





#### 

## **CONTENTS**

At a glance	03	
Business model and strategy		04
About this report	07	
Foreword		10
Ecological sustainability	11	
Social sustainability	27	
Governance	39	
Annex	43	
Imprint	61	

## **AT A GLANCE**

EBIT margin (%)

8.2

Sales: 2,307 EUR million

270

EUR million R&D expenditure **12,185** 

on December 31

63 points EcoVadis Sustainability Rating: SILVER

<sup>1</sup> Refers to Scope 1 and 2 emissions as well as defined Scope 3 emissions (business travel, commuting of employees) including compensation for unavoidable emissions. More information on page 16 et seq.

Proportion of women (%) 31.8





Reduction of net GHG emissions to zero<sup>1</sup> worldwide by 2030



## **BUSINESS MODEL AND STRATEGY**

- SICK is one of the market and technology leaders in the industry worldwide.
- The development of the market for sensors continues to be highly dynamic.
- Sustainability has been practiced as a core value at SICK since the company was founded.

#### **OUR MARKETS AND SERVICES**

SICK is one of the world's leading solution providers for sensor-based applications for industrial uses. We offer our products and services in the form of components, systems with software, or individual services around the world. They provide the basis for controlling digital and automated industrial processes as well as for protecting people, assets, and the environment. We transform SICK sensors into SICK sensor intelligence by using increasingly powerful processors and algorithms and by integrating our application knowledge into our software. In addition to selling intelligent products, our business model is based on developing solutions in the system landscape and providing individualized services to customers, offering customized solutions to improve their value-creation processes. These solutions are individually adapted to our customers' particular requirements and are based on extensive collaborative partnerships. Our focus on intelligent, high-quality products and systems enables us to provide our customers with the reliable solutions that are required in industry or critical infrastructure. We focus on technical intelligence and always understand our innovative strengths here as an important basis for Technology for Good.

The market for sensors is developing very dynamically, driven by megatrends such as digitalization, Industry 4.0, mobility, the Internet of Things, artificial intelligence, and the pressing issues of environmental and climate protection. As an innovative company with a worldwide presence as well as our own production, development, and sales operations, we are able to participate in this market in all important growth regions. Specialization, broad industry knowledge, and trusting relationships with our customers form, and will continue to form, the foundations for converting market opportunities into commercial success.

#### STRATEGY

SICK is an independent, family-owned company geared toward sustainable growth. Technological and commercial independence, high standards of innovative power, and our competitive position are the guiding principles of our corporate strategy. Our company was founded by Erwin Sick in 1946. As a family-owned company, we build upon a mature corporate culture, exemplary leadership, and independence. The core of our commercial responsibility is profitability. With profitability of 8.2 percent, an F&E ratio of sales of 11.7 percent, and sales growth of 5.4 percent in 2023, we have proved that our strategy works.

We defined the vision of a future-oriented focus for the company in our SICK 2.0 corporate strategy and realized it to achieve significant milestones: In-house corporate projects to harmonize processes and controlling, the management of globalization, and the founding of in-house start-up initiatives. We are currently implementing the SICK Beyond Borders strategy for the decade up to 2030. We are focusing here on the customers of the SICK Group in particular. The core ideas were developed in a collaboration between the international managers and the Executive Board. Employees are also expressly invited to actively contribute toward the further development, structure, and implementation of the strategy.

Our strategy, the quality of our work and products, and our understanding of sustainability cannot be thought of separately. This is also reflected in SICK's Purpose, which we developed in 2022: Our core value, Technology for Good, which has been practiced since the company was founded, is more relevant today than ever. This attitude takes shape in our corporate and sustainability strategy, which we are developing in an evolutionary process. SICK's understanding of sustainability includes corporate responsibility for our employees, the environment, and society that goes beyond the requirements laid down by law. Sustainability is an integral part of our corporate responsibility on the basis of a quality standard, undiminished innovative power, and robust profitability. We have formulated our values and corporate culture in our Principles for Leadership and Cooperation. Our Culture of Collaboration and Trust and a pioneering competence model are two important cornerstones. These are our concept for the future – and both an obligation and a motivation for us.

# We contribute to a sustainable future

 by co-creating dynamic and desirable solutions

ດົດໂດ

We deliver

**Sensor Intelligence** 

 by combining the physics of sensing with electronics, software, data, learning, and

empathy

n

пппп

 by working together as an inspiring network

• with vision, curiosity, and courage

# We believe in using technology for good

to protect people

• to free people from tedious tasks

• to preserve our planet



### SEPARATION OF MANAGEMENT AND CONTROL OF THE COMPANY

- SICK is a family-owned company.
- The Executive Board consists of six members, the Supervisory Board of 12 members.
- Good governance is ensured through internal company regulations.

The SICK Group<sup>1</sup> is a family-owned company that can look back on more than 75 years of successful entrepreneurial development. The family that owns it retains more than 95 percent of the shares in SICK AG. The majority of shares are held by SICK Holding GmbH.

Collaboration based on trust between the Supervisory Board and Executive Board of SICK AG – with a clear separation of responsibilities for the management and control of the company – are the cornerstones of corporate governance structure at our company. The Supervisory Board and Executive Board both acknowledge their entrepreneurial responsibility for independence and the long-term, sustainable growth of the SICK Group.

The six-person Executive Board of SICK AG manages the company and is responsible for the strategy and the ongoing corporate development of the SICK Group. It works here with the controlling committee, the Supervisory Board, in a spirit of trust. The Executive Board represents the company in dealings with third parties and in

legal proceedings. The Chairman of the Executive Board is responsible for the functional coordination of the business areas of the Executive Board members; he also represents the Executive Board and SICK AG to the public. The Supervisory Board of SICK AG consists of 12 members, where the stockholders and the employees are represented equally. The Annual General Meeting elects the six shareholder representatives on the Supervisory Board, while the workforce of the German group companies elects the employees' representatives in accordance with the regulations of the Mitbestimmungsgesetz (German Co-Determination Act). The owner family is represented on the Supervisory Board by two elected members. Gisela Sick, the widow of the company's founder Dr. Erwin Sick, is the Honorary Chairwoman of the Supervisory Board.

The Supervisory Board monitors the work of the Executive Board and advises it on the main features of the SICK Group's business policy and corporate strategy. In order to offer the Supervisory Board an appropriate basis of information for this, the Executive Board is required by the Aktiengesetz (German Stock Corporation Act) to report to the Supervisory Board on key aspects and processes.

The tasks and responsibilities of the Supervisory Board include, for example, the audit of the annual and consolidated financial statements, the appointment and dismissal of the members of the Executive Board, and the representation of the company in relation to those members. Certain business transactions that are the responsibility of the Executive Board also require the express approval of the Supervisory Board. These transactions are defined in the Executive Board's rules of procedure. The Chair of the Supervisory Board has to convene, prepare, and chair the meetings of the Supervisory Board and also takes the chair of the Annual General Meeting. The Chair also represents the Supervisory Board in particular in relation to the Executive Board.

The shareholders of SICK AG exercise their rights at the Annual General Meeting. The decision-making authority of the Annual General Meeting is fundamentally based on the German Stock Corporation Act and includes, for example, powers to amend the articles of incorporation and approve capital measures. The Annual General Meeting is held within the first eight months of each fiscal year. It adopts decisions in particular on the formal approval of the actions of the Executive Board and of the Supervisory Board and on the appropriation of the retained earnings, and it also elects the auditor. In accordance with the articles of incorporation of SICK AG, each share grants the shareholder one vote at the Annual General Meeting.

## **ABOUT THIS REPORT**

This sustainability report refers to the 2023 fiscal year. It covers the reporting period from January 1 to December 31, 2023. We examine the sustainability of our business model and economic aspects from several perspectives in this report. Details on the economic position of the SICK Group can be found in the 2023 Annual Report.

At the time of publication, there may be individual instances where we do not yet have all the consumption data. We use data from the previous year and the company's growth, among other things, to calculate consumption in these cases. The estimated data will then be replaced by up-to-date data in the following year, which may result in deviations in the data from the previous year.

We avoid the use of gendered words for terms and concepts in the majority of cases in this report to make it easier to read. This is solely for editorial reasons and does not imply any judgment.

The report is printed and is also available for download on the https://www.sick.com/pace website.

### STAKEHOLDERS AND STAKEHOLDER DIALOGUE

We have identified the following internal and external stakeholders as important to us. We maintain a continual dialogue with the especially important groups.

Internal stakeholders:

- Employees
- → Annual employee survey in the course of the Great Place to Work certification; tip-offs about compliance breaches can be reported internally
- Works Council
  - → Regular exchanges with the Executive Board
- Internal experts / knowledge carriers from Production, Development, Purchasing, Logistics, Sales, IT, Human Resources, Finance, and Facility Management
  - → Regular sustainability network meetings, Compliance Committee
- Executive Board, Supervisory Board, and management
  - → Board meetings and management reviews
- Shareholders
  - → Reports, letters, shareholder meetings

Key external stakeholders are:

Customers

→ Direct contact, sustainability portals of our customers

- Suppliers
  - → Supplier days
- External experts
  - → External council of experts for sustainability

Other external stakeholders with whom we enter into a dialogue on an ad hoc basis:

- Applicants
- Neighbors
- Industry associations and chambers of commerce and industry
- Nature conservation organizations
- Human rights organizations and compliance associations
- Banks
- Insurers
- Auditors

### METHODS FOR DETERMINING MATERIALITY

We obtain input on a large number of sustainability aspects by systematically monitoring laws, standards, and norms, by analyzing the key environmental and energy aspects within the framework of ISO 14001 and 50001 each year, but also by conducting regular exchanges with internal and external stakeholders. These aspects are subjected to a technical assessment by internal experts to see whether they are relevant for SICK. Assessment criteria include in particular the relevance for / impact on the environment, society, and especially significant stakeholders as well as SICK's scope to exert an influence. The result of the assessment is submitted to the Executive Board for a final decision.

The ESG strategy has been drawn up as a result of our previous materiality analysis. It covers 15 fields of action in ecological sustainability, three fields of action in social sustainability, and four fields of action in the area of governance.

We are currently in the process of adapting and expanding our sustainability reporting in line with the requirements of the CSRD – Corporate Sustainability Reporting Directive (Directive (EU) 2022/2464). An interdisciplinary team is working on assessing the requirements of the CSRD with the help of industry associations and consultants and on implementing the data collection. Our current work involves conducting a double materiality analysis.



# STRATEGIC FIELDS OF ACTION FOR OUR SUSTAINABILITY

## ➡ Ecological Sustainability

- Green Sensor Solutions
- Green Production
- Green Supply Chain
- Green Mindset

Social

Green Product Design

SICK Code of Conduct

sustainability

Personnel development and training
Diversity and equal opportunities
Health and occupational safety

• Fair Climate & Green Energy

- Biodiversity
- Green Mobility
- Green MaterialsGreen Packaging
- Green Logistics
- Green Buildings
- Green Office
- Green IT
- Green Catering

#### 13 GUIMATE 14 H 14 H

CLEAN WATER AND SANITATION

ŀ**ĂĂ:**I

GENDER EOUALITY

**17** PARTNERSHIPS FOR THE GOALS

5

ĥ

AND PRODUCTION

12 RESPONSIBLE CONSUMPTION



AFFORDABLE AND CLEAN ENERGY



**3** GOOD HEALTH AND WELL-BEING





8 DECENT WORK AND 10

10 REDUCED INEQUALITIES





- Sustainable steering and company strategy
- Code of Conduct and compliance management system
- Integrated governance
- Human rights and international standards

https://sdgs.un.org/goals

• Sustainable



## FOREWORD

#### Dear Readers,

As a technology company that operates around the world, we bear a corporate responsibility for the people who work with us, for our customers' projects, and for life on this planet. To meet this responsibility, it is our firm conviction that the sustainability perspective has to play a role in every decision. Our goal is to keep the impact that our actions have on the environment as minimal as possible. We follow the requirement of thinking in terms of integrated sustainability so that we can run our business successfully and profitably over the long term. We have always understood sustainability to be a driver of innovation, and innovative strength to be a driver of products that support sustainability. Both are applied to the benefit of our customers around the world. This is why we invest in disruptive ideas and link forward-looking start-up management with our existing Group divisions.

We are constantly asking the question: What contribution can SICK sensor intelligence make to a successful future? Our solutions identify leaks and prevent environmental damage as a result, play a decisive role in reducing GHG<sup>1</sup> emissions (for example, in logistics automation), and protect people who work in the industry. A substantial part of the contribution we make to a sustainable future can be found in intelligent products, solutions, and systems that help our customers act both efficiently and responsibly at the same time.

But we are also continuing to develop our own company in such a way that we are constantly reducing harmful impacts on people and the environment. Here is one example: We have been climate neutral in Germany since 2013. This means that we offset the share of our emissions that we cannot currently avoid, and report the offset-ting ratio every year.<sup>2</sup> We use renewable energies and energy-efficient production processes. We are also now forging ahead with measures in our international production facilities to reduce GHG<sup>1</sup> in order to achieve our goal of climate neutrality in our international production by 2030.

Sustainability is an all-encompassing task and the foundation for a viable future. As a company with more than 50 subsidiaries and over 12,000 employees worldwide, we bear a significant responsibility – both as an employer and as an attentive member of the supply chain. For us, this also involves continuing to develop our understanding of sustainability within the company. This is meeting a positive response: Our employees are delivering the skills, inspiration, and commitment that we need to implement our goals. At this juncture, we would like to express our deep gratitude to them for that.

The questions of our time are urgent and also demand that we accelerate our efforts to find solutions. That is why this year, we have based our annual and sustainability report, as well as the magazine of the same name, on the idea of "PACE," in which you can read about how we are making our contribution at pace and with commitment and sensor intelligence.

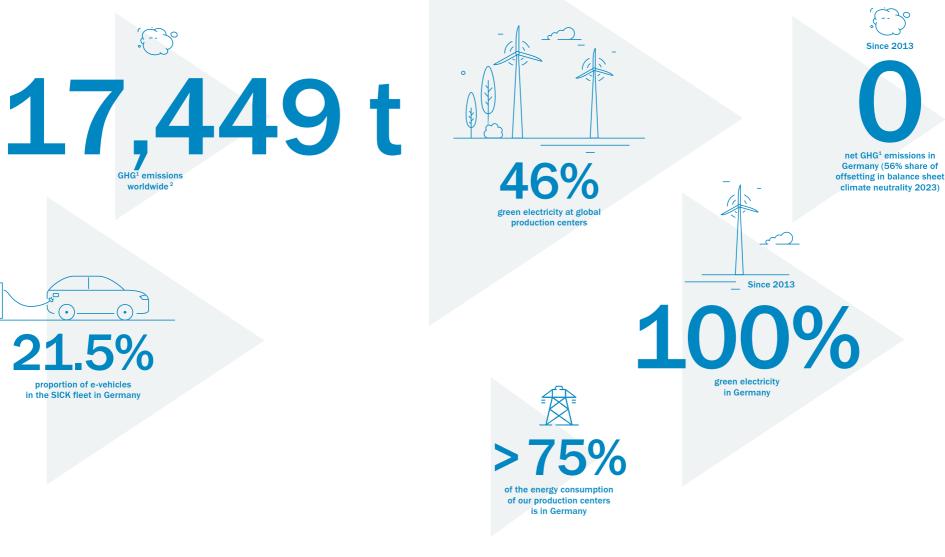
The Executive Board of SICK AG

<sup>1</sup> GHG: Greenhouse gases <sup>2</sup> Further info on climate neutrality on page 16.





