

CODE OF CONDUCT

FOREWORD BY THE EXECUTIVE BOARD

As a family-owned, globally operating group, we believe that we have a special responsibility toward our employees and business partners worldwide. SICK AG and its group companies (hereinafter referred to as “SICK” or “we”) actively pursue compliance with legal requirements and internationally accepted ethical standards. Furthermore, SICK is actively engaged in social and cultural projects aimed at promoting a sustainable co-existence.

The success of SICK is based on the trust of our customers, suppliers, employees, and the public. 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. SICK has implemented a compliance management system to meet these requirements. The Executive Board of SICK AG has created a suitable structure, 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 ongoing task and responsibility of employees and, especially, managers.

This code of conduct sets standards for business transactions and applies to all employees of SICK. It therefore constitutes universally valid guidelines on correct behavior in everyday work situations.

Waldkirch, July 1, 2023

SICK AG

Dr. Mats Gökstorp
Chairman of the Executive Board

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1

HUMAN RIGHTS AND WORKING CONDITIONS

Protecting and respecting every individual is a top priority for SICK and an indispensable part of entrepreneurial responsibility. Therefore, compliance with nationally and internationally applicable human rights and workers' rights is a matter of course for us.

We actively avoid causing, tolerating, or participating in any form of human rights violations.

We respect workers' rights in accordance with the applicable laws and the core labor standards of the International Labor Organization (ILO). This applies to all companies of the SICK Group.

1.1

NO FORCED LABOR, NO CHILD LABOR

SICK does not tolerate any form of forced or compulsory labor, human trafficking or bonded labor and employs people on a voluntary basis.

Our employees are free to leave SICK with the observance of any applicable statutory notice periods. SICK does not retain any identification documents or work permits of employees to prevent such terminations.

SICK does not use any form of slavery and does not tolerate any practices akin to slavery, serfdom, or other forms of domination and oppression in the workplace, for example through extreme economic or sexual exploitation and humiliation.

SICK is against any form of prohibited child labor and does not employ any minors below the age at which compulsory schooling ends according to the law of the place of employment; in any case, the minimum age must not be less than 15 years.

In addition, underage workers at SICK do not perform any dangerous work which, according to the ILO Convention 182, requires the minimum age of 18 years to be performed.

1.2

AVOIDANCE OF HARMFUL USE OF RESOURCES, NO UNLAWFUL TAKING OF LAND

For SICK, the protection of our environment is also important with regard to life and human health.

We do not tolerate and do not participate in harmful soil change, water pollution, air pollution, harmful noise emissions or excessive water consumption that would significantly impair the natural bases for the preservation and production of food, preventing a person from accessing safe and clean drinking water, making it difficult for a person to access sanitary facilities or destroying them or harming the health of a person.

SICK does not accept any unlawful taking of land and respects the prohibition of unlawful eviction and unlawful taking of land, forests, and water in the acquisition, development, or other use of land, forests, and waters, the use of which secures the livelihood of a person.

1.3

RESPECT FOR EMPLOYEES, PROHIBITION OF DISCRIMINATION

SICK as an employer promotes a working environment characterized by fairness, respect, and equal opportunities. The employees equally contribute to creating such an environment by treating colleagues and business partners in a friendly and fair manner. Our success as a company depends, amongst others, on the open and trustful communication within our own team and on all company levels.

At SICK, there are regular meetings to promote company internal information to inform employees about the current business situation and to give them the opportunity to express their opinion 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 video conferences, in written correspondence, and particularly also in email correspondence. The Principles of Leadership and Cooperation of SICK serve as a binding framework for the activities for all our employees and managers around the world.

We appreciate all employees equally – we promote equal opportunities and do not tolerate any discrimination, preferential treatment, or any other form of unequal treatment of employees, for example due to national or ethnic origin, social background, age, gender, race, cultural affiliation, sexual identity and orientation, health status, disability, political affiliation, religion, or belief, unless this is justified by the requirements of the employment. 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.

At SICK, we treat all employees with respect and dignity. We create an environment free from inappropriate treatment. Such treatment includes sexual harassment and discrimination, including ambiguous gestures, unwanted verbal expressions or physical touches, coercion, and intimidation. With the signature of the Diversity Charter, SICK has voluntarily committed itself to diversity, which aims to maintain an organizational structure characterized by mutual respect and appreciation.

Employees who feel disadvantaged can contact their manager, an HR representative, a works council member, or the Compliance team in confidence.

