SUSTAINABILITY REPORT

2024

SICK Sensor Intelligence

SICK.COM

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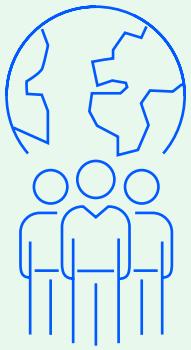
AT A GLANCE

EBIT margin
(%)
4.4

31
percent (%) of employees
are women

Sales
2,103
million euros



11,804
employees
as of December 31

232
million euros of
R&D expenditure

86
points
EcoVadis Sustainability
Rating: PLATIN

0
Reduction of global net
GHG emissions to 0 by 2030[1]

[1] Related to Scope 1 and 2 emissions and defined Scope 3 emissions (business trips, employee commutes) including the offsetting of unavoidable emissions. More information starting on page 18.

BUSINESS MODEL AND STRATEGY

- → SICK is a global market and technology leader in the industry
- → The market for sensor technology is driven by digitalization
- → Sustainability has been a matter of course at SICK since the company was founded

OUR MARKETS AND SERVICES

SICK is one of the world's leading solution providers of sensor-based applications for industrial applications. We offer our products and services worldwide in the form of components, systems with software, and individual services. They provide the basis for controlling digital and automated industrial processes and for protecting people, property, and the environment. We are transforming sensor technology from SICK to SICK Sensor Intelligence through increasingly powerful processors and algorithms, as well as the integration of application knowledge into our software.

In addition to the smart products business, our business model is based on developing solutions for the systems business as well as providing individual customer services. We use tailor-made solutions to improve the process of creating value for our customers. They are individually adapted to specific requirements and are based on in-depth partnership. By focusing on intelligent, high-quality products and systems, we provide our customers with secure solutions as required in industry or critical infrastructure. We focus on technical intelligence and always consider our innovative strength to be an important basis for Technology for the Good.

The market for sensor technology is driven by megatrends such as digitalization, Industry 4.0, mobility, and artificial intelligence, as well as the pressing issue of environmental and climate protection. As an innovative company with a global presence, in-house production, development, and sales in all major growth regions, we can play an important role in this development. Specialization, broad industry knowledge, and trusting relationships with our customers will continue to provide us with a foundation for translating market opportunities into business success.

STRATEGY

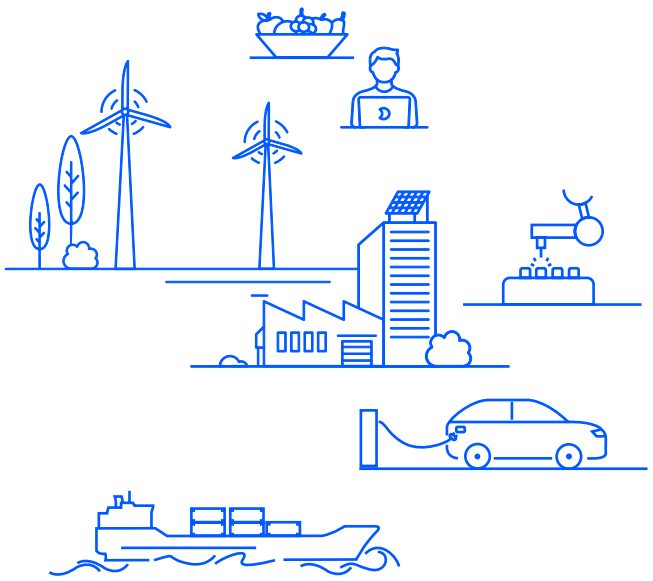
SICK is an independent, family-owned company focused on sustainable growth. The guiding principles of our corporate strategy are technological and entrepreneurial independence, as well as our high standards for innovative strength and competitive position. Our company was founded by Erwin Sick in 1946. As a family-owned company, we rely on a mature corporate culture, exemplary leadership, and independence. Profitability is at the heart of our corporate responsibility.

In our "SICK 2.0" corporate strategy, we set out our vision for a forward-looking company and achieved important milestones: in-house projects aimed at standardizing processes and controls, dealing with globalization, and setting up internal start-up initiatives. We are currently implementing the "SICK Beyond Borders" strategy for the decade up to 2030, with a particular focus on SICK Group customers. The core ideas were developed as part of a collaborative process between international management and the Management Board. Employees are also encouraged to make an active contribution to the further development, design, and implementation of the strategy.

Our strategy, the quality of our work and products, and our understanding of sustainability are intrinsically linked—as evidenced by SICK's "Purpose," which was developed in 2022. Our "Purpose" is part of our brand identity, and it is living proof that the philosophy that has underpinned our company since its founding, "Technology for good," is more relevant today than ever. This attitude is reflected in our corporate and sustainability strategy. SICK's concept of sustainability encompasses our corporate responsibility for employees, the environment, and society that goes beyond the basic legal requirements. Sustainability is an integral part of our corporate philosophy and culture. Our high standards of quality, undiminished innovative spirit, and solid profitability form the bedrock that allows SICK to live up to its corporate responsibilities. We have codified our values and corporate culture in our brand identity. Our Culture of Collaboration and Trust and trailblazing competence model are two key pillars. They are our blueprint for the future; we are committed to these goals, and they keep us motivated.

WE CONTRIBUTE TO A SUSTAINABLE FUTURE

→ by co-creating dynamic and desirable solutions
→ 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

WE DELIVER SENSOR INTELLIGENCE

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

ABOUT THIS REPORT

This sustainability report relates to the 2024 fiscal year. It covers the reporting period from January 1 to December 31, 2024. In this report, we address the sustainability of our business model from several perspectives and also consider economic aspects. Details on the SICK Group's economic situation can be found in the 2024 annual report.

In certain individual cases, consumption data may not have been fully available at the time of this report's publication. In these cases, we calculate consumption based on the previous year's data and company growth, among other things. In the following year, these estimates will ultimately be replaced by real data, which may lead to discrepancies in the data from the previous year.

This report is available in print and as a PDF download here: https://www.sick.com/traces.

STAKEHOLDERS AND STAKEHOLDER DIALOG

We have identified the following internal and external stakeholders as key to our business. We are in constant dialog with the most important groups.

Internal stakeholders:

→ Employees
- Annual employee survey as part of "Great Place to Work;" compliance violations can be reported internally

→ Works council
- Regular discussions with the Management Board

→ Internal experts / knowledgeable persons from Production, Development, Purchasing, Logistics, Sales, IT, Human Resources, Finance, and Facility Management
- Regular sustainability network meetings, Compliance Committee

→ Management Board, Supervisory Board, and management
- Board meetings and management review

→ Shareholders
- Reports, letters, shareholder meetings

Significant external stakeholders are:

→ Customers
- Direct contact, our customers' sustainability portals

→ Suppliers
- Supplier days

→ External experts
- External council of experts for sustainability

Other external stakeholders with whom we enter into dialog as required:

→ Applicants
→ Neighbors
→ Industry trade associations and chambers of commerce
→ Nature conservation associations
→ Human rights organizations and compliance associations
→ Banks
→ Insurance companies
→ Auditors

METHODS OF 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.

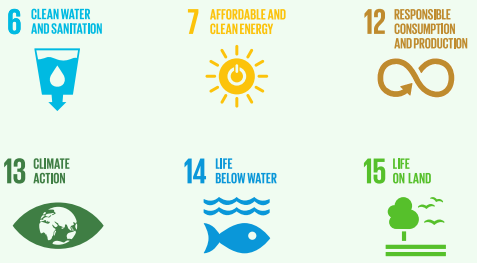
Our ESG strategy is the result of the materiality assessments we have conducted up to this point. It comprises 15 action areas related to environmental sustainability, three action areas related to social sustainability, and four action areas related to governance.

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

STRATEGIC FIELDS OF ACTION FOR OUR SUSTAINABILITY

ECOLOGICAL SUSTAINABILITY

- → Green Sensor Solutions
- → Green Production
- → Green Supply Chain
- → Green Mindset
- → Green Product Design
- → Fair Climate & Green Energy
- → Biodiversity
- → Green Mobility
- → Green Materials
- → Green Packaging
- → Green Logistics
- → Green Buildings
- → Green Office
- → Green IT
- → Green Catering



SOCIAL SUSTAINABILITY

- → Personnel development and training
- → Diversity & equal opportunities
- → Health and occupational safety

GOVERNANCE

- → Sustainable Steering & Company Strategy
- → Code of Conduct & Compliance Management System
- → Integrated Governance

→ HTTPS://SDGS.UN.ORG/GOALS

FOREWORD

Dear readers,

Sustainability is a comprehensive task and the basis for future viability. As a globally active technology company, we carry an entrepreneurial responsibility: for the people who work for us, our customers' projects, and life on this planet. In order to fulfill this responsibility, we believe that a sustainable perspective must play a decisive role. Our goal is to minimize the impact of our actions on the environment, society, and people in order to be able to operate successfully and profitably in the long term. We consciously think and act sustainably in order to in order to be able to operate successfully and profitably in the long term. We have always understood sustainability to be a driver of innovative products that support sustainability. This benefits our customers around the world. That's why we are investing in disruptive ideas and combining forward-looking start-up management with our existing Group divisions.