## **FACTS AND FIGURES ABOUT ECOLOGICAL SUSTAINABILITY IN 2023**



<sup>1</sup> GHG = Greenhouse gases

 $(\cdot)$ 

<sup>2</sup> Related to Scope 1 and 2 Emissions.



## **CLIMATE AND ENVIRONMENTAL PROTECTION**

- We develop innovative products with functions that help protect the environment and the climate.
- We have produced an overall ecological concept that covers every area of the company.

The protection of the climate and the environment was an issue that Dr. Erwin Sick already felt strongly about when he founded the company. In 1956, for example, he invented the first flue gas density meter, used to help protect people and the environment from industrial waste gas. An intact environment and a constant climate are the prerequisites for life and the continued development of people on this earth. We are part of this complex ecosystem and, as intended by the founder of our company, we are continuing the tradition of protecting people and the environment. In the interests of the SICK family and the workforce, it is our goal to make the world more habitable and to safeguard it for subsequent generations.

#### **ENVIRONMENTAL RISKS**

As a company that operates and manufactures on a global scale, our business activities pose a risk to people and the environment. The main environmental aspects and risks for the environment are determined and managed annually in accordance with ISO 14001. Despite a management approach geared toward sustainability, it cannot be ruled out that the SICK Group's results of operations could be significantly impacted by the occurrence of an environmental risk. Minimizing environmental risks or damage – and especially preventing any adverse impact on the health and safety of our customers and employees – is the mission of our operational and product-related environmental management.

As a key element in implementing climate and environmental protection, SICK has established an internal sustainability network that sets out to strengthen our "green mindset" in the company. By this, we mean taking account of sustainability aspects at all levels of activity and creating an understanding of why they are given such a high priority.

SICK raises environmental awareness within the company by valuing and promoting model projects and providing comprehensive information about them both internally and externally. Sustainability is an overall concept at SICK that concerns every corporate department and which the employees can take part in by incorporating their suggestions for improvements in specific sustainability projects. In addition to in-house expertise, SICK works with an external council of experts. This consists of knowledge carriers from research and technology and focuses on the issues of resource efficiency and climate protection.

A number of principles and obligations, which are laid down in our policy on environment protection and energy management, apply to all our employees around the world. These are discussed on internal communication platforms and in the course of management meetings. Training activities in environmental protection and energy management are held in parallel with this.

13



## SICK'S ENVIRONMENTAL AND ENERGY MANAGEMENT

All German sites in the SICK Group and all production subsidiaries (Hungary, the US, Malaysia, Singapore, and China) are certified in accordance with the ISO 14001 environmental management system; the sites that are especially relevant in terms of energy are also certified in accordance with ISO 50001 (Energy management). An overview of our sites with the certifications they have each obtained can be found in the graphic below. Our business activities in environmental and energy management cover the areas of energy consumption and efficiency, greenhouse gas emissions, product compliance, biodiversity, water consumption and material usage, raw materials, chemicals, and waste. Measures and campaigns addressing these factors take place both in the individual fields of action and as part of the environmental management system at all global production sites. A central team of environmental and energy experts is engaged in the strategic development of our environmental and energy management system worldwide. By monitoring legislation, conducting internal audits, and analyzing the requirements of customers and other stakeholders, we define goals and take actions to reduce the impacts on the environment.



### (<) (=) (►) (►)</p>

## **KEY FIELDS OF ACTION IN ECOLOGICAL SUSTAINABILITY**

- We have defined 15 main fields of action for our ecological sustainability based on the UN Sustainable Development Goals (SDGs).
- We continuously measure the progress we are making in achieving our goals and monitor our own actions.

When we revised our SICK sustainability strategy in 2020, we expanded its environmental protection activities globally to include all important fields of action. A materiality analysis<sup>1</sup> initially identified 14 fields of action covering both products and processes along the entire value chain as well as all of SICK's infrastructure, such as the energy supply, buildings, IT, catering, and the vehicle fleet. Another field of action - Green Product Design was added in 2022. We examined each field of action for its ecological optimization potential and defined concrete goals, about which we provide information in this report. We have aligned these with the United Nations Sustainability Development Goals (SDGs) and report here on our global efforts and the progress we have made on the way to achieving the SDGs. Other standards on which the SICK sustainability strategy is based include the German Sustainability Codex (DNK) and the Global Reporting Initiative (GRI).

On the following pages, we summarize our main fields of action for ecological sustainability together with a selection of the most important goals. A comprehensive overview of all the goals, actions, and progress we have made can be found in the annex.



<sup>1</sup> The materiality analysis that has been conducted is described on p. 8 of this report. This is a conventional materiality analysis and not an analysis of double materiality in accordance with the CSRD, which is currently being worked on for the coming years.



# FAIR CLIMATE AND GREEN ENERGY<sup>1</sup>

The field of action "Fair Climate and Green Energy" covers the sustainable procurement and self-generation of energy as well as the increase in energy efficiency at our locations. We proceed in accordance with the following principles:

- 1. We avoid wasting energy and increase energy efficiency.
- 2. We use renewable energy wherever possible.
- 3. We offset GHG emissions that cannot be avoided.

#### **CLIMATE NEUTRAL BALANCE SHEET:**

By signing the Climate Protection Agreement with the state of Baden-Württemberg in 2020, SICK voluntarily committed to reducing its net greenhouse gas emissions to a balance of zero at all German sites and all production sites worldwide by 2030. Climate Neutrality means that GHG emissions that cannot be avoided are offset so that the balance of the GHG calculation is zero. This commitment refers to Scope 1, Scope 2, and defined Scope 3 emissions<sup>2</sup>. For Scopes 1 and 2, this goal is already set to be achieved in 2025. SICK already achieved this goal in Germany in 2013. More than 75 percent of the energy

consumption of our worldwide production is generated in Germany, meaning that we already cover a significant part by having achieved climate neutrality in our home country today.

SICK has had its GHG balance as well as the climate neutrality status for Germany certified by an independent testing agency (DEKRA) since 2021. The offsetting ratio for Scope 1 and 2 was 56 percent in 2023, which means that the GHG emissions from 56 percent of the energy we use are offset. This relates to our heat supplies, which are predominantly covered by natural gas, and the operation of our company car fleet, which we are gradually replacing with electric vehicles. In 2023, the proportion of electric vehicles in our German fleet was 21.5 percent. The offsetting ratio for defined Scope 3 emissions (business travel, commuting) is currently 100 percent.

At our global production sites, the emission intensity (= GHG emissions generated per kWh consumed measured in g  $CO_2eq/kWh$ ) rose slightly, from 232 g to 238 g. The reason for this is the higher energy consumption in the US and China on account of the growth there. The switch to green electricity in the US from 2024 onward will further reduce this value. The emission intensity for Scopes 1 and 2 will be zero from 2025. Emissions that cannot be avoided – these are exclusively heating and business trips – will be offset from this point onward in accordance with the strictest quality standard, the CDM Gold Standard.

#### According to the Greenhouse Gas (GHG) Protocol, emission sources from companies are divided into the following three areas (scopes):

- Scope 1 emissions occur directly at the company's premises. In addition to the emissions that are generated directly on site (e.g. natural gas), these also include emissions from the vehicle and company car fleets.
- Scope 2 emissions are created by energy generation that does not take place on-site (purchased energy such as electricity and district heating).
- Scope 3 emissions include all other indirect emissions that are caused by the activities of a company (e.g. through upstream and downstream value chains and business trips).

#### How we use the terms greenhouse gas (GHG), $CO_2$ and $CO_2e$ ( $CO_2$ equivalent):

We use the term greenhouse gas (GHG) in this report. Greenhouse gas emissions (GHG emissions) are expressed in CO<sub>2</sub> equivalents (CO<sub>2</sub>eq). Emissions of greenhouse gases other than carbon dioxide (CO<sub>2</sub>), such as methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O), are converted into CO<sub>2</sub> equivalents (CO<sub>2</sub> = 1) based on their global warming potential in order to facilitate comparisons.

Source: https://www.umweltbundesamt.de/en

<sup>1</sup> Based on CSRD ESRS Standard E1.

<sup>2</sup> Defined Scope 3 emissions include business travel and commuting by employees. For information on the climate targets, please see the table on p. 45 (Fair Climate and Green Energy, Green Supply Chain, Green Products).



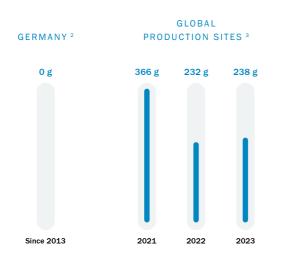
#### OFFSETTING

The offsetting described above takes place by means of climate protection projects in accordance with the Clean Development Mechanism (CDM) Gold standard carried out by the non-profit organization Atmosfair. CDM Gold is the offsetting standard with the most stringent quality requirements. Atmosfair was again declared the winner in carbon offsetting by independent consumer and testing foundation Stiftung Warentest in 2022.

#### **AVOIDING GHG EMISSIONS**

We are getting closer to achieving our goal of climateneutral production by continually increasing our energy efficiency, saving energy and generating our own energy.

Climate neutrality at our German and global production sites by 2025 (Scope 1 and 2 emissions) in g  $CO_2eq/kWh^1$ 



<sup>1</sup> Emissions per kWh consumed less emissions offset.

<sup>2</sup> Offsetting ratio 56%.

<sup>3</sup> Excluding Germany (offsetting ratio currently 0 percent, offsetting of unavoidable emissions from 2025 onward).

#### **ENERGY EFFICIENCY**

SICK has set itself the goal of saving 0.5 percent of the previous year's consumption every year. We reached the goal of savings of 247 MWh in 2023 and even exceeded it with savings of 261 MWh. The measures that we have implemented include replacing our air compressor in Waldkirch (savings of 23 MWh) and converting the lighting at our Waldkirch and Reute sites to LED (238 MWh).

### GOAL: TO USE 100 PERCENT GREEN ELECTRICITY FOR ALL PRODUCTION SITES BY 2025

	2023
Germany: since 2013	100%
Global sites <sup>1</sup>	46%
Production in Hungary since 2022	100%
Production in Americas	0%
Production in Asia	0%

<sup>1</sup> Excluding Germany.

#### SUSTAINABLE HEAT SUPPLY

In order to establish a sustainable heat supply, we have set ourselves the target of reducing GHG emissions caused by fossil fuels. The proportion of sustainable heat supply in Germany currently amounts to 8.2 percent and to < 5 percent for all locations outside of Germany. New heating systems are planned on the basis of a sustainable energy supply – for example, using heat pumps and / or through the intelligent use of waste heat, in particular from the provision of compressed air. Existing combined heat and power units (CHP) and gas heating will continue to be operated to begin with, but will gradually be replaced.

#### Goal: Continually increase the share of sustainable heat supply



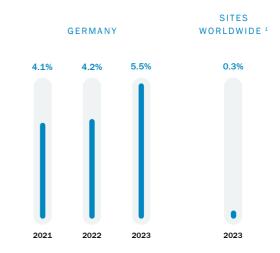
<sup>1</sup> Excluding Germany.

#### **RENEWABLE ENERGY**

Our aim is to increase the amount of self-produced electricity by photovoltaics (PV) on our sites to a minimum of 15 percent by 2030. We are conducting an ongoing potential analysis of existing and planned buildings. Four photovoltaic plants with a total capacity of 1.4 MWp were connected to the grid in 2023. New fire safety regulations and a review of the structural analysis are causing a delay in the execution. The status of individual PV projects at our German locations can be found in the table in the annex.

#### **PURCHASE OF GREEN ELECTRICITY**

As the self-generated power is not sufficient at the moment, we purchase green electricity to cover our remaining need for electricity. All German locations have procured all of their power as green electricity since 2013, as has our production site in Hungary since 2022. Our location in the US will also purchase green electricity starting in 2024. The goal is to convert our worldwide production sites to green electricity by 2025. Emissions will be offset if this electricity is not available for countryspecific reasons. Due to the lack of availability, we unfortunately have not been able to purchase green electricity for our production sites in Asia so far. Goal: To expand photovoltaics at all of SICK's own sites by 2030 by  $\ge$  15%



<sup>1</sup> Excluding Germany.



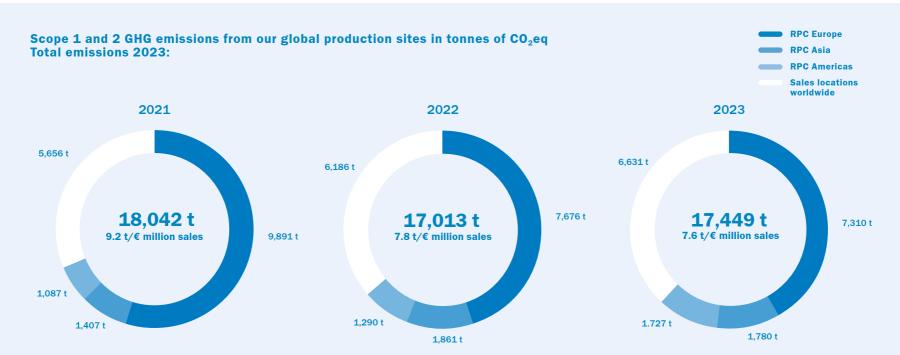
## GREENHOUSE GAS EMISSIONS OF OUR WORLDWIDE PRODUCTION SITES

The diagram below shows an overview of SICK's global emissions at our global production sites and sales locations.

- Product Centers Europe: Germany and Hungary
- Product Centers Asia: China, Malaysia, and Singapore
- Product Centers Americas: Minneapolis, Houston, and Stoughton
- Sales and Service Units worldwide (offices in 38 countries)

The reason for the decline in GHG emissions in Hungary since 2022 is that we have purchased green electricity there since that year.

The increase in emissions in Asia and the US can be attributed to the expansion in area at the locations.



This year we are reporting on all locations worldwide for the first time. Our sales locations in 38 countries have been included for the first time. For this reason, the overall figures differ from those in previous years' reports. An overview of all targets and key figures can be found in the appendix on p. 54.

