic.

3.5 **Protected Class:** A protected class includes an individual’s race, color, ethnicity, ancestry, religion, creed, gender (including pregnancy), gender identification or expression, sexual orientation, national origin, physical disability, mental disability, medical condition, age, marital status, current or prospective military service, veteran status, genetic information or any other characteristic protected under applicable federal, state or local law.

3.5.1 **Protected Class (Michigan):** In addition to the protected classes described above, for employees working in the state of Michigan an individual’s weight and height shall be considered protected characteristics under applicable state or local law.

1. **Policy**

MTS strictly prohibits and does not tolerate harassment in any form, and considers harassment to constitute employee misconduct. Appropriate corrective action will be taken against individuals engaging in harassment and against supervisory and managerial personnel who knowingly allow such behavior to continue.

MTS prohibits retaliation against anyone who reports a possible violation of this policy or assists with a related investigation.

1. **Process**

Any employee who believes s/he has experienced or witnessed conduct that violates this policy must promptly report the conduct to one of the following resources:

* His/her supervisor;
* Any other MTS supervisor or manager;
* Human Resources Business Partner;
* His/her local MTS Ethics Committee;
* The MTS Business Ethics and Compliance Office: 952-937-4209;
* The MTS AlertLine for North America: 888-321-5562 or <https://mts.alertline.com>; or
* The MTS Office of General Counsel: 952-937-4286

Employees are encouraged to either make their report orally or in writing, or by submitting the online “Report a Concern” form available at <https://mts.alertline.com>.

All reports regarding possible violations of this policy will be will be promptly and thoroughly investigated in a confidential manner pursuant to MTS’ Harassment-free Workplace Complaint Procedure. MTS will conduct all investigations in a fair, timely, and thorough manner that provides all parties appropriate due process and reaches reasonable conclusions based on the evidence collected.

Confidentiality of the investigation will be kept by MTS to the greatest extent possible, however, the investigation will not be kept completely confidential.

If MTS determines a violation of this policy has occurred, it will take prompt and appropriate corrective action, up to and including terminating the employment of an individual or individuals who have violated this policy.

1. **Policy Owner**

Human Resources and the Office of General Counsel

**7.0 Legal Remedies for Harassment (New York Employees Only)**

For employees working for MTS in the State of New York, such employees should be advised that sexual harassment is expressly prohibited by Title VII of the Civil Rights Act of 1964 – 42 U.S.C. § 2000e *et seq.* and by the New York Human Rights Law § 296.1 (codified as N.Y. Executive Law, Article 15). Remedies available under Title VII include back wages, future lost wages, emotional distress damages, punitive damages, and the recovery of attorney’s fees and costs, as well as injunctive relief. Remedies available under the New York Human Rights Law include back wages, future lost wages, and injunctive relief. Additional local laws may also apply.

**8.0 Acknowledgment of Receipt**

All individuals covered by this Policy must be given a copy of this policy to review, and must sign and return an Acknowledgement of Receipt of Harassment-free Workplace Policy Form.

**9.0 References**

HR-013.01 Harassment-free Workplace Complaint Procedure

HR-013.02 Acknowledgment of Receipt of Harassment-free Workplace Policy

HR-001 Equal Employment Opportunity Policy

OGC-004.01 Investigation of Ethics, Integrity and Compliance Concerns

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| **REVISION HISTORY** |
| **Rev** | **Description of Change** | **Effective Date** |
| 3 | Changed Policy Title; Re-worded content to reflect change in policy title; updated reporting mechanisms | 8/1/2013 |
| 4 | Changed policy title. Rewrote policy. | 6/1/2015 |
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