We are guided by the question: How does SICK Sensor Intelligence contribute to a successful future? For example, our solutions detect leakages and prevent environmental damage. They can play an important role in reducing greenhouse gas (GHG) emissions, for example, in logistics automation, or to protect people working in industry. Our contribution to a sustainable future lies largely in intelligent products, solutions, and systems that help our customers to act efficiently and responsibly at the same time:

→ Sensor solutions that reduce energy consumption and cut costs, such as by optimizing energy usage in industrial processes
→ Sensor solutions that reduce waste and scrap, or promote recycling and reuse, in order to optimize supply chains
→ Sensor solutions that help use resources more efficiently and minimize waste, such as precision farming, digitalization, and AI for optimized resource use

In doing so, we are also continuing to develop our company in such a way that we continually reduce harmful impacts on people and the environment. For example: In Germany, we have been carbon neutral since 2013. This means we offset the share of emissions we cannot currently avoid, and we report our offsets annually.[1] Our focus here is on using renewable energies and implementing energy-efficient production processes.

Sustainability has been a matter of course at SICK since the company was founded. It connects the past and the future. SICK is a family-owned company. The founding family continues the life's work of Dr. Erwin Sick and Gisela Sick in their spirit. This is how the daughters of Gisela Sick and Dr. Erwin Sick are involved in sustainable projects: Renate Sick-Glaser has primarily dedicated herself to education and training, both inside and outside the company, in order to promote people's professional and personal development. Dorothea Sick-Thies is committed to the environment, climate protection, and sustainability in the corporate context and beyond to preserve people's livelihoods.

Just like the magazine, this year, we gave our business and sustainability report the name "TRACES": Find out how how we can reliably follow established paths with our customers and partners and at the same time breaking completely new ground.Just like the magazine, this year, we gave our business and sustainability report the name "TRACES": Find out how how we can reliably follow established paths with our customers and partners and at the same time breaking completely new ground.

The Executive Board of SICK AG

DR. MATS GÖKSTORP
(CHAIRMAN)

JAN-H. EBERHARDT

FENG JIAO

ULRIKE KAHLE-ROTH

NICOLE KUREK

DR. NIELS SYASSEN

[1] Further information on the climate neutrality of the balance sheet on page 16.

ENVIRONMENTAL SUSTAINABILITY

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

FACTS AND FIGURES ON ENVIRONMENTAL SUSTAINABILITY, 2024

Since 2013

0

net GHG emissions in Germany
(balance sheet-based climate neutrality with 52% of emissions offset)

Since 2013

100%

green electricity in Germany

15,803 t

GHG emissions worldwide[1]

[1] Based on Scope 1 and 2 emissions.

>75%

of energy consumption at our production sites is in Germany

49%

of vehicles in the SICK fleet in Germany are electric

73%

green electricity at global production sites

CLIMATE AND ENVIRONMENTAL PROTECTION

→ We develop innovative products with functions that help to protect the environment and climate.
→ Our comprehensive environmental concept covers every division of the company.

Climate action and environmental protection were already close to the heart of company founder Dr. Erwin Sick. For example, in 1956, he invented the first smoke density measuring device to protect the environment and people from industrial waste gases. An intact environment and stable climate are the basic prerequisites for life and the further development of people on earth. We are part of this great ecosystem and, in the spirit of our founder, we too are continuing the tradition of protecting the environment and people – with the goal to make the world a place worth living in, and to preserve it for future generations.

ENVIRONMENTAL RISKS

As a global manufacturing company, our business activities pose risks to people and the environment. We identify and manage the most significant environmental risks on an annual basis in accordance with ISO 14001. Despite a sustainably oriented management approach, it cannot be excluded that the SICK Group's financial situation could be significantly impaired if environmental risks materialize. Minimizing such environmental risks or damage – in particular, avoiding impairments to the health and safety of our customers and employees – is the task of corporate and product-related environmental management.

SICK has established an internal sustainability network to strengthen our company's Green Mindset—a key element in implementing climate and environmental protection. We understand this to include sustainability matters at all levels of action and creating an understanding of why these are so important.

SICK raises environmental awareness within the company by valuing and promoting exemplary projects, as well as by providing comprehensive information about these projects both internally and externally.

At SICK, sustainability is an overarching concept that affects every division of the company. Employees can get involved by making suggestions for improvement, which will then be incorporated into specific sustainability projects. In addition to in-house expertise, SICK also works with an external expert council. It consists of knowledgeable individuals from the fields of research and technology, with a focus on resource efficiency and climate protection.

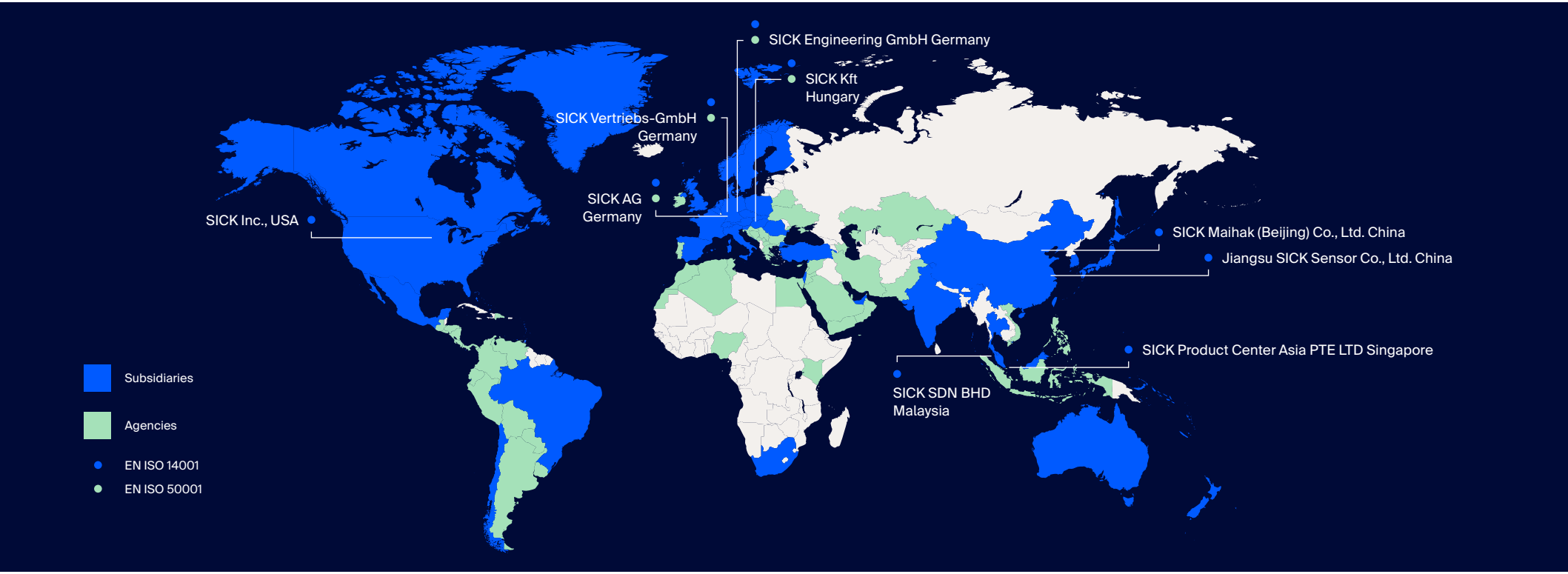
All of our employees worldwide are required to adhere to a set of principles and commitments that are laid out in our "Directive on Environmental Protection and Energy Management." The specifics are addressed on internal communication platforms and in management meetings. Training activities in environmental protection and energy management will also take place in parallel.

SICK ENVIRONMENTAL AND ENERGY MANAGEMENT

All of the SICK Group's German sites and manufacturing subsidiaries (in Hungary, the USA, Malaysia, and China) are certified in accordance with the ISO 14001 environmental management system. The sites that are particularly relevant to energy are also certified in accordance with ISO 50001 (energy management). An overview of our sites with their respective certifications can be found in the graphic below.

Our business activities in environmental and energy management include energy consumption and efficiency, GHG emissions, product compliance, biodiversity, water and materials consumption, raw materials, chemicals, and waste. Measures and activities aimed at addressing these issues take place both within the individual action areas and as part of the environmental management system at all of the Group's global production sites.

A central team of environmental and energy experts oversees the strategic development of our environmental and energy management system around the world. We use legal monitoring, internal audits, analyses of customer requirements, and other stakeholder requirements to define targets and take measures to reduce impacts on the environment.