## < = ► ►

#### **GLOBAL SCOPE 3 EMISSIONS**

In addition to its climate footprint, SICK has calculated its global Scope 3 emissions in line with the Greenhouse Gas Protocol (GHG Protocol) since 2022. Approximately 98.6 percent of GHG emissions were attributed to Scope 3 in 2023. Of these Scope 3 emissions, the majority, at 77.9 percent, is caused by the upstream supply chain. We see the most relevant opportunity for reducing our GHG emissions in the fields of Green Packaging, Green Product Design, Green Materials, and Green Supply Chain.

#### **CALCULATION AND METHODOLOGY**

We combined two methods to determine our global greenhouse gas emissions in accordance with the GHG Protocol. Scope 1, 2, and 3 emissions were calculated using consumption data (primary data). If no primary data was available, the remaining Scope 3 categories were determined by using secondary data on the basis of input-output models. The "Scope3Analyzer" was used for this.

This procedure is recommended by the GHG Protocol to calculate a rough estimate of a company's total GHG emissions, including Scope 3 emissions, as a first step. Relevant Scope 3 categories can be identified on this basis, which are then considered in more detail in the next step: Primary data is obtained for these categories, which enables the emissions of suppliers and service providers to be assessed individually and measures for GHG reductions to be subsequently derived.





#### SCOPE 1 AND 2 EMISSIONS

Scope 1 and Scope 2 emissions account for a small proportion of SICK's total emissions. Nevertheless, we see these as relevant, as they fall under SICK's direct responsibility and its sphere of control. Based on the polluter-pays principle, the following is true: If every polluter fulfilled their responsibility for Scope 1 and Scope 2 emissions, there would no longer be any Scope 3 emissions.

We take responsibility for minimizing our Scope 3 emissions through our 15 strategic fields of action, especially within the supply chain. The following table provides an overview of the Scope 3 emissions (in percent), how SICK can influence them, and how they are allocated to the strategic fields of action.

#### GLOBAL GREENHOUSE GAS EMISSIONS BY SCOPE AND RELEVANCE FOR SICK

Cat.1	Scope according to GHG Protocol description	Relevance for SICK		Reduction as a result of these fields of action
		Proportion of SICK's total emissions	SICK's sphere of control <sup>2</sup>	
1	Scope 1 - direct emissions			
1.1 1.4	Direct emissions from stationary combustion sources Direct emissions from processes (leaks)	0.4%	Α	Fair Climate and Green Energy Green Buildings Green Production Green IT
1.2	Direct emissions from mobile combustion sources	0.6%	Α	Green Mobility
2	Scope 2 - Indirect emissions			
2	Indirect emissions	0.4%	Α	Fair Climate and Green Energy Green Buildings
3	Scope 3 – other indirect emissions			
3.1	Purchased goods and services	77.9%	В	Green Supply Chain Green Packaging Green Materials Green Catering
3.2	Capital goods	8.2%	В	Green Supply Chain Green Production Green IT Green Office
3.3	Fuel- and energy-related activities	0.2%	Α	Fair Climate and Green Energy Green Buildings
3.4	Upstream transport and sales	2.4%	В	Green Logistics
3.5	Waste generated in operations	0.03%	В	Covered by waste management at the production sites
3.6	Business trips	0.8%	Α	Green Mobility
3.7	Employee commuting	1.3%	В	Green Mobility
3.11	Use of sold products	7.7%	С	Green Product Design
3.12	Disposal of sold products	0.2%	С	Green Product Design

<sup>1</sup> Note: Categories based on the GHG Protocol: Categories that are not listed here are not applicable or not relevant to SICK. <sup>2</sup> Sphere of control:

A: high – directly controllable

B: medium - indirectly controllable

C: low - indirectly controllable



## GREEN SENSOR SOLUTIONS<sup>1</sup>

The aim of Green Sensor Solutions\* is to help our customers in line with our corporate philosophy to use resources more efficiently and minimize negative impacts on the environment. We have developed natural gas meters for operations with gas mixtures containing up to 30% hydrogen. We are currently working on developing sensors for analyzing hydrogen in particular for application in large-scale electrolysis applications and for the use of hydrogen in industrial heat generation. We plan to provide a complete offering with new functions for measuring clean energy, including a quality analysis, by the end of 2025.

#### **GREEN SUPPLY CHAIN<sup>2</sup>**

The main environmental impact in the life cycle of a sensor is caused during the production, processing, and transport of the raw materials required, such as metals and plastics. Our calculation of Scope 3 emissions shows that 77.9% of our emissions are caused as a result of the supply chain, i.e. through the procurement

of materials. We have therefore set ourselves the goal of developing an agreement on the reduction of GHG emissions with defined sustainability criteria for our suppliers by the end of 2024. To this end, we will identify carbon-intensive materials and develop scenarios for reducing  $CO_2$  in the supply chain. We will assess these in comparison with the requirements arising from the CSRD and the fulfillment of a science-based target of 1.5 degrees (e.g. SBTi standard).

GREEN

#### **GREEN MATERIALS**<sup>2</sup>

It is already common for metals to contain a certain quantity of recycled material. This has seldom been the case for plastics in industry up to now. To close the circle and minimize negative environmental impacts, we are examining the use of recycled plastics, known as recyclates. Our aim is to apply these in the production of SICK products. A market analysis of available materials and technologies and the identification of application possibilities for SICK has been completed. The first test samples and housing components for sensors made of recyclates were produced in our own plastic injection molding department in 2023. Test results for final qualification are still pending. We will therefore start to qualify a basic selection of recyclates for standard applications in 2024.

## GREEN PRODUCT DESIGN<sup>2</sup>

The field of action "Green Product Design" was identified as relevant for our company in 2022. Its importance is derived from

- · the anticipation of customer requirements
- the result of the Scope 3 screening, in which a significant proportion of GHG emissions arises from the materials that are used
- legal developments at the EU level: The draft Ecodesign for Sustainable Products Regulation (ESPR), which is expected to replace the Ecodesign Directive in 2024/2025.

The aim of the Green Product Design field of action is to calculate and reduce the carbon footprint of our products (product carbon footprint, or PCF) and to prevent them causing harmful effects by taking relevant requirements into consideration in our product development as early as possible. These include durability and reparability as well as avoiding substances of concern and using sustainable materials. It additionally involves optimizing the environmental impacts of our products. This relates to the phase in which the product is used and thus also the safety of customers, as well as the phase after the useful life has ended.

We launched an initial PCF calculation for individual products in a pilot project in 2023. This will be completed in 2024. The aim of this pilot study is to establish a generally applicable concept for calculating the PCF of SICK products.

<sup>1</sup> Based on CSRD ESRS Standard E1, E5. <sup>2</sup> Based on CSRD ESRS Standard E5.



# 

We consider the transport of goods throughout the supply chain (from the raw material to the subcontractor or from the supplier to SICK), the transport of goods within SICK sites (operating logistics), and the transport of our products to the customer. The process is closely linked to the Green Packaging and Green Supply Chain fields of action. The unavoidable emissions generated by transporting parcels are already offset today through our main logistics partners.

Because of the current global supply situation and the availability of transport capacity in every sector as well as internal resource constraints, the implementation of new concepts in this field of action had to be paused in 2023. We will continue to work on the overall concept for increasing the proportion of rail and sea freight in 2024.

## GREEN PACKAGING<sup>2</sup>

In the field of action involving Green Packaging, we look at the entire lifecycle of the packaging – from its manufacture to its use and on through to its disposal.

<sup>1</sup> Based on CSRD ESRS Standard E1. <sup>2</sup> Based on CSRD ESRS Standard E5. <sup>3</sup> Based on CSRD ESRS Standard E1, E5. In order to create environmentally friendly packaging for the future, we are either replacing plastics with paperbased alternatives or instead using recycled plastics wherever possible. We are also pursuing our goal of further reducing packaging volumes as well as the weight of plastic and paper packaging. In order to achieve this, we have defined minimum requirements in an internal SICK packaging standard. It has already proved possible to implement two pilot projects that have an impact on the entire packaging strategy:

- (1) Replacing foam material with cardboard: foam or a similar material is often used as an inlay, especially for heavy products. In the area of cameras and barcode products, we have succeeded in replacing the foam inlay completely with corrugated board for one product series. In addition to avoiding plastics it has been possible to halve the packaging volume as a result. Both produce a reduction in GHG emissions of approximately 1.5 tonnes based on an annual total of 10,000 products. The next step will be to examine whether foam can be replaced by corrugated board in other packaging.
- (2) Avoiding bubble wrap bags as a filling material: current trial runs and customer feedback show that we can completely avoid the use of bubble wrap bags in many cases and that a reduction is possible in the other cases without any negative consequences for the product. Our aim is to reduce the use of bubble wrap bags by 50%. We expect to be able to avoid approximately two tonnes of plastic per year in our Buchholz distribution center as a result of this measure. In the cases where we cannot dispense with them, we will use bubble wrap bags that are made of 100 percent recyclate from the middle of 2024 onward.



### **GREEN PRODUCTION 3**

The use of resources and energy is particularly high in production - from the production processes themselves through to the necessary infrastructure. Metals and plastics as well as resources for processing, such as cooling lubricants and finishes, are used. The focus in this case is on reducing environmental impacts. For example, due to the use of hazardous substances such as adhesives or solvents, due to water consumption, waste generation and, in particular, the consumption of energy and materials. In implementing our measures, we go further than is stipulated by the legal regulations by increasing energy and resource efficiency within the relevant production processes and our infrastructure. Fundamental research to reduce the energy consumption of our production facilities, including the introduction of standby/sleep/ wake-up modes, has almost been completed. Newly developed operating equipment is fitted with energy and compressed air meters as standard. Other measures, such as the systematic analysis of energy consumption data for production facilities and the development of key performance indicators for measuring energy efficiency, are also on the point of finalization. These key performance indicators are set to be displayed on a dashboard on a quarterly basis from 2025 onward.

The experts in this field of action work closely with the Green Materials and Green Supply Chain teams in the development and improvement of production technologies to qualify sustainable materials for the production process.



### **GREEN BUILDINGS<sup>1</sup>**

In order to reduce energy consumption, SICK is already optimizing its existing buildings. In 2023, we made adjustments to the operating parameters in building automation – changing the setting of the desired temperature, lowering the temperature at night, and using timer programs – to reduce our heat consumption. In addition, the potential for improvements in optimizing ventilation systems has been systematically analyzed. An implementation plan is being developed.

An energy concept will be created as a first step for new buildings. We are continually assessing various energy concepts and how to implement a sustainable heat and electricity supply. For example, we installed a 40NH "efficiency house," a 160 kWp PV plant, and an air/water heat pump when we built a new production workshop at the site in Reute. A 590 kWp PV plant as well as an air/ water heat pump for operation of the ventilation systems were installed for our production and logistics workshop in Hungary. When it comes to the planned expansion of the Reute plant, our goal is to cover the required heat in full using renewable energy sources.



The Biodiversity field of action has two goals. The first goal is to protect and increase species diversity at our SICK sites. The second goal is to create a comfortable climate for people and the environment through intelligent greening at and around our buildings while benefiting from the cooling effect of the shade and the evaporation produced by the plants. For example, we implemented façade greening at our parking garage in Donaueschingen in 2023. For the expansion of our plant at the Reute site, we will draw up a biodiversity concept with the aim of integrating open spaces and buildings designed in harmony with nature and adapted to the climate. Light pollution is a relevant issue when it comes to the protection of insects. That is why we introduced a lighting standard last year that in particular defines an insect-friendly light color. In addition to the positive effects on local biodiversity and the microclimate, all of these measures can also serve as role models and promote the Green Mindset in the company and among customers and guests.

#### **GREEN CATERING**

SICK uses Green Catering concepts to select the range of foods it offers its staff - we have so far focused our efforts here on our sites in Germany. Our ongoing goal is to procure more than 60 percent of the foods we offer from regional providers (within a radius of 60 km). We promote a sustainable and healthy food culture with appropriate products and our vegetarian Smart Lunch offering. By changing the all-inclusive concept to a variable co-payment concept for meat, we were able to reduce by half the consumption of meat in a pilot project in the Waldkirch staff restaurant, which is also our largest restaurant. Only 34% of all dishes sold in 2023 contained meat. We are currently planning to transfer the concept to our other German locations. An assessment of the actual situation and possibilities for a Global Health Rollout by the end of 2024 are currently being planned. As the catering concepts are adapted to the number of staff and the conditions at each site individually, a case-by-case consideration is required for each location.

<sup>1</sup> Based on CSRD ESRS Standard E1. <sup>2</sup> Based on CSRD ESRS Standard E4.



## GREEN IT<sup>1</sup>

Our Green IT concept refers to energy-efficient and environmentally friendly information and communication technology at SICK. We distinguish here between Green In IT and Green By IT. The aim of Green In IT is to use IT infrastructure at SICK in a way that is energy-efficient and saves resources (e.g. by increasing energy efficiency through server virtualization). The aim of Green By IT is to cut GHG emissions by using new IT processes, such as holding video conferences rather than going on business trips.

After completing a general concept for cutting back on energy consumption in our IT operations, we are currently working on the definition of measurable goals. Meter installations were completed for this in 2023 and we are now planning to evaluate the data and create KPIs in 2024. Measures that have already been completed include increasing the temperature in our server room by 2 °C and incorporating sustainability aspects in the check list for cloud providers.

Moreover, we are working to promote the Green In IT concept, for example by replacing traditional office phones with softphones. Our aim is to increase the percentage of softphones deployed worldwide to at least 75% by 2024.



The Green Office field of action involves the climate-friendly structuring of office-specific equipment and workflows. With the increasing digitalization of our workflows, SICK is shifting away from using paper in our day-to-day work. The digital formats of newspapers and magazines are largely used today.

Now that we have introduced recycled paper and reduced the white content of our paper to ISO 80 in Germany, we are extending this project to the global sites. For 2024, we are starting at our production site in Hungary with the aim of ensuring that fewer resources have to be used for paper production wherever anything has to be printed.

The sustainable procurement and use of office furniture is an important element of the Green Office at our locations in Germany. Our newly purchased office chairs, desks, and carcass furniture bear the "Blauer Engel" eco-label, i.e. the health and environmental impacts caused from the time of manufacture through their entire useful life and up to their recycling and disposal are lower than is the case for comparable products that do not have an eco-label. This furniture also has PEFC certification (Programme for the Endorsement of Forest Certification) – the wood used to produce it comes from sustainably managed forests. In order to be able to use the office furniture at SICK for as long as possible, we run an internal network to encourage multiple use and repair of this high-quality furniture.

#### **GREEN MOBILITY<sup>1</sup>**

In the Green Mobility field of action, we are reducing GHG emissions caused by SICK employees commuting to work or taking business trips.

