

SUPPLIER CODE

Foreword

Dear Suppliers,

Endress+Hauser SICK GmbH+Co. KG (“EHS”) believes that it has a special responsibility towards its employees and business partners worldwide. EHS actively pursues compliance with all relevant legal requirements and internationally accepted ethical standards. Protecting and respecting every individual and the environment are the highest priority for EHS and an integral part of our entrepreneurial responsibility. Furthermore, EHS is actively engaged in social and cultural projects, aimed at promoting sustainable co-existence.

We also expect our suppliers to adhere to all applicable legal requirements and the principles of this Supplier Code and to promote them to their best ability among their suppliers. We consider this a basic prerequisite for a sustainable business relationship with EHS.

Let us work together towards achieving fair and sustainable conditions throughout the entire supply chain.

Sincerely

Endress+Hauser SICK GmbH+Co. KG

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Our Supplier Code

Endress+Hauser SICK GmbH+Co. KG (hereinafter referred to as “EHS”, “we”) is aware of their social and corporate responsibilities.

EHS expects all business partners who supply goods to EHS or provide services to EHS (hereinafter collectively referred to as “Suppliers”) to fully and unreservedly comply with the applicable laws, to conduct their business in an ethically correct manner and to comply with the principles described in this EHS Supplier Code.

In addition, we expect the Suppliers to bind their suppliers, subcontractors and sub-suppliers in a similar way to the principles described herein, to audit compliance with these principles in their supply chain and use their best efforts to implement these principles at their suppliers, subcontractors and sub-suppliers.

1. Human Rights and Working Conditions

We expect the Suppliers to ensure compliance with internationally accepted human rights laws and to avoid causing, or participating in, human rights violations. We also expect our Suppliers to respect the fundamental worker rights under the respectively applicable law and the ILO core labor standards.

1.1 Prohibition of Forced Labor

The Suppliers must not employ any persons in forced or compulsory labor. All work must be on a voluntary basis and must not be a consequence of slavery or human trafficking. The employees of our Suppliers must remain free to terminate their employment with their employer in accordance with the statutory notice periods. The retention of identification documents or working permits for the purpose of preventing such termination is prohibited.

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

1.2 Prohibition of Child Labor

The Suppliers must not employ any children under the age at which compulsory schooling ends according to the law of the place of employment, provided that the minimum age of employment is not less than 15 years. Furthermore, underage workers must not perform any dangerous work at the Suppliers, which according to ILO Convention 182 requires the minimum age of 18 to be performed.

1.3 Harmful Use of Resources

The Suppliers shall refrain from causing any harmful soil change, water pollution, air pollution, harmful noise emissions or excessive water consumption that would significantly impair the natural bases for the preservation and production of food, preventing a person from accessing safe and clean drinking water, making it difficult for a person to access to sanitary facilities or destroying them or harming the health of a person.

1.4 Unlawful Taking of Land

We expect our Suppliers to comply with the prohibition of unlawful eviction and unlawful taking of land, forests and water in the acquisition, development and other use of land, forests and waters, the use of which secures the livelihood of a person.

1.5 Respect Towards Employees, Prohibition of Discrimination

The Suppliers shall treat all employees with respect and dignity and create an environment free from inappropriate treatment. This includes sexual harassment and discrimination, including ambiguous gestures, unwanted verbal expressions or physical touches, coercion, and intimidation.

The Suppliers shall promote equal opportunities and must not tolerate any discrimination, preferential treatment, or harassment of employees, for any reason including, but not limited to, national or ethnic origin, social background, age, gender, race, cultural affiliation, sexual identity and orientation, health status, disability, political affiliation, religion, or belief, unless this is justified by the requirements of the employment. Unequal treatment includes, in particular, the payment of unequal remuneration for work of equal value.

1.6 Freedom of Assembly and of Association

The Suppliers shall respect the freedom of association and the employees' right to freely form or join trade unions. Employees must not be discriminated against or treated preferentially due to the foundation, joining, or membership in a trade union or any other employee representative body. The Suppliers shall permit trade unions to freely operate in accordance with the applicable law of the place of employment; this includes the right to strike and the right to collective bargaining.

1.7 Remuneration of Employees

The Suppliers shall pay their employees an adequate living wage. The adequate living wage amounts to at least the minimum wage as defined by the applicable law and, apart from that, is determined in accordance with the law of the place of employment and, in particular, in accordance with the applicable collective agreements. Where there are no legal specifications, the Suppliers shall remunerate their employees in such a way that allows the employees to cover their basic needs.

1.8 Occupational Health and Safety

The Suppliers shall comply with all applicable occupational health and safety provisions at the place of employment. They shall allow their employees to take rest breaks at appropriate intervals. Every employee must be entitled to at least one full free day per week. The Suppliers shall ensure that the working hours are recorded and altogether with overtime hours and any extra work within the legal limits in the country of employment. Where such provisions do not exist, the total weekly working hours must not exceed 60 hours. If the Suppliers provide accommodation to the employees on the business premises, the employees shall be free to leave and reenter the premises outside of their working hours.