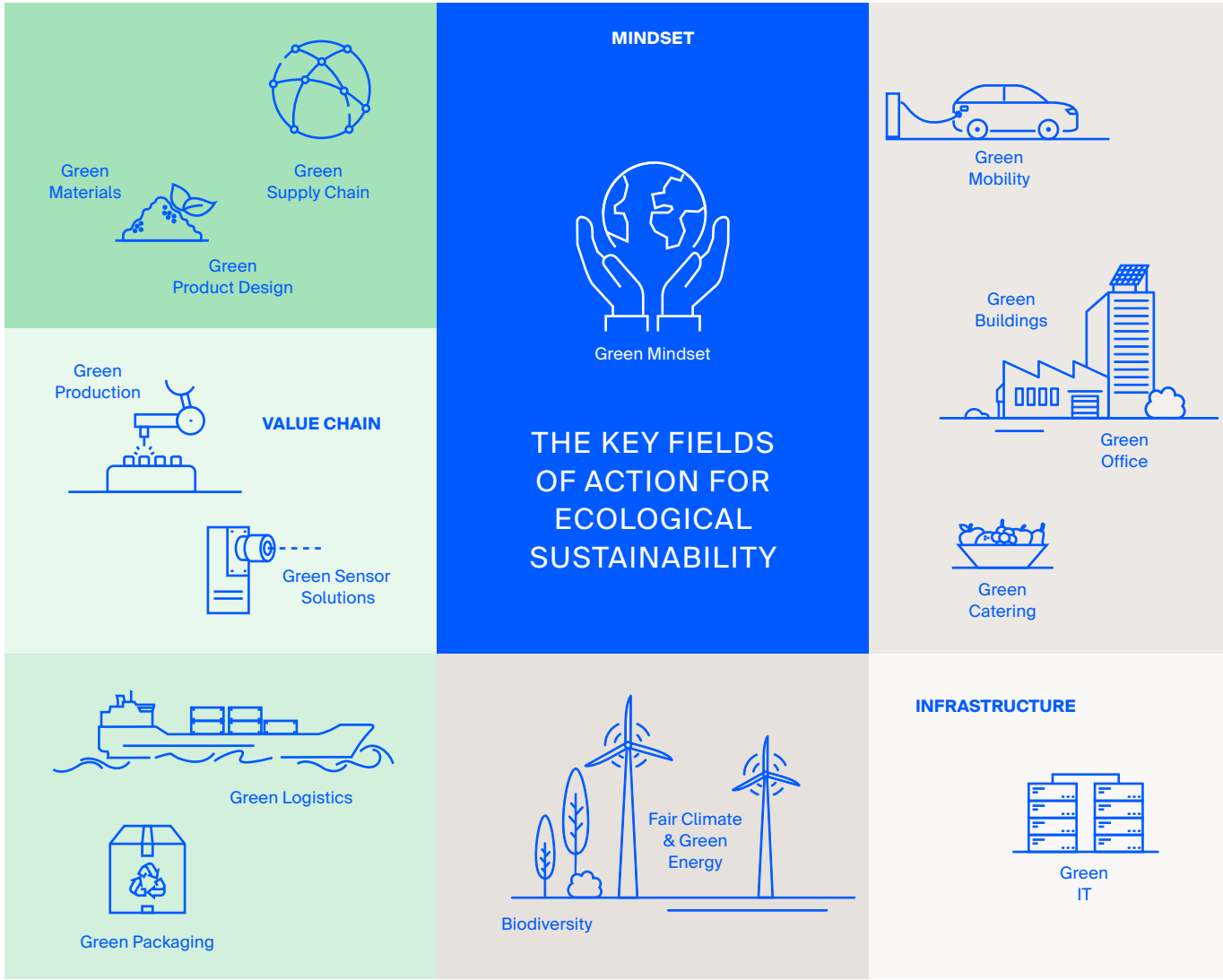


MATERIAL FIELDS OF ACTION FOR ENVIRONMENTAL SUSTAINABILITY

→ We have defined 15 fields of action for our environmental sustainability based on the United Nations (UN) Sustainable Development Goals (SDGs).
→ We are continuously measuring our progress in achieving our targets and reviewing our actions.

Fifteen action areas were identified in a materiality analysis,[1] comprising both products and processes across the entire value chain as well as the entire infrastructure, such as energy supply, buildings, IT, catering, and vehicle fleets. We assessed each field of action in terms of its potential for environmental optimization and defined specific goals, which we provide information on in this report. We aligned these with the UN's SDGss and report here on our global efforts and progress towards the SDGs. The German Sustainability Code (DNK) and the Global Reporting Initiative (GRI) are further standards that guide the SICK sustainability strategy.

On the following pages, we present our main fields of action for environmental sustainability, including a selection of our most important goals. In the appendix, we provide a comprehensive overview of all our goals, measures, and progress.



[1] The materiality analysis carried out is described on p. 7 of this report. This is a classic materiality analysis. In accordance with the Corporate Sustainability Reporting Directive (CSRD), an analysis of the double materiality is being prepared for the coming reporting years.

FAIR CLIMATE

FAIR CLIMATE & GREEN ENERGY [1]

The Fair Climate & Green Energy field of action encompasses procuring energy sustainably, generating our own energy, and boosting energy efficiency at our sites. We apply the following principles in our approach:

1. We avoid wasting energy and improve energy efficiency.

2. We use renewable energy wherever possible.

3. We offset GHG emissions that cannot be avoided.

BALANCE SHEET-BASED CLIMATE NEUTRALITY:
By signing a climate protection agreement with the state of Baden-Württemberg in 2020, SICK voluntarily undertook to reduce its net greenhouse gas emissions at all German sites and all production sites worldwide to zero, in balance sheet terms, by 2030. Balance sheet-based climate neutrality means offsetting GHG emissions that cannot be avoided, so that the balance of the GHG calculation is zero. This commitment relates to Scope 1, Scope 2, and defined Scope 3 emissions. [2] For Scope 1 and 2, this goal should be achieved as early as in 2025. In Germany, SICK already achieved this goal in 2013. More than 75 percent of the energy consumed by our global production is consumed within Germany, so our balance sheet-based climate neutrality in our home country already goes a long way toward meeting our goal.

In 2024, our compensation rate for Scope 1 and 2 is 52 percent. This means we will offset the GHG emissions from 52 percent of the energy we used. The energy that generated these emissions was used to heat our buildings (primarily natural gas) and to operate our fleet of company cars, which we are gradually replacing with electric vehicles. In 2024, the proportion of electric vehicles in our German fleet was 49 percent. Our compensation rate for defined Scope 3 emissions (business trips, commuters) is currently 100 percent.

In 2024, the emission intensity (= GHG emissions generated per kWh consumed, measured in g CO_2eq/kWh) at our global production sites fell from 232 g to 177 g, primarily as a result of our US sites transitioning to green energy in 2024. From 2025, the emission intensity for Scope 1 and 2 is expected to be zero. Unavoidable emissions—which only include heating and business travel—will be offset in accordance with the extremely strict rules of the CDM Gold Standard from this point onwards.

In accordance with the GHG Protocol, companies' emissions are divided into the following three scopes:

- **SCOPE 1 EMISSIONS** are direct emissions from sources owned or controlled by the company. In addition to emissions generated on site (such as machinery powered by natural gas), this scope includes emissions generated by company vehicles.
- **SCOPE 2 EMISSIONS** result from energy generation that does not take place on site (purchased energy, such as electricity and district heating).
- **SCOPE 3 EMISSIONS** comprise all other indirect emissions caused by a company's up- and downstream value chain activities.

When using the terms greenhouse gases (GHG), CO_2, and CO_2eq (CO_2 equivalents):
We use the term greenhouse gases (GHG) in this report. Greenhouse gas emissions (GHG emissions) are expressed in CO_2 equivalents (CO_2eq). Emissions of greenhouse gases other than carbon dioxide (CO_2), such as methane (CH_4) or nitrous oxide (N_2O), are converted into CO_2 equivalents (CO_2 = 1) to make it easier to compare their potential to cause global warming.

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

[1] In line with the CSRD ESRS E1 standard.
[2] Defined Scope 3 emissions include business travel and commuting of employees.

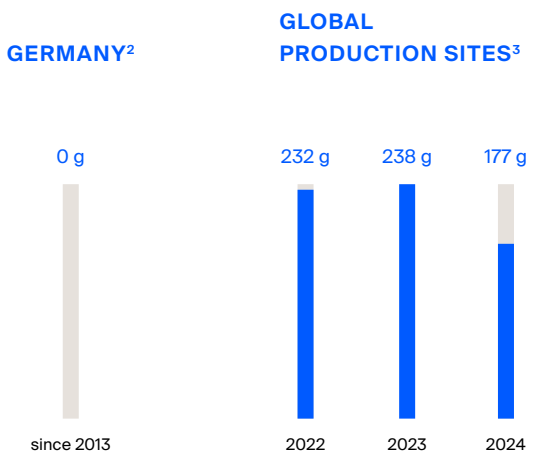
OFFSETTING

The offsetting process previously described is made possible by climate protection projects in line with the provisions of the CDM Gold Standard (CDM = Clean Development Mechanism). These projects are run by non-profit organization Atmosfair. CDM Gold has the strictest quality requirements of any offsetting standard.