#### SUSTAINABILITY THROUGH ELECTROMOBILITY

Electric vehicles have been used for SICK's business trips between German sites since as far back as 2011. Green electricity is used to supply all the power, and the fleet is being continuously expanded. We are investing in the necessary infrastructure and continuously expanding our network of charging points for electric cars for employees and visitors. We have already installed over 100 electric charging points at our main site in Waldkirch. These will be expanded here and also at our other sites in line with the demand for them.

#### PROMOTING ENVIRONMENTALLY FRIENDLY MOVEMENT

It is impossible to prevent business trips between the various sites at a large company like SICK, which has operations worldwide. We are reducing this kind of travel to a minimum, however, and these trips are made wherever possible by train or are planned efficiently using carpools. We adopted a Green Travel Policy in Germany in 2023 and this will be rolled out globally as a next step.

The "Environmentally Friendly at SICK" working group has also been campaigning for many years now to motivate and support employees to switch to environmentally friendly means of transport. It provides employees with information on bus and rail connections or carpools, speaks to the transport companies to support the interests of employees when necessary, and hosts a company bicycle event, for example.

<sup>1</sup> Based on CSRD ESRS Standard E1. <sup>2</sup> Based on CSRD ESRS Standard E5.

#### **GREEN CAR POLICY**

The switch to electric vehicles is promoted at SICK as part of the Green Car Policy that is implemented at all German locations. The SICK Environmental Bonus for employees is making battery-electric company cars financially attractive. This strategy additionally involves subsidizing the installation of a defined and calibrated wall-mounted box, while SICK pays the costs for charging company cars and service vehicles.

SICK actively promotes the change to sustainable drives with its Green Car Policy. Diesel models with a WLTP consumption of > 5.8 l/100 km or  $CO_2$  emissions > 154 g/km were made unavailable to order back in 2021, and these limits will be reduced to > 4.8 l/100 km or > 127 g/km from 2024 onward. Goal: To increase the proportion of electric vehicles in the SICK company car fleet to 50 percent by 2025 and to 75 percent by 2030



<sup>1</sup> Excluding Germany.



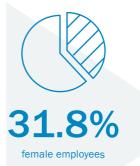


## FACTS AND FIGURES ON SOCIAL SUSTAINABILITY

>75

years corporate culture





**12,185** 

Over **100,000** training programs

conducted worldwide



87%

of our employees say they benefit from helpful health promotion activities



## **OUR EMPLOYEES**

The expertise of our employees <sup>1</sup>, their vision, and their willingness to take on new challenges are not only crucial factors for SICK's success, they also ensure the sustainable future of the company. In this context, we are creating a working environment in which we take advantage of opportunities and minimize risks in order to fulfill our responsibility to our employees. This core value is anchored in our corporate purpose "We are committed to technology for good" and in our corporate values of "Innovation, Independence, and Leadership."

#### STRATEGIES RELATING TO OUR WORKFORCE

The search for the best talent as well as their integration and loyalty are of central importance to us. We recognize the opportunities that arise here to bring employees from different backgrounds and with different skills together and make every effort to create an inclusive and diverse environment. We see diversity as a key strength that helps us meet the challenges of the global market.

The constant adjustment to technological developments and changes in a dynamic work environment requires continuous professional development while keeping our knowledge up to date. Here, we see the need to support our employees with targeted training and programs in order to ensure that they continue to meet the demands of the changing labor market.

The health and safety of our employees is an especially high priority at SICK. We recognize that a healthy work environment not only improves the quality of life of our workforce, but also exerts a direct influence on their productivity and satisfaction. That is why we are constantly investing in preventive measures, training programs, and resources in order to ensure that our employees can work in a healthy and safe environment.

<sup>1</sup> Based on CSRD ESRS S-1.



# **KEY FIELDS OF ACTION IN SOCIAL SUSTAINABILITY**

Three key fields of action in social sustainability are derived from our corporate purpose and our business operations.





#### **CHARACTERISTICS OF THE WORKFORCE**

The SICK Group in Germany consists of SICK AG, SICK Vertriebs-GmbH, and SICK Engineering GmbH. The following analyses refer to this group of companies. Our strategic objective envisages that we have established comprehensive global reporting for the whole of the Group from fiscal year 2024 onward.

#### NUMBER OF EMPLOYEES (FULL-TIME / PART-TIME - BY GENDER)

Company	Male full-time	Male part-time	Σ male	Σ in % male	Female full-time	Female part-time	Σ female	Σin % female	Total
Total	4,459	354	4,813	69.4%	1,396	725	2,121	30.6%	6,934

#### NUMBER OF EMPLOYEES (AGE STRUCTURE)

		Number of employees & managers per age group				
Company/age group	<20 20-29 30-39 40-49 50-59					
Total	74	1,091	2,097	1,843	1,362	467
Total in %	1%	16%	30%	27%	20%	7%



#### BROKEN DOWN BY REGION AND GENDER (SICK GROUP WORLDWIDE)

	2023	2022	Change
Total headcount as at December 31	12,185	11,909	2.3%
Headcount as at December 31 Germany	6,953	6,750	3.0%
Headcount as at December 31 Europe, Middle East, and Africa	2,330	2,260	3.1%
Headcount as at December 31 North, Central, and South America	1,204	1,171	2.8%
Headcount as at December 31 Asia-Pacific	1,698	1,728	-1.7%
Average age of SICK workforce (years)	41.2	40.9	0.8%
Average length of employment (years)	9.3	9.2	1.4%
Proportion of women (%)	31.8	32.4	-1.91%
Employees in research and development	1,760	1,611	9.2%
Apprentices and trainees in the SICK Group	345	381	-9.4%
Expenses for training and professional development (EUR million)	15.6	12.6	24.1%
Turnover	1,023	998	2.5%
Turnover rate (%)	8.4	8.7	-3.45%

#### **DIVERSITY PARAMETERS**

### PROPORTION OF DIFFERENT GENDERS AT THE TOP MANAGEMENT LEVEL IN THE SICK GROUP IN GERMANY

Company	Male	Female	Total
Total	47	6	53

The fundamental values of our corporate culture are based on the conviction that all genders are equal. We also promote diversity within the working environment in terms of background, origin and religion. This approach is firmly anchored in our principles for leadership and cooperation. We made a bold and visible statement in 2022 by signing the "Charta der Vielfalt" (German Diversity Charter) and have thus committed ourselves to the goal of promoting diversity and respect in all areas.

98 percent of the employees who responded to the Great Place to Work survey rated the treatment of employees as fair regardless of their sexual orientation.
Virtually the same rating was given to the question of equal treatment in terms of nationality or ethnic origin.
93 percent of the workforce saw the fair treatment of all employees regardless of gender as correct. Even age is not a criterion where unfair treatment is perceived, according to the answers in the survey – 89 percent of employees expressed their approval when it came to the question of equal treatment.

The promotion of diversity in our workforce offers important opportunities for our company. A diverse employee base enhances our innovative strength. This not only helps us better meet the demands of our customers, but also plays its part in reinforcing our competitive advantage over the long term. In contrast, a dearth of variety and diversity harbors risks: A lack of diversity could lead to a limited ability to adapt to changing conditions on the market, adversely impact development opportunities, and mean a competitive disadvantage in the long run. This is why continual efforts to promote diversity and inclusion are key for us.



#### **WORKING CONDITIONS**

#### REMUNERATION

In accordance with the collective agreement, the annual base salary, including guaranteed bonuses, of the lowest pay category in Germany on a full-time basis (35 hours/week) amounts to EUR 35,311.98 (pay scale table as at: June 1, 2023).

The remuneration systems at SICK AG are fundamentally based on job assessment processes related to the individual position. These assessment processes use the applicable collective agreement and a global grading system from the service provider Willis Towers Watson. We thus ensure compensation that is equitable and based on specific duties. A fair assessment of the work duties is thus inherent in the system. The assessment of the positions is additionally reviewed and approved by commissions with equal numbers of representatives from the employer and the employee side. Each and every employee has the right to have their classification or their job reviewed.

At the global level, compensation in line with the market is ensured worldwide for all employees based on recurrent compensation studies. A globally standardized approach for assessing jobs in line with the global grading system of the service provider Willis Towers Watson will also be rolled out in order to establish uniform assessment principles and methods. This will help us pursue our goal of providing adequate pay for all our employees around the world.

#### GENDER GAP

An analysis of 4,673 employees revealed that the adjusted pay gap between women and men across all employee categories is -1.54%. Differences can be attributed to individual personal and career paths.

#### WORK-LIFE BALANCE (S1-15)

Number of employees in the SICK Group in Germany who took a "partner month" / parental leave in 2023. All employees who are entitled to this by law can claim it as a matter of principle.

Company	Male	Female	Total
Total	304	186	490

Our family-oriented human resources policy aims to provide the best possible work-life balance. Thanks to the Group works agreement on remote work and flexible part-time models, employees at SICK in Germany can adjust their working hours individually to the stage in their lives that they find themselves in. The flextime model and the working time credit account allow working hours to be structured in a flexible way and money to be converted into time in order to obtain a temporary reduction in work hours or take paid leave. A comprehensive childcare program with flexible afternoon and holiday care, supported by partnerships and the Gisela and Erwin Sick Foundation, is an integral part of our work-life balance offering. In addition, we have offered full-day care in the daycare facilities of the SICK Family and Health Center at our main site since 2018. To achieve a

better work-life balance, we provide support for families when they are looking for childcare places and attractive offerings for children, youths, and families.

#### **HEALTH AND SAFETY**

The health and safety of our employees is part of our social responsibility and a prerequisite for corporate success. We promote well-being at the workplace, empower the people at SICK to unlock and optimize their health potential, and make sure that their working conditions are designed to be safe and healthy.

SICK operates a structured occupational safety management system that aims to guarantee the health and safety of our employees at the workplace and to minimize work-related risks. This system is implemented in accordance with ISO 45001 and follows the guidelines and requirements of this international standard for occupational safety management systems.

Some of the key features of our occupational safety management system in accordance with ISO 45001 are applicable to all employees worldwide. For example, the occupational health and safety policy is an integral part of our corporate policy and demonstrates our commitment to the health and safety of our employees.

The process for identifying risks at the workplace and for implementing measures to reduce and manage these risks is described in the document guidance tool and is referred to throughout the company every year. We ensure continuous improvement in this area by constantly



adjusting and improving the occupational safety management system on the basis of management assessments, audits, accident and incident analysis, as well as employee feedback.

The production sites of SICK AG in Germany, SICK Engineering GmbH, and SICK Vertriebs-GmbH (SVD) are certified in accordance with ISO 45001. In total, 76 percent of the employees at production sites are thus covered by the certification. We are aiming to increase this proportion to 89 percent in 2025 by integrating the production site in Hungary in the coverage.

SICK AG signed up to the Luxembourg Declaration on Workplace Health Promotion in 2007 and has developed an active and systematic health management concept. This comprises measures ranging from health promotion through prevention and all the way to rapid support measures in acute cases and rehabilitation.

In order to ensure that we constantly develop this system and satisfy current requirements, we conduct our health management within a continuous improvement process. We regularly optimize the working conditions of our employees based on clear targets and structures. Using the results, we implement targeted measures, assess them through feedback and external audits, and constantly endeavor to improve them. The table below shows a comparison of the sickness rates of SICK employees compared to the industry. The industry value was subtracted from SICK's internal value. This means that results in the negative range represent a lower sickness rate among SICK employees.

SICK sickness rate compared to the industry	2020	2021	2022
AOK	-0.1	-0.4	-0.2
тк	-0.5	-0.4	-0.5
Barmer	0.1	-0.8	-1

Our goals in the area of the occupational safety and health management are:

- Sickness rates that are below the industry average
- The survey question about mental and emotional health receives a positive response of over 60 percent

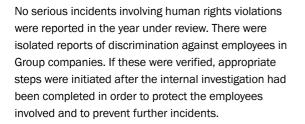
Key figure	Resul		
Incapacity for work lower than the industry average Achieved in all reports (2020-2022)	2022 goal achieved		
Agreement with the aspect "Mental and emotional health is safeguarded at this workplace" is more than 60 percent	2022 result: 74% agreement Goal achieved		

## OUR KEY PERFORMANCE INDICATORS IN OCCUPATIONAL HEALTH AND SAFETY

KPI Lost Time Injury Frequency (LTIF)	2021	2022	2023
LTIF (200,000)	0.48	0.52	0.51
LTIF (1,000,000)	2.40	2.61	2.54
KPI Lost Work Day Rates (LWDR)			
LWDR (200,000)	7.58	4.80	6.47
LWDR (1,000,000)	37.89	23.98	32.34
Number of fatalities in own workforce as a result of work-related injuries and work-related ill health	0	0	0
Number of lost time injuries (more than one day's absence; day of accident does not count)	39	45	49
Number of lost days due to lost time injury	616	413	624
Number of cases of work- related ill health of employees (more than one day's absence; day of accident does not count)	27	37	26
Number of lost days due to work-related ill health of employees	375	317	224

#### HUMAN RIGHTS INCIDENTS AT SICK

Compliance with national and international legislation on human rights and workers' rights is a matter of course for SICK. The protection of and respect for every person is our highest priority and an indispensable element of our corporate responsibility. We condemn every form of discrimination or harassment, whether for reasons of ethnic origin, religion, political beliefs, gender, physical constitution, appearance, age, or sexual orientation.



#### RELATIONS WITH OUR OWN WORKFORC EINVOLVEMENT OF THE WORKFORCE

The Works Council is the statutory body that represents the interests of the employees in the company in Germany. The individual members of the Works Council are elected by the employees in works council elections that are held every four years. The Works Council organizes the working conditions in the company by entering into works agreements with the employer. Suggestions, complaints, and ideas from the workforce have to be included in the considerations and decisions of the Works Council. The individual employees thus have an indirect influence on the working conditions at the workplace. Moreover, company and departmental meetings are held regularly that enable direct, personal contact between the employees and the employer.

The Works Council is organized into committees to which specific duties and operational and technical issues are assigned. This ensures that the Works Council can draw on expert perspectives when performing its rights and duties – especially rights of co-determination. The employees and the Works Council cooperate in a spirit of trust to the benefit of everyone. The Works Council chair and the deputy Works Council chair are the first points of contact and are responsible for the decisions of the Works Council. In addition, there are several stakeholder groups at SICK worldwide that represent specific interests of certain groups of people. In Germany, the representative body for people with disabilities promotes the integration of these people, represents their interests in the company, and supports them with advice and help. This representative body is entitled to take part in the meetings of the Works Council and monitors compliance in the company with laws and regulations applicable to the disabled. It also has to apply for services for people with disabilities from the competent offices.

#### **PEOPLE WITH DISABILITIES**

SICK signed an integration agreement to ensure the longterm professional integration of people with illnesses or disabilities. SICK has committed itself to employ people with disabilities and to secure their jobs, to implement preventive measures, and to create accessible workplaces.