We expect the Suppliers to maintain an adequate occupational health and safety management system and appoint a person to be responsible for the health and safety management. This person shall ensure that the workstations and processes conform to all relevant legal requirements and that workplace health risks are excluded according to its best knowledge. If working conditions entail unavoidable health risks, the Suppliers shall provide their employees with free protective equipment and conduct documented training on its proper use and on the avoidance of work accidents at regular intervals.

1.9 Employment of Security Forces

The Suppliers shall ensure that the private or public security forces contracted or employed by them are adequately instructed and controlled so as to comply with all applicable laws during their activities, in particular with the prohibition of torture and cruel, inhumane or degrading treatment, and that they do not unlawfully harm or injure others or violate the employees' freedom of assembly and association.

1.10 Rights of local communities

We expect our Suppliers to recognize and respect the rights of indigenous people and local communities.

1.11 Animal welfare

Where Suppliers process animal products, they shall ensure that animal protection rights are respected and support the species-appropriate treatment of animals.

2. Business Ethics

We expect our Suppliers to adhere to all applicable laws, regulations and legal requirements and also take suitable measures to ensure compliance with these laws, regulations and legal requirements.

2.1 Prohibition of Corruption and Bribery

We expect the Suppliers to abstain from any form of corruption or bribery and not to participate in it directly or indirectly. In this context, they must not offer, promise, grant or accept any gifts in return for preferential treatment in business activities, neither to private parties nor to public officials. This includes refraining from giving and accepting facilitation payments. Invitations and gifts to employees of EHS may only be given if they are appropriate with regard to occasion and scope, that is if they are of insignificant value and fall within the bounds of normal business practice with regard to hospitality, convention and courtesy. The Suppliers shall observe the rule applicable at EHS that prohibits the acceptance of monetary gifts.

Gifts to political parties and organizations must be always made transparent and comply with the anti-corruption legislation in the respective country.

2.2 Avoidance of Conflicts of Interest

When dealing with customers, their own suppliers and other business partners, the Suppliers shall make sure that there is no conflict of interest that could influence business relations. If the

Suppliers know that members of the executive board, employees involved in contract award decisions or their close relatives own shares in the respective partner companies or work at those partner companies, they must disclose these facts.

2.3 Fair Competition and Intellectual Property Rights

The Suppliers shall act in accordance with all national and international competition laws. When dealing with competitors, the Suppliers must not enter into any illegal agreements or take any other action that would unlawfully impact prices of delivery terms or inhibit free and open competition, for example, fix prices or share markets or customers.

The Suppliers shall respect the intellectual property rights of EHS and third parties.

2.4 Foreign Trade and Customs Regulations, Money Laundering and Financing of Terrorism

The Suppliers shall comply with all applicable foreign trade and customs regulations. This includes consistent compliance with all applicable export control and embargo regulations and sanctions and obtaining obligatory export licenses. The Suppliers shall provide to EHS all relevant information that is necessary to comply with the aforementioned regulations. This includes, in particular, the Export Control Classification Number (ECCN), the statistical goods number (HS Code), the country of origin and, if applicable, proof of preferential customs treatment.

The Suppliers shall also comply with all applicable anti-money laundering regulations and must not directly or indirectly promote the financing of terrorism.

2.5 Financial documents

We expect from our Suppliers that their financial documents are correct, transparent and complete and that all regulations and tax laws that need to be observed for proper bookkeeping, invoicing and reporting are being complied with.

2.6 Product responsibility

Suppliers, in respect of the products and services they provide, shall adhere to all applicable statutory and official requirements on product conformity and product safety. We expect from our Suppliers that they combat the trade of counterfeit products and components throughout the entire supply chain and develop and implement suitable processes for this.

2.7 Due Diligence Requirements in the Supply Chain

EHS wishes to cooperate closely with the Suppliers and expects that the Suppliers adhere to the principles of the EHS Supplier Code and operate their businesses accordingly.

We expect that Suppliers comply with the applicable regulations on the due diligence requirements in the supply chain and ensure that they bind their affiliates to also comply with all the principles described in this Supplier Code as well as make reasonable efforts to achieve their suppliers', subcontractors' and parts suppliers' compliance with these principles. An "affiliate" is an individual or legal entity controlling a Supplier, controlled by a Supplier, or under common control by a Supplier jointly with another individual or legal entity. Control means here the power to exercise directly or indirectly a controlling influence over another individual or legal entity, for example, due to voting rights or due to a contract.

3. Data Protection and Information Security

We expect the Suppliers to process personal data exclusively in a lawful manner for legitimate purposes and based on applicable data protection laws.

Information that the Suppliers obtain as a result of the cooperation with EHS must be kept confidential and must not be disclosed to unauthorized third parties. Non-disclosure agreements and all other information security requirements agreed upon must be strictly observed.