AVOIDING GHG EMISSIONS

By improving efficiency, generating our own renewable energies, and saving energy, we are continuously getting closer to achieving our goal of climate-neutral manufacturing.

Goal: balance sheet-based climate neutrality of our German and global production sites by 2025 (Scope 1 and 2 emissions) in g CO_2eq/kWh [1]



[1] Emissions per kWh consumed, minus offset emissions.
[2] Compensation rate 52 percent.
[3] Excluding Germany (compensation rate currently 0%; unavoidable emissions will be offset starting in 2025).

ENERGY EFFICIENCY

SICK has set itself the goal of reducing its energy consumption every year by at least 0.5 percent of the total energy consumed in the previous year. In 2024, we far exceeded our goal of 237 MWh, with savings of 485 MWh. Besides installing efficient hydraulic pumps (saving 85 MWh), we primarily saved energy by optimizing the efficiency of our ventilation systems.

GOAL: 100% GREEN ELECTRICITY AT ALL PRODUCTION SITES BY 2025

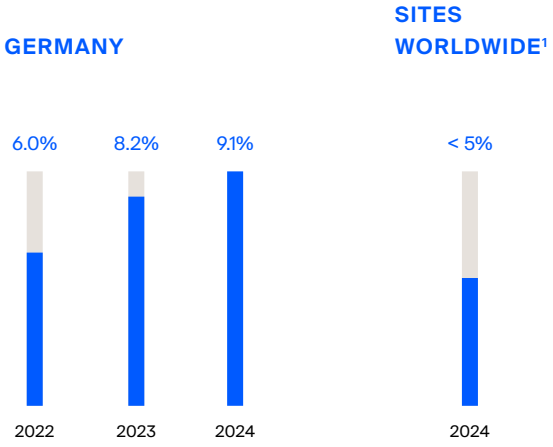
	2024
Germany: since 2013	100%
Global locations[1]	73%
Production in Hungary: since 2022	100%
Production in America	82%
Production in Asia	0%

[1] Excluding Germany.

SUSTAINABLE HEAT SUPPLY

In order to establish a sustainable heat supply, we have set ourselves the goal of reducing GHG emissions caused by fossil fuels. Currently, the share of sustainable heat supply in Germany is 9.1%, and for all other locations outside of Germany < 5 percent. As a rule, new heating systems are only planned on the basis of a sustainable energy supply, such as by using heat pumps and / or the smart use of waste heat, especially from the supply of compressed air. For the time being, existing Combined Heat and Power (CHP) units and gas heaters will continue to be operated and gradually replaced.

Goal: Continually increasing the share of sustainable heat supply



[1] Excluding Germany.

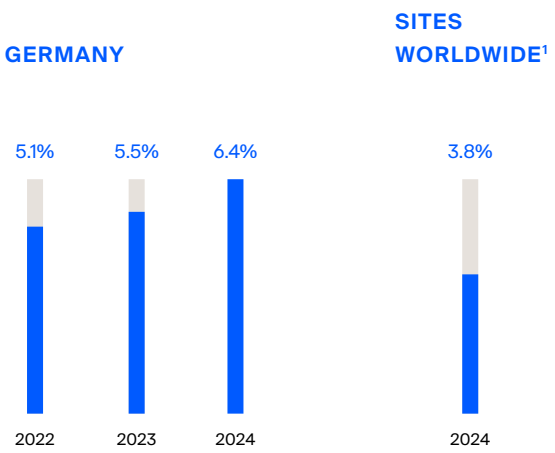
RENEWABLE ENERGY

The goal is to increase the share of self-generated Photovoltaic (PV) power generated on SICK's own premises to at least 15% by 2030. To achieve this, we are conducting an ongoing analysis of the potential of existing and planned buildings. No new PV systems went into operation in 2024. However, the output of existing facilities rose because the installations that were put into operation in 2023, with an installed capacity of 1.4 MW_p, had a full year of operation for the first time. With the expected completion of two new buildings at the sites in Waldkirch and Donaueschingen, the plan is to expand our installed PV capacity by approximately 0.4 MW_p in 2025. The status of individual PV projects at our German sites can be found in the table in the appendix.

PURCHASING GREEN ELECTRICITY

As the electricity generated in-house is not sufficient, we purchase the remaining electricity required as green electricity. All German sites have been receiving 100% green electricity since 2013; since 2022 at our production site in Hungary. Since 2024, our site in the USA has also been purchasing green electricity. The goal is to convert our global production sites to green electricity by 2025. If the emissions are not available for country-specific reasons, the emissions are offset. Unfortunately, we have not been able to purchase green electricity at our production sites in Asia due to a lack of availability.

Goal: Expansion of photovoltaics at all of SICK's own locations to ≥ 15% by 2030



[1] Excluding Germany.

GHG EMISSIONS AT OUR GLOBAL SITES

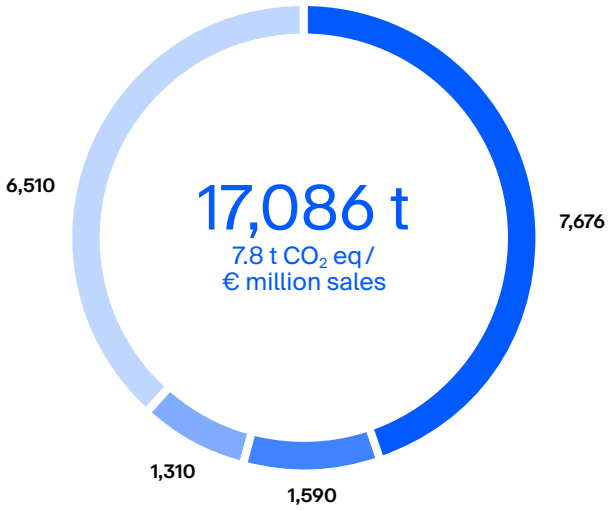
The following overview of SICK's global emissions encompasses all of our global production sites and sales locations.

- → Production in Europe: Germany and Hungary
- → Production in Asia: China and Malaysia
- → Production in America: Minneapolis, Houston, and Stoughton
- → Sales locations worldwide (represented in 43 countries)

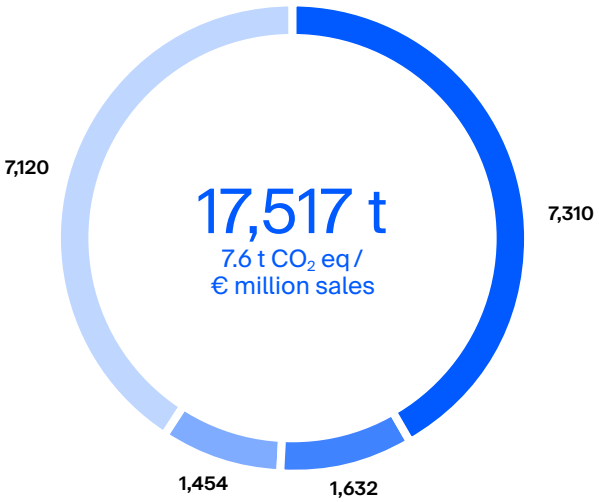
The decline in GHG emissions in America is due to the transition of the American production site in Minnesota to green electricity.