SICK employed 197 people with disabilities in Germany as at the reporting date of December 31, 2013.

#### **COMPLAINTS PROCEDURE AND CHANNELS**

Employees, customers, suppliers, and other external stakeholders can use the SICK Integrity Line, the SICK Group's internal reporting system, to provide information anonymously, if they wish - on misconduct, such as corrupt behavior or antitrust practices, and to ask questions on compliance issues. The SICK Integrity Line is a web-based platform that offers the possibility of communicating with anonymous whistleblowers through an electronic mailbox. The SICK Integrity Line is also the reporting system for the complaints procedure that has been set up in the SICK Group in the event of violations of duties relating to human rights or to the environment in our own organization or at a direct or indirect supplier in accordance with the Lieferkettensorgfaltspflichtengesetz (German Supply Chain Due Diligence Act). In addition, whistleblowers can contact the Chief Compliance Officer or the Compliance Team or their own supervisor directly. Some Group companies additionally have their own reporting channels. Every report about a compliance breach or a complaint relating to human rights or the environment will be examined and assigned to an appropriately trained case manager, who will initiate internal investigations where necessary. Strict confidentiality on a need-to-know basis is maintained when reports are processed. The Chief Compliance Officer, who is also appointed as the Human Rights Officer of SICK AG, is responsible for examining the incoming reports. He is independent in this regard and not bound by instructions. Suitable measures to remedy and prevent misconduct are defined by the company. SICK's corporate management welcomes cases where specific indications of compliance breaches are reported and does not tolerate any retaliatory measures against whistleblowers who express their concerns in good faith.

### < = ► ►

### TRAINING PROGRAMS AND SKILLS DEVELOPMENT

#### THE SENSOR INTELLIGENCE ACADEMY

At SICK, the Sensor Intelligence Academy (SIA) is the central venue for developing skills and managing careers for our employees. It is also open to customers. Expertise from more than 75 years in automation meets advanced training methods here in online and in-person courses. In addition, the SIA campus at our headquarters in Waldkirch offers a unique place of learning.

The SIA offers employees of the SICK organization around the world an extensive range of continuous development options in the areas of methods and specialist knowledge, product-oriented knowledge, sector and application knowledge, and corporate topics.

The campus enables practical technology training programs to be held in which employees work on sensors, devices, and systems. The SIA offers efficient learning formats and a variety of training formats ranging from in-person training to webinars. These technologies facilitate international cooperation and reduce travel expenses.

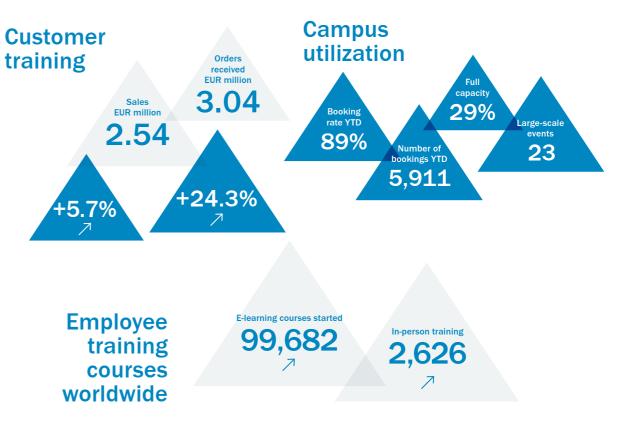
The SIA also acts as an independent business unit in our company, offering training programs and consulting for customers, for example.

#### **SKILLS MANAGEMENT**

Lifelong learning is vital for our sustainable success and offers employees an opportunity to develop their skills. Skills management functions as a key element in promoting the digital transformation in the areas of leadership, cooperation, and innovative technologies.

#### FIGURES, DATA, FACTS

Key figures for the SIA (updated: October 2023 (YTD))



As part of our skills management, we offer our employees made-to-measure training programs and learning pathways that are tailored to the specific areas of activity. In addition, we facilitate continuous professional development over the entire duration of our employees' professional career – not only within their specialist area, but also in other relevant fields. The successful implementation of our goal to equip the entire company with global skills management by the end of 2023 underlines our vision of a dynamic and skills-oriented company.



Against the background of constantly evolving conditions, such as business strategies and technological innovations, our skills management is subject to continual changes. We adapt it on an ongoing basis to the current requirements and developments in the world of work to ensure it remains relevant and effective.

#### **INTEGRATED TALENT MANAGEMENT**

From the employers' perspective, the situation on the labor market is deteriorating; a shortage of skilled labor is turning into a simple shortage of labor. Identification with and loyalty to a company is decreasing and the hurdles for changing employers are getting smaller. External recruiting is no longer sufficient on its own. We are responding to these developments with our talent management program, as part of which we are setting up a strategic process to attract, identify, and recruit top talents as well as to develop, empower, and retain high-performance employees and managers. With a clear, strong global employer commitment and a global employer brand, we are laying the foundations for subsequent employer branding activities. Our focus here is to be an attractive employer that employees want to stick with.

To achieve this, our talent management has set the following goals for the next three to five years:

- Identify the talent already present in the company.
   The preference here is to staff vacant positions with our own employees.
- Offer precisely what our employees need throughout all phases of their professional careers in order to provide them with optimal support in actively shaping their careers.
- Create a stable work environment through a low staff turnover rate.

We are already recognized as an attractive employer today: The consistently positive results in the Great Place to Work survey confirm our commitment to an inspiring corporate culture. Our managers are aware that the development of our employees is a key priority. Through an efficient and digitalized talent management process, we ensure that these goals can be effectively implemented.

We focus on a global approach in all of our activities.

#### **EMPLOYEE SURVEY**

We conduct a structured Employee Experience process every year to receive valuable feedback directly from the employees and to understand their points of view. We consider the results from the Employee Experience survey to be a crucial indicator of our commitment, our corporate culture, and the quality of our working environment. Using targeted questions about various aspects of the work atmosphere and corporate culture, leadership qualities, opportunities for professional development, cooperation between colleagues, equal treatment, and other relevant issues, we can create a comprehensive basis for assessing employee satisfaction.

The results of this employee survey not only serve as guidelines for targeted measures to improve the working conditions, but also promote an open dialogue between staff and management level.

Our goal is to incorporate all employees around the world in this procedure. In 2023, we surveyed 74% of the workforce. 80% are set to be included in 2024 and over 90% in 2025.

The table shows the goals for measuring the satisfaction of our employees with the workplace

	2023	2024	2025
Number of employees surveyed in the course of the Employee Experience	74%	Over 80%	Over 90%



#### TRAINING

As in previous years, training remained an important aspect of our development of young employees in 2023. It is our goal to maintain the proportion of apprentices and trainees in the workforce and, at the same time, to adjust the professions and study programs to the needs of the company.

At the regional level, we are actively involved in the Schülerforschungszentrum (School Research Center) in Waldkirch, which is making an important contribution to the promotion of education in STEM. We share the experience we gain from the School Research Center throughout the South Baden region. Supporting and motivating the female target group remains a key focus of our commitment and will continue to be so in the future. We actively campaign to strengthen the participation and the interest of women in the STEM subjects. With our SensorING trainee program, we offer university graduates a multifaceted introduction to SICK. The 12-month program targets graduates in STEM professions in particular. During this period, trainees develop into qualified specialists and take on challenging positions. The international expansion of the program over the next few years will be another step in supporting the company's global networking and digital transformation.







# GOVERNANCE

R

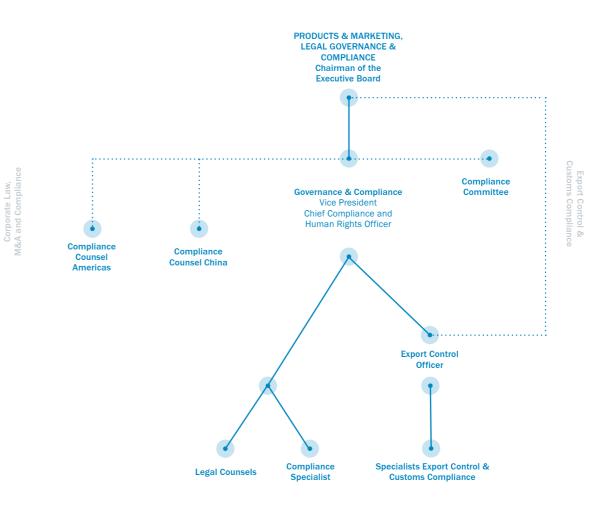
~0

## GOVERNANCE

#### **ORGANIZATION OF COMPLIANCE AT SICK**

On the Executive Board of SICK AG, the chair is responsible for the Compliance portfolio. The Chief Compliance Officer reports directly to the chair. Together with other employees of SICK AG and its subsidiaries who are charged with compliance tasks, the Chief Compliance Officer is responsible for the implementation, monitoring, and continuous development of compliance management throughout the entire Group. The Chief Compliance Officer regularly informs the entire Executive Board and the Audit Committee of the Supervisory Board about compliance at SICK.

Working under the leadership of the Chief Compliance Officer, the Compliance Committee defines the compliance requirements in the Group and supports the operating units as they introduce and maintain appropriate measures. The committee monitors the effectiveness of the compliance management and initiates any additional compliance activities that may be necessary. It is supported in this by regular internal audits and external inspections that examine both potential compliance violations as well as weaknesses in the compliance processes. All compliancerelevant departments in the company are represented on the Compliance Committee, especially Internal Audit, Data Protection, Information Security, Export Controls, Occupational Health and Safety, and Risk Management, but also the Works Council, for example.



Functional management
 Line management

### < ≡ ►

#### DECLARATION ON THE DUE DILIGENCE OBLIGATION<sup>1</sup>

As an international, family-owned group, we see it as our responsibility to respect the human rights of our employees and business partners worldwide. The protection of and respect for people and the environment are the highest priority for SICK AG and its group companies and are an indispensable element of our corporate responsibility. Our due diligence obligation in the area of sustainability begins here at the top management level. The Executive Board is committed to fulfilling the responsibility of promoting sustainable practices at SICK and ensuring that the decisions we make are in conformity with the applicable laws and our own ethical principles.

We have integrated the determination, assessment, and management of our major impacts, risks, and opportunities relating to sustainability into our risk management process. Risks are surveyed and analyzed using the internal risk management process in the course of the annual Enterprise Risk Assessment. This is our method for identifying and assessing risks and, if necessary, reducing them through concrete measures as well as for additionally creating awareness and transparency about possible risks. In addition to SICK AG, all subsidiaries are involved in this throughout the Group. The Enterprise Risk Assessment consists of a catalog of questions on various risk issues, especially issues arising in the areas of compliance and sustainability.

#### LIEFERKETTENSORGFALTSPFLICHTENGESETZ (LKSG – GERMAN SUPPLY CHAIN DUE DILIGENCE ACT)

We have undertaken to comply with fundamental workers' rights in accordance with the applicable laws and the core labor standards of the International Labour Organization (ILO). As a company headquartered in Germany and with more than 3,000 employees, SICK AG has additionally been required by law, since the LkSG came into force on January 1, 2023, to comply with certain due diligence obligations. One of our goals is to identify and minimize risks arising from human rights violations and breaches of certain environmental regulations in our supply chains as well as in our company. These risks are analyzed and managed within the framework of our risk management. In addition to the legally required annual risk analyses, risk analyses are concluded on an ad hoc basis.

The Executive Board of SICK AG adopted a policy statement on human rights strategy on November 13, 2023, which has been published on the company's website. We are additionally required to draw up an annual report on the fulfillment of the due diligence obligations arising from the LkSG in the past fiscal year and to make it available to the public on our website. The first report will be published in accordance with the legal requirements in 2024 and will cover the 2023 fiscal year.

SICK prepares a risk profile for all suppliers. As a basic prerequisite of a permanent business relationship with SICK, we expect our suppliers to comply with the principles of our supplier code of conduct and to promote these to the best of their ability among their own suppliers. We reserve the right to conduct audits in order to review compliance with these standards.

Moreover, our internal whistleblower system, the SICK Integrity Line, can be used to provide information on possible negative impacts of our business activities that may also constitute a risk.

#### RISK MANAGEMENT AND INTERNAL CONTROL OF THE SUSTAINABILITY REPORTING<sup>2</sup>

Our risk management that we describe above is an integral part of our sustainability efforts. We are aware that sustainability risks can have an impact on our business activities. That is why we have established a comprehensive risk management system that aims to identify, assess, and manage potential risks relating to the environment, our social responsibility, and governance as early as possible.

Compliance with sustainability requirements and statutory regulations is monitored and controlled as part of an internal control system. Consisting of internal stakeholders, the Sustainability Framework has been set up for this purpose, and it is constantly engaged in monitoring the sustainability issues and goals and in the sustainability reporting.

<sup>1</sup> Based on CSRD ESRS 2 GOV-4. <sup>2</sup> Based on CSRD ESRS 2 GOV-5.

The SICK Group already has extensive and well-established measures, processes, and evaluation options for producing informative reporting in the area of sustainability. In view of the upcoming obligatory sustainability reporting in the EU as a result of the Corporate Sustainability Reporting Directive, we will further enhance the global data situation and define and expand the long-term development goals for the worldwide organization, which are based on the strategic sustainability goals. Moreover, we would like to introduce forward-looking performance indicators and enhance our consideration of the perspectives of people outside the organization.

We ensure through internal audits, but also through our environmental, climate, and occupational safety certificates (ISO 14001, 50001, and 45001, EMAS, Corporate Carbon Footprint, Climate Neutrality), as well as our registration with and evaluation by EcoVadis, that ambitious goals are set, calculations are checked, and a risk assessment is carried out. Having gained the EcoVadis silver medal, we are one of the top 18 percent of companies in our industry that are registered with EcoVadis.



