

# CODE OF CONDUCT

# FOREWORD BY THE EXECUTIVE BOARD

In accord with the company's Mission Statement, SICK bases its actions on the core values of Independence – Innovation – Leadership. This is reflected, among other things, in the company's attempts to maintain its legal and financial independence, in its sustainable thoughts and actions, and in its acceptance of social responsibility. SICK's success is based on the trust of our customers, suppliers, employees and the public – and we want this to continue in the future.

The observance of statutory provisions and the company's own internal guidelines – i.e., compliance – is key to maintaining this trust, the stability of the company, and further growth. By introducing a Compliance Management System, SICK is working toward achieving compliance with these guidelines. A suitable structure has been created which provides employees with comprehensive information, protects them from inappropriate behavior, and at the same time guarantees legally compliant conduct. Acting with integrity, in accordance with legal guidelines, ethical principles and high standards, is the permanent task and responsibility of all employees, however.

SICK's successful development is crucial to the employees' professional and personal lives and those of their families at all locations throughout the world. As an employer, SICK is aware of its responsibility for its employees.

This Code of Conduct sets standards for business transactions and applies to all SICK employees. It therefore constitutes the universally valid guidelines on correct behavior in everyday work situations. Please contact the Compliance Team in confidence should you have any questions.

Many of the topics addressed in this Code of Conduct appear self-evident – their inclusion promotes the development of a common understanding for all of our behavior, however, and also offers advice in uncertain situations.

Waldkirch, Germany, May 2016  
The Executive Board

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EACH INDIVIDUAL  
BEARS RESPONSIBILITY

# BUSINESS ETHICS AND CONDUCT

SICK conducts its business within the framework of the valid laws and regulations and attaches importance to openness and honesty in its dealings with its business partners.

In particular, SICK does not engage in illegal business practices which could call the integrity of the company or its employees into question.

The employees may not grant any benefits to customers, suppliers or other third parties (e.g., office holders) in the form of payments or promises, or accept these from such persons in order to receive preferential treatment or to convey the impression of preferential treatment.

# CONFIDENTIALITY AND BUSINESS SECRETS

While working for SICK, employees may come into contact with confidential information.

Confidential information includes technical and commercial knowledge about SICK that must not become known outside the company. This is to protect SICK's business interests. This includes all information that is labeled as "confidential" or "for internal use," or other confidential business documents and information, such as business secrets, inventions, internal reports, strategies, sales data, internal price lists, sensitive product information or business plans, and development projects.

During the period of validity of the employment contract, confidential information may not, directly or indirectly, be disclosed or used verbally or in writing without the prior written consent of the responsible manager having been obtained. This obligation shall continue to exist even after the employment relationship has come to an end if so provided by the employment terms.

The careful handling of confidential information and internal knowledge protects SICK's interests.

# ANTITRUST AND COMPETITION LAW

The Group's corporate policy states that all employees of the SICK Group must observe the valid competition laws. Under the valid antitrust and competition law, agreements and activities that could pose an obstacle to trade or that could restrict competition in the countries in which the SICK Group operates are prohibited. Infringements of these laws include, for example, agreements between competitors to set and control prices, boycotting certain suppliers or customers, dividing customers or markets, or restricting the manufacture or sale of products.

In particular, it must be ensured that activities in connection with representatives of other companies are not regarded or interpreted as a violation of competition law.

Employees who are involved in such trusts must anticipate claims for compensation and imprisonment.

By observing the valid antitrust and competition law, SICK supports free and fair competition.

# TRANSACTIONS WITH PUBLIC CLIENTS

Special rules and processes apply in the case of transactions with public clients as opposed to transactions with private companies.

Advice must be sought from SICK AG's legal department (General Legal Counsel Office) before transactions can be concluded with public clients.

Illegal business practices in collaboration with authority representatives infringe against valid laws and SICK's business ethics, as well as against obligations under the terms of employment contracts. Any attempt to grant or accept benefits, e.g., through attempted bribery, is prohibited at all levels of the company.

In its dealings with public clients, SICK always acts transparently and according to high ethical standards.

## DEALING WITH CUSTOMERS AND SUPPLIERS

No over-the-top gifts or other advantages may be granted to customers or suppliers. Employees must reject over-the-top gifts or other advantages offered to them or persons close to them. The acceptance or granting of monetary gifts is strictly prohibited. A professional business relationship must be maintained with customers and suppliers, and this may not be jeopardized by conflicts of interest or over-the-top gifts that could be misinterpreted.

The upper limit for an appropriate gift at SICK shall amount to 25 euros, or the equivalent value in the respective national currency. If a lower value is stipulated in the local legislation, then the statutory limit must be observed. Hospitality to customers and suppliers must be appropriate in accordance with the company's legitimate business interests. Further information on this can be found in the internal guidelines of the respective company. Managers can provide information in cases where employees are unsure.