SCOPE 1 AND 2 GHG EMISSIONS FROM OUR GLOBAL PRODUCTION SITES IN TONNES OF CO_2EQ

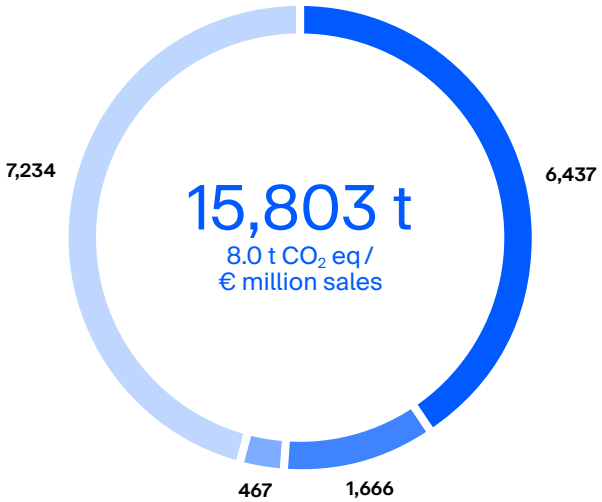
2022



2023



2024



- RPC Europe
- RPC Asia
- RPC America
- Sales locations worldwide

GLOBAL SCOPE 3 EMISSIONS

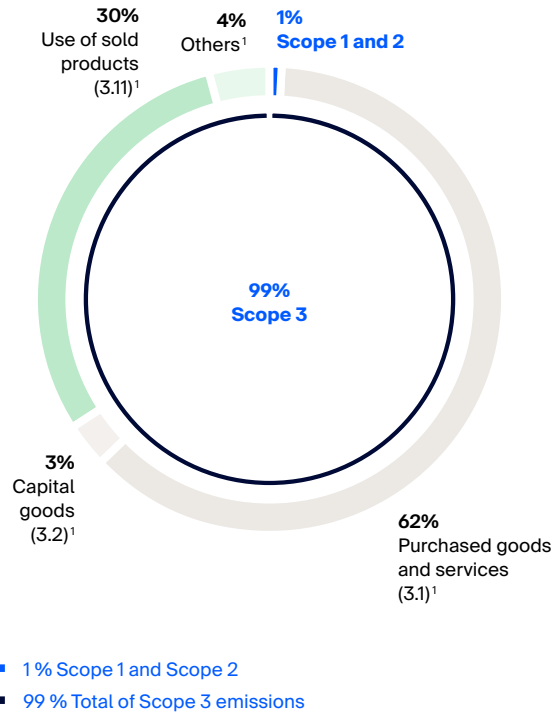
In addition to its climate footprint, SICK has been determining its global Scope 3 emissions in accordance with the Greenhouse Gas Protocol (GHG Protocol) since 2022. Scope 3 accounted for 99 percent of GHG emissions in 2024. The largest share of Scope 3 emissions is generated by the upstream supply chain (62 percent). We believe this is the most important starting point for reducing supply chain GHG emissions in our fields of action of: Green Packaging, Green Product Design, Green Materials, and Green Supply Chain.

CALCULATION AND METHODOLOGY

We combined two methods in accordance with the GHG Protocol to calculate our global GHG emissions, including Scope 3: Various Scope 1, 2, and 3 emissions were calculated using consumption data (primary data). In the absence of primary data, we used secondary data based on input-output models to calculate the remaining Scope 3 categories. The scope3analyzer was used for this purpose.

The GHG Protocol recommends this approach as a first step; the calculations will result in a rough estimate of a company's total GHG emissions, including Scope 3 emissions. Relevant Scope 3 categories can be identified on this basis, which will be considered in detail in the next step: Primary data are then obtained for these categories, which allows the emissions of suppliers and service providers to be assessed individually and from this measures to reduce GHG emissions can be derived.

SCOPES 1, 2, AND 3 AS A PROPORTION OF TOTAL EMISSIONS



[1] See the table on the next page for the categories according to the GHG Protocol.

SCOPE 1 AND 2 EMISSIONS

Although Scope 1 and Scope 2 emissions account for a small proportion of SICK's total emissions, we consider them essential—after all, SICK is directly responsible for these emissions and can have a direct impact on them. In accordance with the "polluter pays" principle: If every polluter were to take responsibility for Scope 1 and 2 emissions, there would no longer be any Scope 3 emissions.

We are taking responsibility for reducing our Scope 3 emissions—particularly within our supply chain—with our 15 strategic action areas. The following table provides an overview of Scope 3 emissions, the degree to which SICK can influence them, and which strategic action areas they are assigned to.

GLOBAL GHG EMISSIONS BY SCOPE AND RELEVANCE FOR SICK

Cat.[1]	Scope according to the GHG Protocol description	Proportion of SICK'S total emissions	Relevance for SICK	Action areas to reduce emissions
1	Scope 1 – direct emissions			
1.1 1.4	Direct emissions from stationary installations Direct emissions from processes (leaks)	0.3 %	A	Fair Climate & Green Energy Green Buildings Green Production Green IT
1.2	Direct emissions from mobile installations	0.5 %	A	Green Mobility
2	Scope 2 – indirect emissions			
2	Indirect emissions	0.2 %	A	Fair Climate & Green Energy Green Buildings
3	Scope 3 – other indirect emissions			
3.1	Purchased goods and services	62.1 %	A	Green Supply Chain Green Packaging Green Materials Green Catering
3.2	Capital goods	2.8 %	B	Green Buildings Green Production Green IT Green Office
3.3	Fuel- and energy-related activities	0.2 %	C	Fair Climate & Green Energy Green Buildings
3.4	Upstream transportation and distribution	1.9 %	B	Green Logistics
3.5	Waste generation in operations	0.03 %	C	Covered by waste management at the production sites
3.6	Business travel	0.6 %	B	Green Mobility
3.7	Employee commutes	1 %	B	Green Mobility
3.11	Use of sold products	30.3 %	A	Green Product Design
3.12	Disposal of sold products	0.1 %	C	Green Product Design

[1] Note: Categories according to the GHG Protocol. Categories that are not listed here are not applicable/irrelevant to SICK.

A: high - directly influenced
B: medium - indirectly influenced
C: low - indirectly influenced

GREEN SENSOR SOLUTIONS [1]

The aim of Green Sensor Solutions is to help our customers use resources more efficiently and minimize negative impacts on the environment in line with our corporate philosophy. We developed a gas meter for operation with a gas mixture of up to 30% hydrogen. In 2024, we worked on developing a gas meter for calibrating captured CO_2 from gases and fluids. We continue to focus on developing sensors for analyzing hydrogen, especially for use in large-scale electrolysis and the use of hydrogen in industrial heat generation. We also focus on using smart sensor solutions to help our customers achieve their environmental objectives, such as by intelligently using cargo space in logistics and by boosting energy efficiency in production.

GREEN SUPPLY CHAIN [2]

In the life cycle of a sensor, the main environmental impact is caused by the extraction, processing, and transportation of raw materials, such as metals or plastics. Our calculation of Scope 3 emissions shows that 79% of our emissions are caused by the supply chain; i.e., the materials procured. This is why we aim to develop an agreement on reducing GHG emissions, with defined sustainability criteria, for our suppliers. To this end, we will identify CO_2-intensive materials and develop scenarios for reducing CO_2 in the supply chain. We evaluate them against the requirements of the CSRD and the fulfillment of a science-based 1.5 degree target (e.g., SBTi standard). Due to current legal developments (in particular, CSRD and SBTi), we have set this goal for 2025.

GREEN MATERIALS [2]

It is already common practice for metals to feature a certain amount of recycling. This has rarely been the case with plastics in industry to date. In order to close the cycle and minimize negative environmental impacts, we are investigating the use of recycled plastics; i.e., recycled materials. Our goal is to use these in the production of SICK products as well. A market analysis of available materials and technologies and the identification of possible applications at SICK has been completed. The first test specimens and housing parts for our sensors have already been manufactured from recycled materials in our own plastic injection molding plant. In 2024, we began to qualify a basic selection of recycled materials for standard applications and make them available. One aggregate was qualified for use. Applying the granules in a product is the next step.

GREEN PRODUCT DESIGN [2]

The Green Product Design field of action was launched because it was considered relevant for our company based on the following criteria:

- → Anticipation of customer needs
- → The result of the Scope 3 screening, in which a significant proportion of the GHG emissions are due to the materials used
- → Legal developments at EU level: Draft Ecodesign Directive for Sustainable Products Regulation (ESPR), which replaced the Ecodesign Directive in 2024

The goal of the "Green Product Design" field of action is to determine and reduce the Product Carbon Footprint (PCF) of our products, and to avoid harmful effects from our products by considering relevant requirements in our product development at an early stage. For example, this includes longevity, reparability, the avoidance of substances of concern, and the use of sustainable materials. We also strive to optimize the environmental impacts of our products. This affects the product use phase and therefore also customer safety, as well as to the phase after the expiration of their useful lives.

In 2024, we conducted a feasibility study for complex sensor Building Physics (IBP). In 2025, a multi-phase project will be launched with the aim of setting up an internal data structure, in order to determine PCF values for selected products with secondary data in the first step.

[1] In line with CSRD-ESRS Standards E1, E5.
[2] In line with CSRD-ESRS Standard E5.

GREEN LOGISTICS [1]

We consider the transportation of goods throughout the supply chain (from raw materials to subcontractors or from suppliers to SICK), the transportation of goods within SICK sites (operational logistics), and the transportation of our products to customers. There is close networking with the Green Packaging and Green Supply Chain fields of action. Unavoidable emissions during the transportation of parcels are already offset today via our main logistics partners.

Due to the global supply situation and availability of transport capacities in all sectors, as well as internal resource bottlenecks, the implementation of new concepts in this field of action had to pause in 2023. In 2024, we were able to resume work on the overall concept for increasing the share of train and ocean freight. Our efforts include a warehouse replenishment concept for identifying goods that are suitable for sea and rail transport. For example, a test consignment was sent from our site in Asia to Germany to determine requirements for a standard.

GREEN PACKAGING [2]

In the Green Packaging field of action, we consider the entire life cycle of the packaging – from its manufacturing, through its use, to its disposal.