The Suppliers shall maintain an information security management system to ensure the appropriate protection and handling of all information.

4. Conflict Minerals

If Suppliers supply to EHS products containing gold, tin, tungsten or tantalum, cobalt or mica, they shall upon request, investigate their supply chain to an appropriate extent, inform EHS in written form of the origin of the materials by supplying adequate proof and declare that their raw materials do not originate in conflict regions and risk areas or have not been obtained by accepting human rights violations. Where Suppliers source these materials not as components of products but rather directly from smelters and refineries, their activities relating to due diligence requirements must be reviewed by an independent audit program and be confirmed as legally compliant. The Suppliers shall also comply with all applicable legal regulations on conflict minerals.

5. Environmental Protection

The Suppliers shall implement an appropriate environmental management system and comply with all the laws applicable in their country and applicable to the business transactions with EHS and with international standards on environmental protection (in particular the Minamata Convention on Mercury, the Stockholm Convention on Persistent Organic Pollutants and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal).

Furthermore, our Suppliers shall proactively promote good environmental practice.

We expect that Suppliers commit to the protection of our environment for the present generation and future generations. As proof of their commitment, the Suppliers shall conduct programs at their companies aiming to identify areas for environmental action, define environmental objectives and implement suitable control and monitoring mechanisms to ensure the sustainable achievement of the objectives. This includes, for example, the continued reduction of energy and water consumption as well as air pollutants, greenhouse gases, waste, substances harmful to health and the environment, and material resources.

In this context, Suppliers shall continuously improve their processes and methods with the aim of enabling already processed raw materials and products to be recycled in a circular economy.

Suppliers shall commit to the objectives of the Paris Climate Agreement (COP21) and continuously reduce their own direct and indirect greenhouse gas emissions, for example through a greater use of renewables. They shall endeavor to reduce greenhouse gas emissions in the downstream supply chain and encourage their own parts suppliers to set goals for the use of renewables. In this context, they create transparency about their emissions and make available to EHS suitable data on request.

We expect that all Suppliers protect natural ecosystems and biodiversity and do not contribute to unlawful alterations, deforestation or damage to natural ecosystems.

6. Reports and Indications of Misconduct

6.1 Reporting Misconduct

Insofar as legally required, the Suppliers shall implement an appropriate whistleblowing system and/or complaints procedure allowing employees and third parties to report violations against the principles in this Supplier Code committed at their companies or at an affiliated company or in their supply chains.

6.2 EHS Integrity Line (whistleblowing system)

We ask our Suppliers to report any suspected violations of the principles outlined in this Supplier Code that may impact EHS via our EHS Integrity Line whistleblowing system.

All employees of EHS as well as customers, suppliers, their employees, and other third parties can report – including anonymously – suspected misconduct at EHS.

You can access the EHS Integrity Line at

<https://ehs.integrityline.com>

Suppliers can also address relevant information to:

Mail: Endress+Hauser SICK GmbH+Co. KG
Compliance
Bergener Ring 27
01458 Ottendorf-Okrilla
Germany

7. Compliance with the EHS Supplier Code

As a prerequisite for a business relationship with EHS, the Suppliers are required to accept the EHS Supplier Code. Upon request of EHS, the Suppliers will participate in training and further education programs on the principles of this Supplier Code. EHS reserves the right to check compliance with the principles of this EHS Supplier Code by the Supplier within the framework of its risk assessment.

The Suppliers shall grant to EHS the right to audit compliance with this Supplier Code, including at the Suppliers' premises, during the regular business hours. EHS will announce the audits reasonably in advance. The Suppliers shall provide the information necessary for this purpose and grant access to the offices and the business documents to the necessary extent with due regard for the confidentiality of the Supplier's business secrets. The audit may also be conducted by third parties designated by EHS.

If there is substantiated suspicion that a Supplier or its supplier, subcontractor or subsupplier violates the principles of this Supplier Code, the Supplier shall immediately investigate

the suspicion upon the request of EHS and immediately inform EHS in writing about the nature and scope of the investigation and its outcome. EHS reserves the right, notwithstanding other rights, to have the Supplier investigate the facts and take specific corrective action as well as implement measures for improvement for the future. If the Supplier has verifiably not implemented any adequate corrective actions or measures of improvement within a reasonable period, which as a rule should not exceed 30 business days, or if the violation is of such a serious nature that EHS cannot be reasonably expected to maintain the business relationship, EHS reserves the right, notwithstanding any other rights, to terminate with immediate effect individual or all existing contracts with the Supplier or to withdraw from these contracts.

8. Acceptance of the EHS Supplier Code

We hereby accept the EHS Supplier Code and confirm that we adhere to the principles laid down in this Supplier Code. We bind our suppliers, contractors and subcontractors in an equivalent manner to these principles and do our best to have them implemented in the supply chain.