1.4

FREEDOM OF ASSEMBLY AND ASSOCIATION, ADEQUATE REMUNERATION OF EMPLOYEES

SICK respects the freedom of association and the employees' right to freely form or join trade unions.

We will neither discriminate against employees nor treat them preferentially due to the foundation, joining, or membership in a trade union or any other employee representative body.

SICK permits trade unions to freely operate in accordance with the law of the place of employment; this includes the right to strike and the right to collective bargaining.

SICK pays its employees an adequate living wage. The adequate living wage amounts to at least the minimum wage as defined by the applicable law and, apart from that, is determined in accordance with the law of the place of employment and, in particular, in accordance with the applicable collective agreements.

Where there are no legal specifications, we remunerate our employees at least in such a way that the wage of full-time employment covers their basic needs for a healthy and dignified life.

1.5

OCCUPATIONAL HEALTH AND SAFETY

By signing of the Luxemburg 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. SICK views the health of its employees as its social responsibility, which 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 provides a healthy and safe working environment and complies with all occupational health and safety provisions applicable by law and collective agreements. We allow employees to take rest breaks at appropriate intervals. Every employee is entitled to at least one full day away from work per week. SICK ensures that the working hours including overtime and extra work are within the legal limits in the country of employment and in accordance with the applicable collective agreements. Where such provisions do not exist, SICK is guided by the relevant ILO conventions: SICK limits the regular weekly working hours to 48 hours and works to avoid the total weekly hours from exceeding 60 hours.

SICK maintains an adequate occupational health and safety management system and appoints persons to be responsible for occupational safety and health management. These persons ensure that workplaces and work processes conform to the legal requirements and that workplace health risks are excluded according to our best knowledge. If working conditions entail unavoidable health risks, we provide our employees with free personal protective equipment and conduct at regular intervals documented training on its proper use and on the avoidance of work accidents.

SICK has implemented global standards on the evaluation of hazardous substances for the occupational health and safety of employees and for environmental protection in handling of chemicals. The purpose of these standards is to comply with the legal requirements and to protect employees from acute and latent dangers and from negative environmental effects. The use of hazardous substances is only permitted if a risk assessment in accordance with the national law has been performed at the place of intended use.

When constructing or converting, as well as renting and purchasing buildings, the chances and risks in fire protection are identified and the required protective measures are defined and implemented. The effectiveness is evaluated on a regular basis through internal on-site inspections and by a globally operating property insurer in accordance with common standards. Structural and organizational fire protection also includes emergency management requirements and release and approval procedures for hazardous activities.

1.6

USE OF SECURITY FORCES

Where contracting or using private or public security forces, we will instruct and monitor them in an adequate manner so as to comply to all applicable laws during their activities, in particular with the prohibition of torture and cruel, inhumane or degrading treatment, unlawfully harming or injuring others, and violating employees' freedom of assembly and association.

2.

BUSINESS ETHICS

SICK complies with all applicable laws, rules, and regulations, and has taken appropriate action to ensure that these laws, rules, and regulations are complied with.

2.1

PROHIBITION OF CORRUPTION AND BRIBERY, AVOIDANCE OF CONFLICTS OF INTEREST

SICK condemns every form of corruption or bribery and will not participate in it directly or indirectly. The employees of SICK must not offer, promise, or grant any gifts in the form of payments or other advantages to customers, suppliers, and other third parties (e.g. public officials) or accept any such gifts from them in return for preferential treatment in business activities.

This prohibition includes refraining from granting and acceptance of illegal facilitation payments. Special rules and processes apply in case of transactions with public clients as opposed to transactions with private companies. In such transactions and in dealings with public officials, we are particularly careful and always observe the applicable laws, no matter how strict. If employees are in doubt whether a particular behavior is in accordance with law, they must request qualified legal advice in due time.

SICK does not make any donations to political parties. Donations to other organizations must always be made transparent and comply with the anti-corruption legislation in the relevant country.

When dealing with customers and suppliers, SICK makes sure that there are not conflicts of interest that could influence business relations.

Employees of SICK should avoid situations that could give the impression of conflicting professional and private interests. Conflicts of interest that could influence business relations of SICK, such as close personal relationships of employees with business partners, should be disclosed to SICK, for example to the employee's manager.

2.2

DEALING WITH CUSTOMERS AND SUPPLIERS

No gifts of excessive value or equivalent advantages may be granted to customers and suppliers.