For future environmentally friendly packaging, we will either replace plastics with paper-based alternatives or instead use recycled plastics wherever possible. In addition, we are pursuing the goal of further reducing the packaging volume as well as the weight of plastic and paper packaging. To achieve this, we have defined minimum requirements in a SICK internal packaging standard. Several pilot projects that impact the overall packaging strategy have already been implemented:

(1) Replacement of foam with cardboard: Foam or similar material is often used as an inlay, especially for heavy products. In the area of camera and barcode products, we have succeeded in completely replacing the foam inlay with corrugated cardboard for one product series. In addition to avoiding plastics, this has also made it possible to almost halve the packaging volume.

Further changes in packaging, depending on the business segment, are currently being processed with the aim of reducing volume, saving materials, and avoiding plastic.

(2) Avoidance of void fill bags as filling material: Current test runs and customer feedback show that in many cases, we can completely do without void fill bags and reduce the remaining cases without negative consequences for the product. In 2024, we reduced the use of bubble wrap by 25%. In some applications, plastic-based filling material has been replaced with paper. Reusable bags for transporting goods between our subsidiaries are now replacing the previously used single-use plastic bags.

GREEN PRODUCTION [3]

The use of resources and energy is particularly high in the production environment – from the production processes themselves to the required infrastructure. Metals and plastics as well as processing aids, such as cooling lubricants and varnishes, are used. The focus is on reducing environmental impacts, like when hazardous substances such as adhesives or solvents are used, when water is consumed, when waste is generated, and especially when energy and materials are used. Our measures go beyond the legal requirements and increase energy and resource efficiency within the relevant production processes and infrastructure. A thorough investigation aimed at reducing the energy consumption of our production facilities, including the introduction of sleep / standby / wake-up modes, could not be completed in 2024 due to a continuing need for coordination with manufacturers owing to differences in the design of machines and facilities. Newly developed equipment is equipped with energy and compressed air measurement as standard. Other measures, such as a systematic analysis of energy consumption data for production plants and developing Key Performance Indicators (KPIs) to measure energy efficiency, are also nearing completion. Starting in 2025, these KPIs will be displayed on a dashboard on a quarterly basis.

When developing and enhancing production technologies, the experts in this field of action work closely with Green Materials and Green Supply Chain to qualify sustainable materials for the production process.

[1] In line with CSRD ESRS Standard E1.
[2] In line with CSRD-ESRS Standard E5.
[3] In line with CSRD-ESRS Standards E1, E5.

GREEN BUILDINGS [1]

To reduce energy consumption, SICK is optimizing its existing buildings. For example, in 2024, we adjusted the building automation system's operating parameters with respect to set temperatures, night setbacks, and time programs in order to reduce heat consumption. Potential for improvement in order to optimize ventilation systems was also systematically analyzed. An implementation plan is being developed.

An energy concept will be prepared in advance for new buildings. We continue to evaluate different energy concepts and the implementation of a sustainable heating and power supply. The new building in Waldkirch will feature a German Effizienzhaus 55 high-efficiency energy standard, a 100 kW_p PV system, and an air-water heat pump. A heat pump with geothermal energy is included in our campus planning in the USA. The planned expansion of the plant in Reute will enable us to completely supply the required heat with renewable energy sources. To this end, we completed an energy concept based on 100 percent renewable energies in 2024.

BIODIVERSITY [2]

On the one hand, the Biodiversity field of action aims to protect and increase biodiversity at our SICK sites and, on the other hand, to create a comfortable climate for people and the environment through smart planting on and around our buildings, and to exploit the cooling effect through the plants' shading and the cooling produced by evaporation. In 2024, we created a facade greening on our parking garage in Waldkirch. For our plant expansion at the site in Reute, we created a biodiversity concept with the aim of integrating nature-oriented and climate-adapted open spaces and buildings. In addition to the positive effects related to local biodiversity and the microclimate, these and other measures in the annex also serve as role models and promote the company's Green Mindset among employees, customers, and guests.

GREEN CATERING

SICK summarizes its range of dishes for employees under Green Catering; so far, we have focused on our sites in Germany. Our ongoing goal is to source more than 60 percent of our food offer from regional suppliers (radius < 60 km). We promote a sustainable and healthy eating culture with appropriate products and a vegetarian Smart Lunch option. Thanks to the shift from an all-inclusive approach to a variable surcharge concept for meat, in a pilot project in the Waldkirch restaurant, we were able to more than halve the consumption of meat. It is also our largest restaurant. In implementing our concept, we are focusing on our largest sites, Waldkirch and Reute. Even in 2024, only 34% of dishes sold in Waldkirch contained meat. The implementation of the Green Catering Concept is planned in Reute with the completion of the new building and its new cafeteria.

[1] In line with CSRD ESRS Standard E1.
[2] In line with CSRD ESRS Standard E4.

GREEN IT [1]

Green IT is SICK's energy-efficient and environmentally friendly information and communication technology. We differentiate between Green in IT, with the aim of using IT infrastructure at SICK in the most resource-efficient and energy-efficient way possible (e.g., energy efficiency through server virtualization), and Green through IT, with the aim of reducing GHG emissions through new IT processes, such as the use of video conferencing instead of business travel.

Now that we have developed an overall concept for reducing the energy consumption in IT, we are working on defining measurable targets. Once the meter installations have been completed, the first performance indicators can be determined. The data will be evaluated and potential targets defined in 2025.

We are also working on promoting the concept of Green in IT by replacing traditional hardware phones with softphones, for example. We almost achieved our goal of at least 75 percent global penetration of soft phones in 2024 and are planning to complete it in 2025.

GREEN OFFICE [2]

The Green Office field of action focuses on designing office-specific equipment and processes in a climate-friendly manner. As workflows become increasingly digital, SICK is abandoning paper in its day-to-day work. Newspapers and magazines are mainly used digitally.

Having introduced recycled paper in Germany and reduced the whiteness of our paper to ISO 80, we are expanding this project to global sites.

The sustainable procurement and use of office furniture is an important component of Green Offices at our locations in Germany. Our newly procured office chairs, desks, and cabinet furniture have a Blue Angel ecolabel, meaning that they have less of a negative impact on health and the environment, from their creation through their useful life and finally, to their recycling and disposal than comparable products without an ecolabel. In addition, this furniture also has PEFC certification – the wood for manufacturing comes from sustainably managed forests. In order to ensure that office furniture is used for as long as possible at SICK, we promote the multiple use and repair of this high-quality furniture via an internal network.

GREEN MOBILITY [1]

In the Green Mobility field of action, we are reducing GHG emissions in the areas of SICK employees' business trips and commutes.

SUSTAINABILITY THROUGH ELECTROMOBILITY

SICK has been using electric vehicles for business trips between German sites since 2011. Electricity is supplied entirely from green electricity, and the fleet is continually expanded. We are investing in the necessary infrastructure and continually expanding our charging network for electric vehicles for employees and visitors. We have installed more than 100 e-charging points at our main site in Waldkirch. They will be expanded as needed here and at our other locations.

THE PROMOTION OF ENVIRONMENTALLY FRIENDLY TRANSPORTATION

For a global company like SICK, business trips between individual locations cannot always be avoided. However, we reduce such trips to a minimum and they are preferably carried out by rail travel or efficient travel planning with carpooling. In 2024, we adopted measures to reduce business trips, especially air travel, which led to a reduction in CO_2 emissions in Germany by about half compared to the previous year.

For many years, the Environmentally Friendly working group at SICK has also been committed to motivating and supporting employees in switching to environmentally friendly modes of transport.

[1] In line with CSRD ESRS Standard E1.
[2] In line with CSRD-ESRS Standard E5.

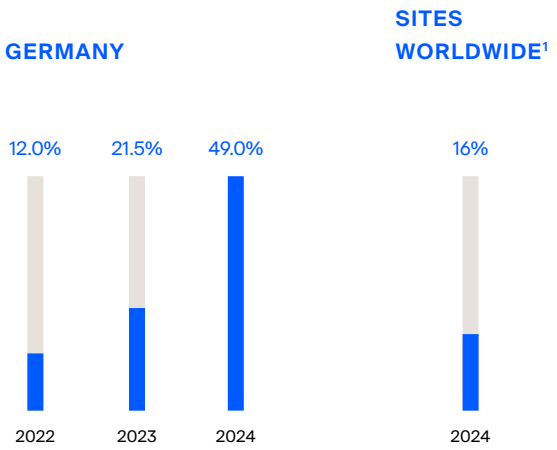
For example, it provides employees with information on bus and rail connections or carpooling, campaigns for employees' needs at transport services as needed, and organizes a company bicycle event.

GREEN CAR POLICY

As part of Germany's Green Car Policy, SICK is promoting the switch to electric vehicles. SICK's environmental bonus for employees makes battery-powered company vehicles financially attractive. In addition, subsidies are paid for the installation of a specified and calibrated wallbox, and SICK will cover the costs of charging the company car.

SICK is actively promoting the shift to sustainable driving through its Green Car Policy. Since 2024, only vehicles with a WLTP consumption of < 4.8 l/100 km or < 127 g/km have been available.