## **ANNEX**

Supplements to the Ecological Sustainability Chapter

## GLOBAL KEY FIGURES AND ECOLOGICAL SUSTAINABILITY GOALS AT A GLANCE

The following table summarizes the goals and measures of our main fields of action described above:

Environmental aspect	Specific goal	Location	Date	Target status, 2022 fiscal year	Target status, 2023 fiscal year	Measures	Progress on measures in %, 2022	Progress on measures in %, 2023
Fair Climate and G	reen Energy							
Climate Neutrality	To reduce the balance of GHG emissions in Germany to 0 for Scope 1, 2, and defined Scope 3 emissions, <sup>1</sup> <b>KPI:</b> Emissions per energy consumed less emissions offset [CO <sub>2</sub> eq/kWh]	G	Since 2013	0 g CO₂eq/kWh	0 g CO₂eq∕kWh	<ol> <li>Reducing GHGs through the measures described in the fields of action, including GHG offsetting</li> <li>Validating the climate footprint and climate neutrality for Germany by external certifier (DEKRA) in accordance with the GHG Standard</li> </ol>	<ul><li>(1) 100%</li><li>(2) 100%</li></ul>	<ul><li>(1) 100%</li><li>(2) 100%</li></ul>
	To continually reduce the offsetting ratio relating to Scopes 1 and 2 <b>KPI:</b> Offsetting ratio [%] (= share of offset energy in the total energy use in kWh)	G	By 2030	58%	56%	General measurement variable. For measures, see sustainable heating supply, energy efficiency, and renewable energies	-	
	To reduce the balance of GHG emissions of the global production sites excluding	W (exclud-	By 2025	232.2 g CO₂eq/kWh	237.9 g CO <sub>2</sub> eq/kWh	(1) Determining the GHG emissions at our global production sites	(1) 100%	(1) 100%
	Germany to 0, relating to Scopes 1 and 2 KPI: Emissions per energy consumed less emissions offset [gCO <sub>2</sub> eq/kWh]	ing G)		2 10	<u>2</u> -w	(2) Converting the global production sites to renew- able energy supplies, including self-generated renewable energy. We have purchased green electricity for the Hungary location since 2022	(2) 36%	(2) 36%
						(3) Offsetting unavoidable emissions starting from 2025. We will show our offsetting rate from this time onward	(3) 0%	(3) 0%

<sup>1</sup> Defined Scope 3 emissions = business travel and commuting by employees.

G = Germany

W = Worldwide



Environmental aspect	Specific goal	Location	Date	Target status, 2022 fiscal year	Target status, 2023 fiscal year	Measures	Progress on measures in %, 2022	Progress on measures in %, 2023
	To reduce the balance of GHG emissions of our global production sites outside of Germany to 0, relating to defined Scope 3 emissions <b>KPI:</b> Emissions per energy consumed less emissions offset [gC0 <sub>2</sub> eq/kWh]	W (exclud- ing G)	By 2030	-	-	(1) Recording the defined Scope 3 emissions	(1) 0%	(1) 50%
Energy efficiency	To save 0.5% of the previous year's energy consumption (electric and thermal) annually through efficiency measures KPI goal for 2023: -247 MWh KPI goal for 2024: -237 MWh	G W (exclud- ing G)	From 2022 From 2023/24	100%	100%	<ul> <li>(1) Energy efficiency measures to achieve the 0.5% target in 2023 (G): 247 MWh – Measures implemented: Replacing air compressor in 2023 (Waldkirch) (23.391 MWh)</li> <li>LED lighting replacement: (237.781 MWh) Reute site (RZa)</li> <li>Waldkirch site (WH, WZ3, WZ1, WY)</li> <li>Replacing UPS in the WD and WC data centers Optimizing ventilation control, WC Total savings &gt; 261.172 MWh</li> <li>(2) Including the worldwide sites and defining savings potential starting from 2023/2024</li> </ul>	(1) 100%	<ul><li>(1) 100%</li><li>(2) 30%</li></ul>
Sustainable heat supply	To continuously reduce the GHG emissions caused by fossil fuels	G	2030	6.0% <sup>1</sup>	8.2%	<ol> <li>Constantly increasing the percentage of sustainable heat supply, e.g. by using heat pumps</li> <li>Developing other key performance indicators and measurable goals</li> </ol>	(1) 6.0% <sup>1</sup> (2) 50% (G) 0% (W)	(1) 8.2% (2) 100% (G) 0% (W)
Heat with an emission factor CO <sub>2</sub> equivalent: O g/kWh	<b>KPI:</b> Proportion of sustainable heat supply (%) = sustainable heating energy (kWh)/total heating requirement (kWh)	W (exclud- ing G)		<5%	<5%	<ul> <li>(3) Converting the heat station at the Überlingen site, use of heat pumps</li> <li>(4) Integration of the waste heat of the compressed air supply in the heating network at the Donaueschingen site</li> <li>(5) Putting the air / water heat pump in Building RP8 at the site in Reute into operation</li> </ul>	<ul><li>(3) 70%</li><li>(4) 0%</li><li>(5) 0%</li></ul>	<ul><li>(3) 100%</li><li>(4) 100%</li><li>(5) 100%</li></ul>
Renewable elec- tricity supply	External procurement of certified green electricity at all of SICK's German sites <b>KPI:</b> Proportion of certified green electricity [%] = External procurement of green electric- ity (MWh) / total amount of external electric- ity procurement (MWh)	G	Since 2013	100%	100%	Purchasing green electricity in accordance with the strict criteria of the OK Power standard that promotes the construction of new plants in particular.	100%	100%
	External procurement of certified green electricity at all of SICK's global production sites outside Germany <b>KPI:</b> Proportion of certified green electricity [%] = External procurement of green electric- ity (MWh) / total amount of external electric- ity procurement (MWh)	W (exclud- ing G)	2025	44%	46%	Examination of the availability of green electricity at all other production sites started. (1) Hungary (since 2022) (2) Production Americas (3) Production Asia	(1) 100% (2) 0% (3) 0%	(1) 100% (2) 0% (3) 0%

<sup>1</sup> Change from previous year's report: As a result of the new definition of sustainable heat, the heat supply at the FR-Güterbahnhof site now falls under sustainable heat.

G = Germany

W = Worldwide



	Environmental aspect	Specific goal	Location	Date	Target status, 2022 fiscal year	Target status, 2023 fiscal year	Measures	Progress on measures in %, 2022	Progress on measures in %, 2023
		Expand renewable energies (particularly photovoltaic) at all SICK sites ≥15% <b>KPI:</b> Proportion of self-generated renewable	G	2025	4.2%	5.5%	(1) Conducting a potential analysis of existing and planned buildings in order to achieve PV expansion goals	(1) Continuous	s (1) Continuous
		energy [%] = PV electricity consumption [MWh] / total electricity consumption [MWh]	W (exclud- ing G)		0%	0.3%	(1.1) Feasibility study for a 1-MWp PV system at the Operations Logistics site, Waldkirch	$\bigcirc$	(1.1) 70%
							(2) <b>PV expansion plan</b> <b>New commissioning in Germany 2023:</b> (2.1) Dresden (2023) 0.51 MWp	(2.1) 90%	(2.1) 100%
							(2.2) Reute – system workshop RP8 (2023) 0.16 MWp	(2.2) 50%	(2.2) 100%
							(2.3) Donaueschingen – parking garage (2023) 0.16 MWp Planned:	(2.3) 0%	(2.3) 100%
							(2.4) Waldkirch – Buildings WA, WD, WM, WL (2024) 0.7 MWp	(2.4) 20%	(2.4) 20%
							(2.5) Reute – Buildings RP, RT (2024) 0.4 MWp (2.6) Donaueschingen – Plant 5 (2024) 0.3 MWp Global:	(2.5) 10% (2.6) 0%	(2.5) 10% (2.6) 0%
							(2.7) Hungary site (2023) 0.6 MWp	(2.7) 30%	(2.7) 100%
	Biodiversity								
<u> </u>	Species diversity	To promote species through wildflower meadows and creating new habitats on all SICK-owned green spaces	G/W	2030	Continuous	Continuous	(1) Using native blossoming seed mixtures when creating new green areas	(1) Continuous	s (1) Continuous
							(2) Adjusting the mowing cycles on existing areas	(2) Continuous	s (2) Continuous
							(3) Greening the façade of the parking garage in Donaueschingen	(3) 50%	(3) 100%
							(4) Creating biodiverse meeting areas: Pilot area on the Waldkirch campus. Initial planning was started in 2023	(4) 0%	(4) 5%
							(5) Expanding the concept to the global production sites, including wildflower meadows, when	(5) 0%	(5) 5%
							creating new green area (6) Greening the façade of the parking garage in Waldkirch, goal in 2024		(6) New goal
		Biodiversity concepts as part of new build- ings	G	2030		0%	Creating a biodiversity concept for the expansion of the Reute plant with the aim of integrating open spaces and buildings designed in harmony with nature and adapted to the climate		5%



	Environmental aspect	Specific goal	Location	Date	Target status, 2022 fiscal year	Target status, 2023 fiscal year	Measures	Progress on measures in %, 2022	Progress on measures in %, 2023
	Employees	Employee campaigns and training programs	G	Continuous	60%	100%	<ol> <li>Building wild bee hotels with the help of a local, non-profit company: These were filled in 2023 by employees at all German locations under professional guidance</li> <li>Training courses on biodiversity principles, includ-</li> </ol>	(1) 50% (2) Continuou	(1) 100% s (2) Continuous
							ing professional care of outdoor spaces near to nature and incorporation of biodiverse designs in new buildings and renovations	$\bigcirc$	$\bigcirc$
	Quantification	To determine a suitable quantification of biodiverse areas	G	2024	20%	30%	To determine a suitable performance indicator for quantifying biodiverse areas	10%	20%
	Outdoor illumination	Insect-friendly outdoor illumination for every retrofit or modification	G	2030	30%	30%	Introduction of a standard for insect-friendly outdoor illumination by 2022	70%	100%
-	Green Mobility								
<u>-0-</u>	E-mobility	Increase the proportion of battery electric vehicles to reduce GHG emissions from SICK vehicle fleet / company cars: 2025: 50% of entire fleet	G W	2025/ 2030	12% (G) <5% (W)	21.50% (G) <5% (W)	Germany: (1) Promote electric cars with a SICK environmental bonus of EUR 350 per month that is included in the reference leasing rate, irrespective of any government subsidy	(1) 100%	(1) 100%
		2030: 75% of entire fleet					(2) Promote wallboxes through payment of an additional EUR 350 irrespective of any government subsidy	(2) 100%	(2) 100%
							(3) SICK pays the electricity costs if sustainable green electricity is used for charging Global:	(3) 100%	(3) 100%
							<ul> <li>(4) Conduct a survey of all subsidiaries concerning their vehicle fleet status</li> </ul>	(4) 50%	(4) 100%
							(5) Examine the possibilities of switching to e-mobility in due consideration of the country-specific circumstances	(5) 0%	(5) 0%
	Reduce combus- tion engines	emissions from conventional vehicles with combustion engines	G W	2021-2024	<154 g/km 100% (G)	<154 g/km 100% (G)	<ol> <li>Since 2021, only models with a WLTP consumption of &lt;5.8 I/100 km (or GHG emissions &lt;154 g/km) can be ordered in Germany</li> <li>Only models with a WLTP consumption of &lt;4.8 I/100 km or GHG emissions of &lt;127 g/km can be ordered in Germany from 2024</li> <li>For ecological reasons, only plug-in hybrid versions of petrol-driven cars can be ordered</li> <li>The limit values have also applied internationally since 2023</li> </ol>	100% (G) 0% (W)	100% (G) 100% (W)
	Charging infra- structure	Expand the charging infrastructure at all SICK sites in line with needs	G/W	2030	Continuous	Continuous	To expand the charging infrastructure as required. There are $> 100$ electric charging points at our main facility in Waldkirch. Further charging points will be added annually in line with requirements	100%	100%

46



Environmental aspect	Specific goal	Location	Date	Target status, 2022 fiscal year	Target status, 2023 fiscal year	Measures	Progress on measures in %, 2022	Progress on measures in %, 2023
Business trips	Reduce GHG emissions from business trips by focusing on video conferences, rail jour-	G/W	2030	1,976 t CO <sub>2</sub> eq (G)	6,158 t CO <sub>2</sub> eq (G)	(1) Avoid flights wherever possible (strong reduction in 2020 and 2021 due to the pandemic)	(1) 100%	(1) 100%
	neys, and the avoidance of flights (base year Germany 2019: 4,556 tonnes of CO <sub>2</sub> )			()	()	(2) Approve a SICK Green Travel Policy for Germany by 2022	(2) 50%	(2) 100%
	<b>KPI:</b> GHG emissions per year					(3) SICK Green Travel Policy for global sites: being planned		(3) 80%
Green Materials								
Environmentally friendly and resource-	Development of a strategy to use recyclates and materials based on renewable raw materials in our products	W	2024	80%	90%	(1) Conducting a market analysis of available materials and technologies. Identify application possibilities at SICK	(1) 100%	(1) 100%
saving materials						(2) Integrate "green materials" in the central development process PEP 4.0 by 2024	(2) 0%	(2) 20%
materiale						(3) Globally communicate the relevance of sustainable materials in product development Collaboration with Singapore launched in 2023	(3) 0%	(3) 70%
	Develop a database of sustainable materials as alternatives to materials already in use	W	Continuous	Continuous	Continuous	<ol> <li>Standardized procedure for testing samples</li> <li>Pilot: Qualification of sustainable materials through first material tests was started in 2023</li> <li>First test samples and first housing component (cover) of a sensor made of plastic recyclate have</li> </ol>	(1) 0% (2) 0%	(1) 80% (2) 60%
						been produced. Tests and results on these are still pending (3) Identify further use cases for the application of recyclates, including performance of tests for		(3) 5%
						<ul> <li>qualification starting in 2023</li> <li>(4) Qualify a basic selection of recyclates for standard application and provide this for use → Start in 2024</li> </ul>		(4) 0%
Green Packaging								
Environmentally friendly packaging	Prevent and reduce packaging wherever possible; use recycled packaging material; reduce plastic packaging	W	2030	Continuous	Continuous	(1) Derive measures and standards for optimizing packaging, based on the results of the packaging analysis	(1) 10%	(1) 20%
paoraging	KPI: In process			Ŭ	Ŭ	(2) Define minimum requirements in SICK's internal packaging standard by 2023	(2) 75%	(2) 100%
						(3) Reduce the use of plastics in the Buchholz logistics center (avoidance of filling material/ introduction of reusable packaging between the SICK logistics centers)	(3) 0%	(3) 20%
						(4) Determine the master packaging data in terms of material, weight, and volume (by the end of 2024)	(4) 0%	(4) 5%
						(5) Develop performance indicators on the capability for measuring environmentally friendly packaging from 2025 onward		(5) 0%