Our employees must reject gifts of excessive value and other equivalent advantages offered to them or persons close to them. The upper limit for an appropriate gift for employees at SICK shall amount to 40 euros, or the equivalent value in the respective national currency. In individual cases, a manager may approve gifts exceeding this limit if it is a common gift and if its rejection would be considered impolite. If a lower value is stipulated in the local law, then the statutory limit is observed. The acceptance or granting of monetary gifts is generally prohibited.

Invitations to business meals and events for customers and suppliers must be appropriate in accordance with the legitimate business interests of SICK.

Employees of SICK may only accept invitations to business meals and events for customers and suppliers if the occasion and scope are appropriate, that is, if they do not have a high value and are within the bounds of normal business hospitality, convention, and courtesy. If employees are not sure if an invitation is appropriate, they must obtain the prior approval of their manager. SICK reserves the right to issue internal policies on the acceptance of such business meals and invitations to events with such policies stipulating value limits and/or obligations to obtain approval when specific limits are exceeded.

We do not offer any gifts and invitations in return for business-related or private favors. In any case, the applicable laws must be observed.

2.3

FAIR COMPETITION AND INTELLECTUAL PROPERTY RIGHTS

All employees of the SICK Group must observe the national and international competition laws. Under the valid antitrust and competition law, illegal agreements and activities that could pose an obstacle to trade or that could restrict free and open competition are forbidden. Infringements of these laws include, for example, agreements between competitors to set and control prices or delivery terms, boycotting of individual 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 considered or interpreted as a violation of competition law. The sharing of sensitive business information with companies that are in competition with SICK is therefore generally prohibited.

SICK takes great care not to violate any intellectual property rights and to protect confidential information of business partners and third parties.

2.4

USE OF COMPANY ASSETS

SICK provides its employees with the infrastructure and the equipment they need to perform their tasks. Employees have therefore some of the company's assets at their disposal, such as products manufactured by the company, office furniture and equipment, fleet vehicles, hardware and software, company data, brands, and logos.

These assets may be used, unless otherwise specified, only for business purposes. Employees are responsible for the sustainable use of the company's assets. They may use their working time on principle only for the performance of their professional tasks.

2.5

FINANCIAL RECORDS

SICK's financial records are correct, transparent, and complete. These records are important for fulfilling the corporate obligations to shareholders, employees, customers, suppliers, and regulatory authorities. SICK complies with all regulations and tax laws that must be observed for proper bookkeeping, accounting, and reporting. Illegal practices in connection with financial documents violate valid law and obligations arising out of the employment contract.

2.6

FOREIGN TRADE AND CUSTOMS REGULATIONS, PREVENTION OF MONEY LAUNDERING AND OF FINANCING OF TERRORISM

SICK complies with all applicable foreign trade and customs regulations. This includes the responsible handling of the relevant items lists, embargoes and sanctions, and applying for licenses from the competent authorities where necessary. Every employee of SICK must observe these regulations within the scope of their duty.

SICK has implemented groupwide guidelines, processes, and control mechanisms to check if business transactions can be executed without any restrictions in accordance with all applicable foreign trade regulations or if they require a license or are prohibited. This also aims to prevent the financing of terrorism.

SICK also observes all applicable regulations on anti-money laundering.

2.7

DATA PROTECTION AND INFORMATION SECURITY

In our increasingly digital and data-centric world, it is essential to handle data with care to retain the trust of customers, business partners, employees, and the public.

Unlawful processing of personal data can have serious consequences for the affected person. We respect the privacy of each person and carefully and responsibly handle the personal data entrusted to us.

We process personal data exclusively in accordance with the applicable laws in a transparent manner and for specified purposes. We limit the processing of data to the extent and the duration required for the purpose. We protect the data with adequate technical and administrative measures from unauthorized processing, unauthorized modification, and loss.

All employees of the SICK Group are obliged to handle personal data carefully and to observe the applicable privacy laws and regulations.

SICK places great importance on ensuring that confidential data does not fall into the hands of unauthorized parties. Confidential information is information that must not be made public. This includes internal information of SICK as well as information of customers, business partners, employees, or other third parties that must be protected in accordance with legal or contractual provisions, e.g. business secrets.

We classify information in accordance with our policies and guidelines and handle it accordingly. This means that, among other things, we protect information classified accordingly as confidential from unauthorized access throughout its entire lifecycle, from creation, storage, transmission, and usage to deletion.