Goal: Increase in the share of electric vehicles in the SICK service car fleet to 50% by 2025 and to 75% by 2030



[1] Excluding Germany.

SOCIAL SUSTAINABILITY

1 NO POVERTY

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

FACTS AND FIGURES ON SOCIAL SUSTAINABILITY

>75
years of
corporate culture

11,804
employees
around the world

More than
100,000
training sessions held
worldwide

85%
of our employees say that they receive helpful measures to promote health

31.0%
proportion of women

OUR STAFF

Our employees'[1] expertise, vision, and willingness to take on new challenges are not only decisive success factors for SICK, but they also ensure the company's future in the long term. 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 towards our employees. This identity is reflected in our corporate image: "We are committed to technology for the good" and in our corporate values: innovation, independence, and leadership.

STRATEGIES RELATED TO THE COMPANY'S OWN WORKFORCE

The search for the best talents, their integration, and loyalty are of central importance to us. We recognize the opportunities this creates to bring together employees from different backgrounds and capabilities, and are fully committed to creating an inclusive and diverse environment. In doing so, we consider diversity to be an essential strength that helps us meet the challenges of the global market.

Continual adaptation to technological developments and changes in a dynamic work environment requires continuous professional development and the acquisition of current knowledge. Here, we see the need to support our employees through targeted training and programs to ensure they are able to meet the demands of the changing labor market.

The health and safety of our employees is a top priority at SICK. We acknowledge that a healthy work environment not only improves the quality of life of our workforce, but also has a direct impact on their productivity and satisfaction. That's why we continually invest in preventive measures, training, and resources to ensure that our employees can work in a healthy and safe environment.

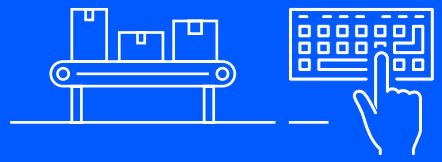
[1] In line with CSRD ESRS Standard S-1.

MATERIAL FIELDS OF ACTION FOR SOCIAL SUSTAINABILITY

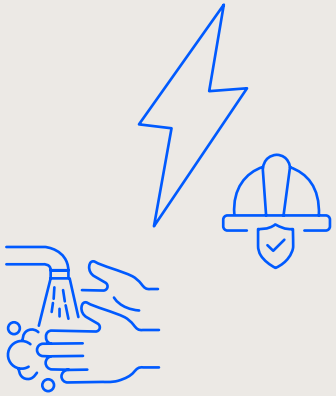
There are three key action areas of social sustainability derived from our corporate purpose.

EQUAL OPPORTUNITY FOR ALL EMPLOYEES WORLDWIDE

HIGH-QUALITY JOBS AND EDUCATIONAL OPPORTUNITIES FOR ALL EMPLOYEES WORLDWIDE



THE PROMOTION AND MAINTENANCE OF HEALTH AND SAFETY FOR ALL EMPLOYEES WORLDWIDE



THE EMPLOYEES

The SICK Group in Germany is made up of SICK AG, SICK-Vertriebs-GmbH, and SICK Engineering GmbH. The following analyses refer to this Group. Our strategic goal is to establish comprehensive global reporting for the entire Group starting in the fiscal year 2026.

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

Company	Male Full-time	Male Part-time	Total Male	Total in % Male	Female Full-time	Female Part-time	Total Female	Total in % Female	Overall
Total	4,345	347	4,692	70.2	1,272	717	1,989	29.8	6,681

NUMBER OF EMPLOYEES (AGE DISTRIBUTION)

	Number of employees and senior executives by age group					
Company / age groups	< 20	20–29	30–39	40–49	50–59	60 +
Total	74	782	1,755	1,572	1,108	437
Total in %	1	13	30	28	20	8

BREAKDOWN BY REGION AND GENDER (SICK GROUP WORLDWIDE)

	2023	2022	Change	2024
Overall number of employees as of 12/31	12,185	11,909	-3.1%	11,804
Employees as of 12/31 Germany	6,953	6,750	-3.7%	6,694
Employees as of 12/31 Europe, Middle East, and Africa	2,330	2,260	-3.7%	2,244
Employees as of 12/31 North, Central, and South America	1,204	1,171	-0.8%	1,194
Employees as of 12/31 Asia-Pacific	1,698	1,728	-1.5%	1,672
Average age of the SICK workforce (years)	41.2	40.9	1.4 %	41.8
Average length of service (years)	9.3	9.2	0.0%	9.3
Proportion of women	31.0%	32.4%	0.8%	31.0%
Research and development employees	1,760	1,611	-2.0%	1,725
Apprentices in the SICK Group	345	381	-7.0%	321
Training and education expenses (in millions of euros)	15.6	12.6	-12.3%	13.7
Fluctuation	1,023	998	-3.9%	983
Fluctuation (in percent)	8.4%	8.7%	-0.1%	8.3%

Diversity parameters

PROPORTION OF THE SEXES IN THE HIGHEST LEVEL OF MANAGEMENT AT THE SICK GROUP GERMANY

Company	Male	Female	Overall
Total	49	6	55

The basic values of our corporate culture are based on the conviction that all genders are equal. We also promote diversity within the workplace with respect to origin, ancestry, or religion. This attitude is firmly embedded in our principles of leadership and cooperation. In 2022, we set a visible example by signing the Diversity Charter, thus committing ourselves to the goal of promoting diversity and appreciation in all areas.

The vast majority of our employees consider the work environment to be fair and inclusive. According to the Great Place to Work survey, 97 percent confirm that everyone is treated equally, regardless of their sexual orientation. A similar figure can be seen in terms of nationality or ethnic origin, with 96% agreeing. Ninety-two percent also consider gender equality to be a given. In addition, respondents do not see age as a factor for unequal treatment within the company. Ninety percent agreed with the question about equal treatment.

Promoting diversity in our workforce offers important opportunities for our company. A diverse employee base improves our innovative strength. This not only helps to better meet the needs of our customers, but also solidifies our competitive advantage in the long term. On the other hand, a lack of diversity and variety carries risks: A lack of diversity could lead to limited adaptability to changing market conditions, negatively impact development opportunities, and create a competitive disadvantage in the long term. Continued efforts to promote diversity and inclusion are therefore essential for us.

WORKING CONDITIONS

Renumeration

Our goal is to ensure that all employees worldwide receive adequate compensation and to make it transparent. SICK AG's remuneration systems are generally based on position-based job evaluation procedures.

These evaluation procedures apply the applicable collective bargaining agreement or a global rating system based on the Towers Watson method. This ensures fair and task-oriented remuneration. The fair evaluation of work tasks is therefore integral to the system. The evaluation of positions is additionally reviewed by and approved by commissions with equal representation (employer and employee representatives).

Every employee has the right to have the classification of their position reviewed.

At the global level, recurring compensation studies ensure market-oriented remuneration for all employees worldwide. A globally consistent approach to job evaluation in accordance with the aforementioned global grading system will also be rolled out in order to establish uniform evaluation principles and methodology.

Gender differences

An analysis of 6,325 SICK employees in Germany found that the adjusted gender pay gap across all employee groups is -0.98 percent. This means that men's average pay is 0.98 percent lower than women's average pay. Differences can be attributed to employees' individual life and career paths.

Work-life-balance

The table below shows the number of employees in SICK Group Germany who took parental leave in 2023.

Company	Male	Female	Overall
Total	266	167	433

Our family-oriented human resources policy strives to achieve the best possible work-life balance. Thanks to the group-wide agreement on mobile work and flexible part-time models, employees at SICK in Germany can adjust their working hours to suit their individual life stages. The flextime model and the working time account enable flexible working time arrangements and the conversion of money into time for temporary reductions or paid leave. A comprehensive childcare program with flexible afternoon and vacation care, supported by partnerships and the Gisela und Erwin Sick Stiftung [Gisela and Erwin Sick Foundation], is an integral part of the program. In addition, since 2018, we have been offering full-day care at the SICK Family and Health Center's daycare center at the main site. In the interests of a better work-life balance, we support the search for places for childcare and attractive offers for children, young people, and families.

Health and safety

The health and safety of our employees is part of our social responsibility and an important prerequisite for the success of our business. To this end, we promote workplace well-being, enable people at SICK to optimally develop their health potential, and ensure that working conditions are designed to be safe and secure.

SICK operates a structured occupational health and safety management system (S&GA-MS), which aims to ensure the safety and health of employees at the workplace and to minimize work-related risks. This management system is implemented in accordance with ISO 45001 and follows the guidelines and requirements of this international standard for occupational health and safety management systems.

Some key features of our occupational health and safety management system pursuant to ISO 45001 are valid for all employees worldwide. Occupational health and safety policies are an integral part of our corporate policy, and demonstrate our commitment to protecting the health and safety of our employees.