Environmental aspect	Specific goal	Location	Date	Target status, 2022 fiscal year	Target status, 2023 fiscal year	Measures	Progress on measures in %, 2022	Progress on measures in %, 2023
	Use cardboard from sustainable sources for all major suppliers <b>KPI:</b> Proportion of certified cardboard [%]	G W	2022 2024	100% (G) 0% (W)	100% (G) 0% (W)	<ol> <li>Purchase certified cardboard from sustainable sources, e.g. FSC certification in Germany</li> <li>Determine the share of sustainable packaging of our global sites (by end of 2025)</li> <li>Derive measures to increase the proportion of sustainable packaging at the global sites where appropriate (by end of 2025)</li> </ol>	(1) 100%	<ul><li>(1) 100%</li><li>(2) New goal</li><li>(3) New goal</li></ul>
Green Logistics								
Rail and sea transport	Increase the proportion of rail and sea freight <b>KPI</b> : Proportion of rail and sea freight in total freight [%]	W	2030	On hold <sup>1</sup>	On hold <sup>1</sup>	Create an overall concept to increase the proportion of <b>rail and sea transport:</b> The overall concept consists of: (1) A warehouse replenishment concept: Identify materials / goods suitable for sea and rail transport including process adaptation (Demand Inventory Planning) by 2022 (2) Determine further potential and define further goals by 2022	On hold <sup>1</sup>	On hold <sup>1</sup>
	Use regular train lines for goods transports between Buchholz Distribution Center (DC) and China.	W	Since 2020	$\bigcup_{i=1}^{n} \operatorname{hold}_{1}$	$\sum_{i=1}^{n} \operatorname{On}_{i} \operatorname{hold}_{i}$	The use of the train connection between DC Buchholz (Germany) and FCC Jiaxing (China) initiated in 2020 had to be halted in 2022 and will be resumed as soon as possible.	$\nabla$	$\sum_{i=1}^{n} \operatorname{On}_{i} \operatorname{hold}_{i}$
	Increase the proportion of sea freight from Germany to USA to 20%. <b>KPI:</b> Proportion of sea freight in total freight from Germany to the US (%)	W	2025	9%	2%	The goal could not be achieved due to the current delivery situation and the availability of sea freight capacities. The goal will be reassessed as part of the overall concept.	$\sum_{i=1}^{n} \operatorname{On}_{i} \operatorname{hold}_{i}$	$\sum_{i=1}^{n} \operatorname{On}_{i} \operatorname{hold}_{i}$

<sup>1</sup> On hold because of global bottlenecks in transport capacity as well as internal SICK resource constraints in this area. G = Germany

W = Worldwide



	Environmental aspect	Specific goal	Location	Date	Target status, 2022 fiscal year	Target status, 2023 fiscal year	Measures	Progress on measures in %, 2022	Progress on measures in %, 2023
	Green Buildings								
-	New buildings	Improve the building energy standard	G/W	Continuous	Continuous	Continuous	(1) Evaluate various energy concepts for new building projects	(1) Continuous	(1) Continuous
							(2) Implement a sustainable heat supply: Use sustainable heat sources instead of fossil heat sources where technically possible	(2) Continuous	(2) Continuous
							New building projects: (3.1) Building system hall Reute 40NH "efficiency house" 160 kWp PV system	(3.1) 20%	(3.1) 100%
							Air/water heat pump (3.2) New construction, building WA Efficiency house 55 ~100 kWp PV system Air/water heat pump for the operation of the	(3.2) 0%	(3.2) 30%
							ventilation systems (3.3) Production and logistics hall, Hungary 590 kWp PV system Air/ water heat pump for the operation of the ventilation systems Industrial floor heating	(3.3) 40%	(3.3) 100%
							(3.4) US campus building phase 2 Provided for in the planning: PV system, heat pumps		(3.4) 10%
							(3.5) Expansion of Reute plant The goal is to cover the complete thermal energy demand by means of renewable energy sources		(3.5) 0%
							(3.6) New building in Malaysia Certified sustainable building in accordance with the Green Building Index Gold / Platinum		(3.6) 0%
	Existing buildings	Minimize heat loss and determine energy-saving potential	G	Continuous	Continuous	Continuous	(1) Expand the energy measurement concept	(1) Continuous	(1) Continuous
							(2) Install a heat pump in Überlingen/renovate the heating system	(2) 80%	(2) 100%



	Environmental aspect	Specific goal	Location	Date	Target status, 2022 fiscal year	Target status, 2023 fiscal year	Measures	Progress on measures in %, 2022	Progress on measures in %, 2023
	Operation of buildings	Determine energy-saving potential	G	Continuous	Continuous	Continuous	<ol> <li>Optimize the ventilation systems:</li> <li>1.1) Examine the current situation and identify optimization measures (e.g. needs-oriented reg- ulation) using external experts</li> </ol>	(1.1) 75%	(1.1) 100%
							<ul> <li>(1.2) Implement initial measures</li> <li>(2) Optimize heat stations in Waldkirch / Buchholz / Reute: <ul> <li>a) Analyze operations</li> <li>b) Derive optimization potential</li> <li>c) Implement initial measures</li> </ul> </li> </ul>	(1.2) 0% (2) 0%	(1.2) 5% (2) 10%
							<ul> <li>(3) Optimize heat requirements of existing buildings of SICK AG         <ul> <li>a) Adjust operating parameters (target tempera- ture, night-time reduction, timer programs)</li> </ul> </li> </ul>	(3) 40%	(3) 100%
	Green Office								
5	Advertising materials	Sustainable advertising materials	G	2025	10%	34%	Switch advertising materials to recycled products. 34 percent of our total of 170 promotional items have been converted to be sustainable. This means that the articles have been obtained for example from FSC-certified wood, recyclate, and/or social institu- tions (e.g. Caritas, sheltered workshops)	10%	34%
	Photocopying paper	Introduce recycled paper	G/W	2021(G)	100% (G)	100% (G)	(1) Introduce recycled paper and reduce the white content from ISO 100 to ISO 80 in Germany.	100% (G)	(1) 100% (G)
	paper			2024 (W)	0% (W)	0% (W)	<ul><li>(2) Expand to global production sites: (pilot: Hungary from 2024).</li></ul>		(2) 0%
	Office furniture	Sustainable procurement of office furniture	G/W	2023	100% (G)	100% (G)	Procurement of sustainable office furniture: Desks and carcass furniture: PEFC certification <sup>1</sup> , Blauer Engel <sup>2</sup> Office swivel chairs: Blauer Engel <sup>2</sup>	100%	100%

<sup>1</sup> PFEC certification means that the wood raw materials that are used come from sustainably managed forests.

<sup>2</sup> "Blauer Engel" certification means that the impact of the office furniture on the environment is verifiably less than for comparable products.

G = Germany

- W = Worldwide



	Environmental aspect	Specific goal	Location	Date	Target status, 2022 fiscal year	Target status, 2023 fiscal year	Measures	Progress on measures in %, 2022	Progress on measures in %, 2023
	Green IT								
	Energy consumption	Reduce energy consumption. <b>KPI:</b> In process	W	Continuous			<ol> <li>Develop an overall concept particularly taking into account the servers, IT end devices, and cloud providers.</li> </ol>	(1) 100%	(1) 100%
				C			(2) Define measurable targets: First key figures can be ascertained following completion of the meter installation at the end of 2023. The actual data will be evaluated and potential targets will be defined in 2024.	(2) 25%	(2) 50%
							<ul> <li>(3) Raise server room temperature by 2 °C</li> <li>(4) Include sustainability aspects in the check list for cloud providers</li> </ul>	(3) 100% (4) 100%	(3) 100% (4) 100%
							<ul> <li>(5) Conduct a Green IT Awareness campaign: IT divisional meeting in February 2023, IT Summit 2023</li> </ul>	(5) 100%	(5) 100%
	Resource savings	Reduce resource consumption	W	Continuous			(1) Develop an overall concept, particularly taking into account IT end devices including mobile devices, telephones, smart phones by 2023 – continued in 2024, including expansion of Follow-Print in the Group	(1) 50%	(1) 50%
							(2) Define measurable goals: Softphone deployment ratio: > 75% <sup>1</sup>	(2) 75%	(2) 80%
							<ul> <li>(3) Introduce a lease agreement for iPhones in Germany; target: 2024</li> </ul>	(3) 0%	(3) 50%
erest .	Green Catering								
	Regionality	Processing of at least 60% regional products. <b>KPI:</b> Proportion of products that come from regional producers in % (in relation to the purchasing volume) (regional = within Germany, radius generally < 60 km from the place of use)	G	Since 2022	> 60%	> 60	(1) Purchase more than 60% of the products from regional sources <sup>2</sup>	(1) 100%	(1) 100%
	Meat consumption	Reduce meat consumption <b>KPI:</b> Number of dishes with meat/total number of dishes [%]	W G	2022 2024	36% > 80%	34% > 80%	(1) Pilot project in Waldkirch: Switch from all-inclusive concept to concept with extra payment for meat. The change reduced meat consumption by over 50%. The range of vegetarian dishes on offer is to be expanded	(1) 100%	(1) 100%
							(2) Expand the concept to other German locations with an in-house staff restaurant The figures for Reute were determined for the first time in 2023. The proportion is currently 58.5% here. Measures will be discussed in 2024 on how other incentives to consume less meat can be implemented	(2) 0%	(2) 0%

<sup>1</sup> 75% refers to the units that use IP telephony. Worldwide rollout of IP telephony will be completed in 2024.

<sup>2</sup> Based on cash value.

- G = Germany
- W = Worldwide



Environmental aspect	Specific goal	Location	Date	Target status, 2022 fiscal year	Target status, 2023 fiscal year	Measures	Progress on measures in %, 2022	Progress on measures in %, 2023
Takeaway boxes	Use of reusable boxes instead of single-use boxes	G	Since 2021	100%	100%	100% use of reusable boxes for takeaway meals instead of single-use plastic containers	100%	100%
Global Green Catering Concept	Expand the Green Catering Concept to sites worldwide	W	2025	0%	0%	Evaluate current situation and possibilities as part of the Global Health Rollout by 2024	0%	0%
Green Supply Cha	in							
Suppliers	Develop the top suppliers to become climate neutral in Scopes 1 and 2 (corresponding to 80% of the purchasing volume)	W	2030	2%	2%	(1) Define sustainability criteria and draft an agree- ment for reducing GHG emissions (by 2023) → Goal postponed to 2024 on account of integration of current legal developments and standards (CSRD and SBTi)	(1) 50%	(1) 50%
						<ul> <li>(2) Regularly review selected sustainability criteria in the supplier base as well as during the supplier phase-in process for strategic suppliers</li> <li>(3) Include sustainability criteria in contract award decisions → Goal postponed to 2024 (see (1))</li> </ul>	(2) 70% (3) 5%	(2) 80% (3) 5%
Green Mindset								
Strategy/goals	Implement and further develop the sustainability strategy	G W	Since 2020	Continuous	Continuous	<ul> <li>Internally at SICK:</li> <li>(1) Hold regular network meetings to coordinate and define strategies and goals as well as exchanges regarding progress, improvements, problems, and ideas</li> <li>(2) Expand network meetings to sites worldwide (US, Asia)</li> <li>(3) Conduct critical review of our activities using an independent external council of experts</li> </ul>	Continuous	Continuous
Communication	Continual internal communication and information on current issues to raise the Green Mindset	W	Since 2020	Continuous	Continuous	Inform employees about current internal and external events through the Sustainable Newsticker More than 15 contributions on relevant sustainability issues were published in 2023	Continuous	Continuous



Environmental aspect	Specific goal	Location	Date	Target status, 2022 fiscal year	Target status, 2023 fiscal year	Measures	Progress on measures in %, 2022	Progress on measures in %, 2023
 Green Sensor Solut	tions							
Sensor solutions	Development of sensor solutions in the area	w	2025	Continuous		(1) Develop a natural gas meter for operations with a	(1) 100%	(1) 100%
	of regenerative energy generation (photovol- taic, hydrogen, wind power), as well as Pro- duction and Logistics (increased efficiency, emissions monitoring).			Ċ		<ul> <li>gas mixture of up to 30% hydrogen</li> <li>(2) Develop custody transfer meters for a hydrogen concentration of 100%. A sensor for measuring the purity of hydrogen has been integrated in the</li> </ul>	(2) 80%	(2) 85%
						<ul><li>(3) Develop sensors for analyzing hydrogen in particular for application in large-scale electrolysis and the</li></ul>	(3) 10%	(3) 20%
						<ul> <li>use of hydrogen (industrial heat generation)</li> <li>(4) Provide a complete offering with new functions for measuring clean energy with quantity and quality analysis by the end of 2025</li> </ul>	(4) 15%	(4) 20%
Green Production								
Energy efficiency	Reduce energy consumption of our production facilities <b>KPI:</b> In process	G	2025	-		<ul> <li>(1) Conduct basic research including possible introduction of standby/sleep/wake-up modes → Completion planned for 2024</li> </ul>	(1) 80%	(1) 90%
						(2) Systematically analyze energy consumption data for new production equipment Install measuring instruments (pressure and electricity) in new operating equipment developed in-house Define requirements for externally procured operating equipment	(2) 60%	(2) 70%
						<ul> <li>(3) Define standards for the development of future production equipment using sustainable and energy-efficient components</li> </ul>	(3) 20%	(3) 40%
						<ul> <li>(4) Develop key performance indicators for measuring energy efficiency</li> </ul>	(4) 10%	(4) 90%
						<ul> <li>(5) Use the key performance indicators from 2025 onward</li> <li>Goal: Quarterly evaluation with display on dashboard</li> </ul>		(5) New goal
Recycling/ circular economy	Packaging	G	2025	-	-	(1) Concept for reducing and reusing disposable packaging	(1) 30%	(1)
circular economy						Final packaging Production packaging (2) Use reusable packaging (returnable)	(2) 20%	30% 50% (2) 40%
Green Product Design								
Product Carbon Footprint (PCF)	Develop a procedure for calculating the Product Carbon Footprint for SICK products as the basis for an ecological product design	W	2025	-	_	(1) Pilot project for the Product Carbon Footprint calculation for the FLOWSIC600 product family (completion in 2024)	-	(1) 90%
						(2) Pilot project for the Product Carbon Footprint calculation for the GL 10 product family (completion in 2024)		(2) 15%
						<ul> <li>(3) Derive a procedure for the Product Carbon Footprint calculation from the pilot projects</li> </ul>		(3) 0%



## ENERGY CONSUMPTION, WATER CONSUMPTION, AND EMISSIONS

#### SICK GROUP (PRODUCTION AND SALES ORGANIZATIONS)

	2021	2022	2023
Energy consumption [MWh]	87,411	88,676	88,441
External procurement of natural gas	30,253	26,581	24,710
External procurement of electricity	32,988	35,651	36,246
External procurement of district heating	1,617	1,547	1,507
External procurement of heating oil	30	50	558 <sup>1</sup>
Consumption of our own PV electricity	1,075	1,373	1,482
Consumption of our own CHP electricity	4,488	4,227	3,918
Fuel	17,426	19,761	20,933
Proportion of regenerative – absolute [MWh]	26,626	27,522	27,893
Proportion of renewables – relative [%]	30	31	32
Water in m <sup>3</sup>	79,956	93,663	94,183
Total GHG emissions [t]	18,042	17,013	17,449
Scope 1 - Direct emissions	12,967	12,922	13,135
Scope 2 – Location-based indirect emissions	5,075	4,091	4,313
Waste			
Total waste quantity [t]	2,291	2,490	2,354
Non-hazardous waste	2,156	2,352	2,226
Hazardous waste	136	140	133

<sup>1</sup> Heating oil consumption of the rented hotmobiles. These were rented due to the impending energy crisis in 2022 and were never used. When they were dismantled, the contents of the tanks were used once for heating.