During the period of validity of the employment contract, all employees are permitted to use and disclose confidential information only to the extent that is required to perform their professional duties. Confidential information may not, directly or indirectly, be disclosed or used verbally, in writing, or in any other way without prior authorization. This obligation shall continue to exist even after the employment relationship has come to an end.

3.

ENVIRONMENTAL PROTECTION

SICK's product portfolio already serves environmental protection: The factory and logistics automation products promote, for example, the conservation of production and logistics capacities, and the process automation segment offers, among other things, high-quality environmental measurement technologies, which contribute to environmental protection.

At SICK, we go further than this – we maintain an environmental management system and observe all applicable laws and international standards on environmental protection (particularly the Minamata Convention on Mercury, the Stockholm Convention on Persistent Organic Pollutants, and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal) as well as all statutory restrictions of hazardous substances. Furthermore, we proactively promote good environmental practice.

We are committed to the preservation of our environment for present and future generations. We implement programs that identify areas for environmental action fields, define environmental objectives, and implement suitable control and monitoring mechanisms to ensure the sustainable achievement of the objectives. This includes, for example, the procurement and development of renewable energies, implementation of energy efficiency measures, and reduction of greenhouse gas emissions, waste, hazardous substances, and water and material consumption.

4.

SICK SUPPLIER CODE

SICK expects all business partners who supply products or provide services to SICK (hereinafter collectively referred to as Suppliers) to fully comply with the applicable laws, to conduct their business in an ethically correct manner, and to follow the principles described in the SICK Supplier Code, in particular the due diligence obligations related to the human rights and environmental laws.

The Suppliers shall also promote these principles in their own supply chains. The acceptance to adhere to the principles of the SICK Supplier Code is an important factor for us in the selection of new Suppliers and for maintaining a business relationship with existing Suppliers.

5.

CASES OF DOUBT AND INDICATIONS OF MISCONDUCT

Employees at any level should consult their managers or the Compliance Team if they are in doubt whether a particular behavior is in accordance with the law or our internal guidelines.

SICK welcomes openly expressed concerns regarding compliance with laws, this Code of Conduct, or other Group guidelines. SICK AG has accordingly set up an electronic whistleblowing system, the SICK Integrity Line. All employees of SICK, as well as customers, suppliers, their employees, and other third parties can anonymously report suspected or identified violations by employees and managers of SICK, as well as complaints related to human rights violations and environmental violations in our supply chain, via the electronic reporting system SICK Integrity Line. Communication via the SICK Integrity Line is confidential and protected. The reports are investigated by the SICK Compliance Team.

The SICK Integrity Line is available around the clock in many languages.

Reports can be submitted on the following website:

<https://sickag.integrityline.com>

In the USA and Canada, confidential and protected reports can also be submitted to the SICK Integrity Line by telephone. The following country-specific telephone numbers can be used for this purpose:

Canada: +1 866 204 1940

Please enter the following identification code: 11477

USA: +1 833 211 3671

Please enter the following identification code: 11477

Such reports can be also submitted to the Compliance Team of SICK via the following reporting channels:

E-mail: compliance@sick.de

Phone: +49 (0)7681-202-3276

Post: SICK AG

Compliance / LGC

Erwin-Sick-Str. 1

79183 Waldkirch

Germany

SICK does not tolerate any retaliation against employees and business partners who voice their concerns in good faith. If whistleblowers think that they are subjected to some form of retaliation after voicing their concerns, they can report this to the Compliance Team or via the SICK Integrity Line.

6.

IMPLEMENTATION OF THE CODE OF CONDUCT: EACH INDIVIDUAL BEARS RESPONSIBILITY

A violation of applicable laws, this Code of Conduct, or other SICK guidelines can have negative consequences, for example, significant damage to the company's reputation or high fines, which can adversely impact the company as a whole and its position on the market.

All SICK employees must therefore comply with the guidelines of the SICK Code of Conduct in the best interest of our company. Infringements of our Code of Conduct will be dealt with in accordance with the valid laws, collective labor agreements, company agreements, and employment agreements.

The managers of SICK have a special responsibility in connection with the SICK Code of Conduct. They are expected to implement the code of conduct themselves and to set a good example through their own behavior, and to inform and advise the employees of these expectations comprehensively. Unresolved questions can be referred via the aforementioned channels to the Compliance Team.