SICK maintains a professional business relationship with its customers and suppliers that is free from conflicts of interest.

## FINANCIAL RECORDS

SICK's financial records are correct and meet the statutory requirements.

The records are important for fulfilling the corporate obligations to shareholders, employees, customers, suppliers and regulatory authorities. Illegal practices in connection with financial records constitute a breach of valid laws and obligations under the terms of employment contracts.

# ENVIRONMENTAL PROTECTION

SICK is committed to environmental protection through its own product portfolio: The factory and logistics automation products promote, for example, the conservation of production and logistics capacities, and the process automation business field offers, among other things, high-quality environmental measurement technologies that contribute to environmental protection.

At SICK, we go further than this and also contribute to environmental protection in our everyday business. Such a commitment means that employees protect the environment and avoid the unnecessary waste of resources (e.g., of energy, paper or other raw materials).

| SICK is committed to the sustainable protection of the environment.

# EQUAL OPPORTUNITIES FOR EMPLOYEES

| As an employer, SICK seeks to create a working environment that is based on fairness, respect and equal opportunities.

Employees also contribute to this by dealing openly, cooperatively and fairly with colleagues and business partners.

We appreciate all of our employees equally – regardless of race, ethnic origin, gender, religion, world view, disability, age or sexual identity. The contractual bases in the SICK Group are also based on equal opportunities for employees. This applies to all aspects of the employment relationship, particularly to employment, recruiting, working conditions, training, business travel, working hours, advanced professional training, further development and remuneration.

Employees who feel disadvantaged can contact their respective manager or a representative of the human resources department or the works council in confidence.

## RELATIONS BETWEEN EMPLOYEES

The company's success depends, among other things, on open and trusting communication between each other, within the team, and at all levels of the company.

Meetings are held regularly in the company to inform the employees about the current business situation, and to offer them the opportunity to express their opinions on all topics.

SICK expects all managers and employees to adopt a polite and appreciative tone in one-on-one discussions, on the telephone, in written correspondence, and particularly also in e-mail correspondence.

The Principles of Leadership and Cooperation serve as a binding framework for the activities of all our employees and managers around the world.

## SAFETY IN THE WORKPLACE

SICK acts in accordance with the recommendations of the World Health Organization (WHO), which defines health as a state of complete physical, mental and social well-being, and not merely the absence of disease or infirmity.

SICK undertakes to create a healthy and secure working environment, and to observe labor protection laws. These efforts relate, among other things, to the avoidance of the abuse of addictive substances, such as medicines, alcohol and other drugs.

By signing the Luxembourg Declaration on Workplace Health Promotion in the European Union, SICK acknowledges its commitment to the goals and principles of workplace health promotion and recognizes health management as being part of the company strategy. SICK sees its employees as an important factor of its success, and consequently as the company's most important asset, and not merely as a cost factor. SICK views the health of its employees as its social responsibility. This is why it is important to sustainably enhance health promotion, improve employees' well-being in the workplace, and to prevent risks in the workplace.

SICK assumes the responsibility for its employees' health and safety in the workplace.

## CLOTHING AND BEHAVIOR

Every SICK employee is a representative of the company and therefore contributes to the way the company is perceived from the outside. Employees assume this responsibility by dressing appropriately and behaving professionally. This applies particularly to employees with customer contact.

As representatives of the company, employees dress appropriately and behave professionally.

## USE OF THE COMPANY'S ASSETS

SICK provides its employees with the infrastructure and the equipment that they need to perform their tasks. Employees therefore have some of the company's assets at their disposal, such as working hours, products manufactured by the company, office furniture and equipment, fleet vehicles, software, company data, brands and logos. These assets may be used only for business purposes, and not for private purposes.

Employees are responsible for the sustainable use of the company's assets.

## CASES OF DOUBT

Employees at all levels of the company are asked to contact their manager or the Compliance Team if they are in doubt whether a particular behavior is in accordance with law or their employment contract.

You can contact the Compliance Team by telephone on +49 7681 202-3276 or by e-mail at [compliance@sick.de](mailto:compliance@sick.de).

## IMPLEMENTATION OF THE CODE OF CONDUCT

SICK's managers have a special responsibility in connection with the Code of Conduct. They are required to implement the Code of Conduct themselves and to set a good example through their own behavior, and also to inform and advise the employees comprehensively.

Employees should first discuss questions with their immediate manager. Unresolved questions can then be referred to the Compliance Team. SICK will take appropriate measures to support employees in the event of an infringement.

In principle, SICK assumes that all employees will observe this Code of Conduct. An infringement of valid laws can have negative consequences, e.g., damage to the company's reputation, which can have a disadvantageous impact on the Group and its position on the market. All employees are directly asked to observe the guidelines. Infringements of the Code of Conduct will be dealt with in accordance with the valid laws, collective labor agreements, company agreements and individual agreements.

SICK expects all employees to observe the rules of this Code of Conduct.