#### SICK GERMANY

	2021	2022	2023
Scopes 1 and 2			
Energy consumption by energy source (MWh)	58,746	57,183	55,264
Stationary			
External procurement of natural gas	25,915	21,989	19,523
External procurement of district heating	1,167	1,100 <sup>1</sup>	1,100
External procurement of heating oil	30	50	558 <sup>2</sup>
External procurement of electricity	20,804	21,3491	21,164
Consumption of our own electricity PV	1,075	1,373 <sup>1</sup>	1,448
Mobility			
Fuel	9,755	11,138	10,881
Electricity charging stations		184	591
Electricity performance indicators			
Total consumption, electricity	26,367	26,949	26,530
Own use, PV [MWh]	1,075	1,373	1,448
Own use, CHP (from gas) [MWh]	4,488	4,227	3,918
Share of PV in total electricity consumption	4%	5%	5%

<sup>1</sup> Not all real data was available at the time of last year's reporting. In these cases, extrapolations have been worked with that are based on the previous year's average consumption. The real data is now available and has been adjusted. <sup>2</sup> Heating oil consumption of the rented hotmobiles. These were rented due to the impending energy crisis in 2022 and were never used. When they were dismantled, the contents of the tanks were used once for heating.



#### SICK GERMANY

Offsetting ratio, stationary [%]       53%       49%       46%         Use of rnewable energy [MWh]       23,046       23,822       23,712         Use of fossil besed energy [MWh] with GHG offsetting       25,945       22,038       20,081         Offsetting ratio, mobility       100%       98%       95%         Avoidance through renewable energy (MWh) with GHG offsetting       0       184       591         Scope 1 and defined Scope 3       9,755       11,138       10,881         Scope 1 - Direct emissions       7,769       7,304       6,884         Scope 2 - Location-based indirect emissions       33       339       11,774         Scope 2 - Location-based indirect emissions       4,150       7,100       10,459         Business trips       145       1,874       6,159         Commuting by employees (since 2020)       4,005       5,125       4,300         Waste       1084       52,375       50,526       4,300       50,526         Waste       1089       1,771       16,688       1,771       16,688         Non-hazardous waste       1,574       1,654       1,486       1,486       1,486		2021	2022	2023
Use of renewable energy (MWh)         23,046         23,822         22,712           Use of feasibbased energy (MWh) with GHG offsetting         25,945         22,039         20,081           Diffsetting ratio, mobility         100%         98%         995%           Avoidance through renewable energy         0         184         591           Fossil-based energy offset         9,755         11,138         10,881           Scopes 1 and 2 and defined Scope 3         7,769         7,304         6,864           Scope 1 - Direct emissions         7,769         7,304         6,864           Scope 2 - Location-based indirect emissions         33         391         11,73           Scope 3 - Other indirect emissions         4,150         7,100         10,459           Business trips         14,59         1,517         6,563           Commuting by employees (since 2020)         4,055         50,526           Commuting by employees (since 2020)         43,864         52,375         50,526           Waste         Total waste quantity [t]         1,698         1,771         1,608           Non-hazardous waste         1,574         1,864         1,496         1,496	Total offsetting ratio <sup>1</sup> [%]	61%	58%	56%
Use of fossil-based energy (MWh) with GHG offsetting         25,945         22,039         20,081           Offsetting ratio, mobility         100%         98%         995%           Avoidance through renewable energy         0         144         591           Fossil-based energy offset         9,755         11,138         10,881           Fossil-based energy offset         9,755         11,138         10,881           Scopes 1 and 2 and defined Scope 3         11,953         14,443         17,480           Scope 1 - Direct emissions [t]         11,953         14,443         17,480           Scope 2 - Location-based indirect emissions         7,769         7,304         6,864           Scope 3 - Other indirect emissions         1,195         1,197         6,864           Scope 3 - Other indirect emissions         7,769         7,304         6,864           Scope 3 - Other indirect emissions         4,150         7,100         10,459           Business trips         145         1,976         6,158         1,976           Commuting by employees (since 2020)         4,005         5,152         4,300         1,976           Waste	Offsetting ratio, stationary [%]	53%	48%	46%
Offsetting ratio, mobility       100%       98%       99%         Avoidance through enewable energy       0       148       559         Fossil-based energy offset       97.65       11.138       10.881         Scopes 1 and 2 and defined Scope 3	Use of renewable energy [MWh]	23,046	23,822	23,712
Avoidance through renewable energy         0         184         591           Fossil-based energy offset         9,755         11,108         10,881           Fossil-based energy offset         9,755         11,108         10,881           Scopes 1 and 2 and defined Scope 3         11,953         14,443         17,480           Scope 1 - Direct emissions [t]         11,953         14,443         17,480           Scope 2 - Location-based indirect emissions         7,769         7,304         6,864           Scope 3 - Other indirect emissions         7,769         7,304         6,864           Scope 3 - Other indirect emissions         7,169         7,100         10,459           Business trips         145         1,977         6,864           Commuting by employees (since 2020)         4,005         5,125         4,300           Commuting by employees (since 2020)         4,005         5,125         4,300           Commuting by employees (since 2020)         4,3864         52,375         50,526           Commuting by employees (since 2020)         4,3864         52,375         50,526           Commuting by employees (since 2020)         50,526         50,526         50,526           Commuting by employees (since 2020)         51,255         50	Use of fossil-based energy [MWh] with GHG offsetting	25,945	22,039	20,081
Fossil-based energy offset       9,755       11,138       10,881         Scopes 1 and 2 and defined Scope 3       11,953       14,443       17,480         Scope 1 - Direct emissions [t]       11,953       14,443       17,480         Scope 2 - Location-based indirect emissions       7,769       7,304       6.864         Scope 3 - Other indirect emissions       33       39 <sup>3</sup> 157 <sup>2</sup> Scope 3 - Other indirect emissions       4,150       7,100       10.459         Business trips       145       1,976       6.158 <sup>3</sup> Commuting by employees (since 2020)       4,005       5,125       4,300         Vare [m <sup>3</sup> ]       43,864       52,375       50,526         Total waste quantity [t]       1,698       1,771       1,668         Non-hazardous waste       1,574       1,658       1,475	Offsetting ratio, mobility	100%	98%	95%
Scopes 1 and 2 and defined Scope 3         Image: scope sc	Avoidance through renewable energy	0	184	591
Total GHG emissions [t]         11,953         14,443         17,480           Scope 1 - Direct emissions         7,769         7,304         6,864           Scope 2 - Location-based indirect emissions         33         39 <sup>1</sup> 157 <sup>2</sup> Scope 3 - Other indirect emissions         4,150         7,100         10,459           Business trips         4,150         7,100         6,158 <sup>3</sup> Commuting by employees (since 2020)         4,005         5,125         4,300           Vater [m <sup>3</sup> ]         43,864         52,375         50,526           Vaste         1,698         1,771         1,608           Non-hazardous waste         1,574         1,654         1,465	Fossil-based energy offset	9,755	11,138	10,881
Scope 1 - Direct emissions         7,769         7,304         6,864           Scope 2 - Location-based indirect emissions         33         391         1573           Scope 3 - Other indirect emissions         4,150         7,100         10,459           Business trips         145         1,976         6,1583           Commuting by employees (since 2020)         4,005         5,125         4,300           Water [m³]         43,864         52,375         50,526           Vaste         1,698         1,771         1,608           Non-hazardous waste         1,574         1,654         1,466	Scopes 1 and 2 and defined Scope 3			
Scope 2 - Location-based indirect emissions       33       391       1572         Scope 3 - Other indirect emissions       4,150       7,00       10,459         Business trips       145       1,976       6,1583         Commuting by employees (since 2020)       4,005       5,125       4,300         Vater (m³)       43,864       52,375       50,526         Waste       1,698       1,771       1,608         Non-hazardous waste       1,574       1,657       1,496	Total GHG emissions [t]	11,953	14,443	17,480
Scope 3 - Other indirect emissions         4,150         7,100         10,459           Business trips         145         1,976         6,158 <sup>3</sup> Commuting by employees (since 2020)         4,005         5,125         4,300           Water [m <sup>3</sup> ]         43,864         52,375         50,526           Wates         1         1         1         1           Non-hazardous waste         1,574         1,658         1,496	Scope 1 - Direct emissions	7,769	7,304	6,864
Business trips         145         1,976         6,158 <sup>3</sup> Commuting by employees (since 2020)         4,005         5,125         4,300           Water [m <sup>3</sup> ]         43,864         52,375         50,526           Waste         Total waste quantity [t]         1,698         1,774         1,608           Non-hazardous waste         1,574         1,654         1,496	Scope 2 – Location-based indirect emissions	33	<b>39</b> <sup>1</sup>	157²
Commuting by employees (since 2020)       4,005       5,125       4,300         Water [m³]       43,864       52,375       50,526         Waste            Vaste            Total waste quantity [t]       1,698       1,771       1,608         Non-hazardous waste       1,574       1,654       1,496	Scope 3 – Other indirect emissions	4,150	7,100	10,459
Water [m³]         43,864         52,375         50,526           Waste         1	Business trips	145	1,976	6,158 <sup>3</sup>
Waste         1,698         1,771         1,608           Non-hazardous waste         1,574         1,654         1,496	Commuting by employees (since 2020)	4,005	5,125	4,300
Total waste quantity [t]         1,698         1,771         1,608           Non-hazardous waste         1,574         1,654         1,496	Water [m <sup>3</sup> ]	43,864	52,375	50,526
Total waste quantity [t]         1,698         1,771         1,608           Non-hazardous waste         1,574         1,654         1,496				
Non-hazardous waste         1,574         1,654         1,496	Waste			
	Total waste quantity [t]	1,698	1,771	1,608
Hazardous waste 124 117 112	Non-hazardous waste	1,574	1,654	1,496
	Hazardous waste	124	117	112

<sup>1</sup> Proportion of energy consumption that is offset is for Scopes 1 and 2. The goal is to reduce the offsetting ratio as climate neutrality is achieved.

<sup>2</sup> Not all real data was available at the time of last year's reporting. In these cases, extrapolations have been worked with that are based on the previous year's average consumption. The real data is now available and has been adjusted.

<sup>3</sup> The reason for the visible increase is the resumption of business travel after the coronavirus pandemic.



Production Europe comprises our sites in Germany and Hungary.

#### **PRODUCTION EUROPE**

	2021	2022	2023
Energy consumption [MWh]	69,574	67,687	65,279
External procurement of natural gas	27,507	23,508	20,794
External procurement of electricity	25,551	26,149	26,411
External procurement of district heating	1,167	1,100	1,100
External procurement of heating oil	30	50	558 <sup>1</sup>
Consumption of our own electricity PV	1,075	1,373	1,482
Consumption of our own electricity BHKW	4,488	4,227	3,918
Fuel	9,755	11,280	11,016
Proportion of regenerative – absolute [MWh]	26,626	27,522	27,893
Proportion of renewables – relative [%]	38	41	43
Proportion of self-generated electricity – relative [%]	18	18	17
Water in m <sup>3</sup>	50,481	54,147	58,661
Total GHG emissions [t]	9,891	7,676	7,310
Scope 1 - Direct emissions	8,125	7,649	7,153
Scope 2 – Location-based indirect emissions	1,766	27²	157
Waste			
Total waste quantity [t]	1,937	2,020	1,837
Non-hazardous waste	1,802	1,889	1,714
Hazardous waste	135	132	123

<sup>1</sup> Heating oil consumption of the rented hotmobiles. These were rented due to the impending energy crisis in 2022 and were never used. When they were dismantled, the contents of the tanks were used once for heating. <sup>2</sup> The sharp reduction is due to the fact that green electricity has been purchased in Hungary since 2022.



Production Asia comprises our sites in Malaysia, Singapore, and China.

#### PRODUCTION ASIA

Energy consumption [MWh] 2,626 3,649 <sup>1</sup>	3,008
External procurement of natural gas 467 514	913
External procurement of electricity 2,532 3,586	2,927
Fuel, vehicle fleet 93 63	81
Water [m³] <sup>2</sup> 9,734         14,117	12,870
Total GHG emissions [t]         1,407         1,861	1,861
Scope 1 - Direct emissions     41     26	204
Scope 2 - Location-based indirect emissions     204     1,835	1,576
Waste	
Total waste quantity [t]         137.1         255.0	298.4
Non-hazardous waste 137.3 248.4	293.2
Hazardous waste 1.8 9.6	9.9

<sup>1</sup> Energy consumption has increased in proportion to the growth of the site, as a new location was built in 2021.

<sup>2</sup> The increase in water consumption is due to the following: Increase in water consumption in China: company growth with rising employee numbers; return of workforce from working at home in 2023, building renovation in 2023.



#### **PRODUCTION AMERICA**

	2021	2022	2023
Energy consumption [MWh]	3,730	4,505	5,588
External procurement of natural gas	1,492	1,729	2,400
External procurement of electricity	1,678	2,713	3,186
Fuel, vehicle fleet	559	11	11
Water [m <sup>3</sup> ]	11,073	15,147	11,644
Total GHG emissions in [t]	1,087	1,290	1,727
Scope 1 - Direct emissions	441	362	485
Scope 2 – Location-based indirect emissions	646	928	1,243
Waste			
Total waste quantity [t]	216.83	215.09	218.62
Non-hazardous waste	216.78	215.04	218.54
Hazardous waste	0.05	0.05	0.08

<sup>1</sup> In 2022, the vehicle fleet was reduced to one vehicle.



#### SALES ORGANIZATIONS WORLDWIDE

	2021	2022	2023
Energy consumption [MWh]	11,481	12,835	14,567
External procurement of natural gas	786	767	603
External procurement of district heating	450	447	407
External procurement of electricity	3,226	3,203	3,722
Fuel, vehicle fleet	7,019	8,417	9,835
Water [m <sup>3</sup> ]	8,668	10,252	11,008
Total GHG emissions [t]	5,656	6,186	6,631
Scope 1 – Direct emissions	4,360	4,885	5,294
Scope 2 – Location-based indirect emissions	1,296	1,302	1,337

## **IMPRINT**

#### **PUBLISHED BY**

SICK AG Erwin-Sick-Str. 1 79183 Waldkirch Germany

Tel.: +49 7681 202-0 Fax: +49 7681 202-3863 E-mail: info@sick.de

www.sick.com

#### **PROJECT MANAGEMENT**

Antje Stein Corporate Communication Tel.: +49 7681 202-3873 E-mail: antje.stein@sick.de

#### CONSULTING, CONCEPT, AND DESIGN

RYZE Digital www.ryze-digital.de