The process for identifying workplace risks and implementing measures to mitigate and control risk is described in the document management tool and is consulted annually throughout the company. By continually adjusting and improving the management system based on management reviews, audits, the analysis of accidents and incidents, and employee feedback, we ensure continuous improvement in this area.

SICK AG's production facilities in Germany, SICK Engineering GmbH, and SICK-Vertriebs GmbH (SVD) are certified in accordance with ISO 45001. As a result, 76% of employees at production sites are covered by certification. By integrating the production facility in Hungary, the goal is to increase this share to 85% in 2026.

SICK AG has been committed to the "Luxembourg Declaration on Workplace Health Promotion" since 2007 and has established active and systematic health management. This includes measures ranging from health promotion and prevention to rapid support measures in acute cases and rehabilitation.

In order to ensure continuous development and meet current requirements, we run our health management as part of a continuous improvement process. We regularly optimize our employees' working conditions based on clear goals and structures. Based on the results, we implement targeted measures, assess them through feedback and external audits, and always strive to improve them.

The table below shows the comparison of SICK employees' sick leave relative to the industry. The industry value was deducted from SICK's internal value. Results in the negative range reflect a lower number of SICK employees on sick leave.

SICK sick leave compared to the industry	2021	2022	2023
AOK	–0.4	–0.2	–0.4
TK	–0.4	–0.5	–0.6
Barmer	–0.8	–1	–0.3

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

→ Sick leave below the industry average
→ A largely positive answer (60%) to the question of mental and emotional health

Indicator	Result
Disability leave was below the industry average in all reports (2021-2023)	2023 goal achieved
Over 60% agree that "Mental and emotional health is guaranteed in this workplace"	2023 result: 73% agreement goal achieved

KPI Lost Time Injury Frequency (LTIF)	2022	2023	2024
LTIF (200,000)	0.52	0.51	0.44
LTIF (1,000,000)	2.61	2.54	2.20
KPI Lost Work Day Rates (LWDR)			
LWDR (200,000)	4.80	6.47	4.81
LWDR (1,000,000)	23.98	32.34	24.06
Number of deaths due to work-related injuries and work-related illnesses	0	0	0
Number of injuries with downtime (more than 1 day's absence; the date of accident does not count)	45	49	38
Number of days lost due to injuries with downtime	413	624	416
Number of cases employees' work-related illnesses (more than 1 day's absence; the date of accident does not count)	37	26	1
Number of days lost due to employees' work-related illnesses	317	224	65

APPROACH TO OUR OWN WORKFORCE

Envolvement of the workforce

In Germany, the works council is the statutory representation of employees' interests in the company. The individual works councils are elected by the employees for periods of four years. The works council shapes the working conditions in the company by concluding working agreements with the employer. Suggestions, grievances, and suggestions from the workforce must be included in the works council's considerations and decisions. Individual employees therefore have an indirect influence on the company's working conditions. Furthermore, regular company and departmental meetings take place, enabling direct and unmediated contact between employees and employers.

The works council is organized into committees to which specific tasks and specialist operational topics are assigned. This ensures that the works council can exercise their rights and obligations – particularly co-determination rights – based upon competence. The cooperation between employees and the works council is based upon trust for the benefit of all. The chair of the works council and / or the deputy chair of the works council are the first points of contact and responsible for the works council's decisions.

In addition, SICK has several stakeholders around the world who represent the specific interests of specific groups of people. In Germany, the committee for people with severe disabilities promotes the integration of people with severe disabilities, represents their interests in the company, and provides advice and assistance. The committee for people with severe disabilities has the right to participate in the employee representatives' meetings and monitors compliance with the laws and regulations applicable to severely disabled people in the company. It also offers support to people with severe disabilities when they apply for benefits from the relevant services.

People with disabilities

SICK has concluded an integration agreement with the aim of permanently integrating people with illnesses or disabilities professionally. In doing so, SICK is committed to safeguarding employment and recruiting people with disabilities, implementing preventive measures, and creating barrier-free jobs, among other things.

As of the cut-off date of December 31, 2024, SICK employed 213 people with disabilities in Germany.

TRAINING AND SKILLS DEVELOPMENT

The Sensor Intelligence Academy

The Sensor Intelligence Academy (SIA) at SICK is centrally responsible for its employees' skills development and career management. It is also open to customers. Here, expertise from more than 75 years in the automation sector meets advanced training methods online and in person. In addition, the SIA campus at its headquarters in Waldkirch offers a unique learning location.

SICK's SIA offers employees around the world a comprehensive range of professional development opportunities in the areas of methodologies and expertise, product-oriented knowledge, industry and application knowledge, and corporate topics.

The campus offers practical technology training by enabling employees to work on sensors, equipment, and installations. The SIA offers efficient learning formats and various training formats ranging from face-to-face training to webinars. These technologies facilitate international cooperation and reduce travel expenses.

The SIA also operates as a separate business unit within the company, offering training and consulting services for customers, for example.

Skills management

Lifelong learning is a decisive factor for our sustainable business success, and offers employees valuable opportunities for development. The SICK Sensor Intelligence Academy (SIA) skills management, which also actively drives digital skills in the areas of leadership, cooperation, and innovation technologies, is a key element in this.

As part of SIA skills management, we offer our employees customized training and learning paths structured in skill development profiles. These are precisely tailored to specific areas of activity and enable tailor-made skill development.

In addition, we promote continuous training throughout our employees' entire professional careers – not only within their respective specialties, but also in other relevant topics. This creates prospects for changing positions within the company.

FIGURES, DATA, FACTS

Key figures for the SIA (Cut-off date 12/31/2024)

EMPLOYEE TRAINING WORLDWIDE

E-learning courses started
95,349 ↗

Classroom training sessions
1,510 ↗

CUSTOMER TRAINING

Sales
EUR million
2.46
↘ -3.1%

Order entry
EUR million
1.99
↘ -34.5%

CAMPUS CAPACITY UTILIZATION

Major events
72 internal
50 external

Booking rate YTD
87%

Number of YTD bookings
3,605

Full capacity utilization
28%

Integrated talent management

Our employees' competence and commitment are the basis for success in a competitive global market.

Our talent management aims to attract top talent worldwide and to develop, empower, and retain employees and senior executives. Our goal is to be an attractive employer that employees want to remain with for the long term.

Our talent management team has set the following goals for the next three to five years:

- **Identifying internal talent:** The preference is for employees to fill vacant positions in-house.
- **Career development tailored to fit:** At all stages of our professional careers, we provide our employees with the best possible support in actively shaping their own careers.
- **Stable work environment:** Low turnover creates a stable work environment.

We ensure that these goals are effectively implemented worldwide through an efficient and digitalized talent management process.

In all our activities, we place great value on a global approach to ensure harmonized and efficient processes. In a high-tech company, this is crucial for attracting and retaining the best minds.

Our efforts are already generally recognized: The positive results of "Great Place to Work" underscore our commitment to a motivational corporate culture.

Employee surveys

Every year, we carry out a structured employee experience process in order to obtain valuable feedback directly from employees and to understand their perspectives. We ask about various aspects of the workplace atmosphere and corporate culture.

The results of this annual employee survey are not only a guide to targeted measures to improve working conditions, but they also promote open dialog between employees and the top management.

Our goal is to involve all employees worldwide in this process. In 2024, we conducted a survey of 81 percent of our employees. Starting in 2025, more than 90 percent of all employees will be interviewed.

The following table shows the targets for measuring employees' satisfaction with their workplace.

	2024	2025	2026
Percentage of employees interviewed as part of the employee experience	81%	Over 90%	Over 90%

TRAINING

As in previous years, training was an important topic in our 2024 youth development program. Our goal is to retain the share of trainees in the workforce while simultaneously adapting the occupations and study programs to the company's needs.

At the regional level, we are actively involved in the school research center in Waldkirch, which makes an important contribution to promoting STEM education in the region. We share our experience from the student research center across the Southern Baden region. Our commitment to promoting and motivating a female target population will also remain a key future priority.

We are actively committed to strengthening the participation and interest of women in STEM education.

The SensorING trainee program gives university graduates a versatile entry point at SICK. The 12-month program is especially aimed at graduates in STEM professions. During this time, trainees develop into qualified skilled workers and take on demanding positions. The international expansion of the program in the coming years is a further step in promoting the company's global networking and digital transformation.

NUMBER OF TRAINEES AS OF DECEMBER 31, 2024 (NATIONAL)

TOTAL NUMBER OF TRAINING HOURS OFFERED AND ATTENDED:

100,000+
Trainings conducted worldwide

16,505
Total training participation

Total workforce worldwide

45.2%
Participants in at least one classroom training course

100%
Participants in at least one e-learning course

GOVERNANCE

GOVERNANCE

SEPARATION OF CORPORATE GOVERNANCE AND CONTROL [1]

- → SICK is a family-owned company.
- → The Management Board consists of six members and a Supervisory Board of twelve.
- → Good corporate governance is ensured by internal company regulations.

The SICK Group is a family-owned company with more than 75 years of successful business development. Together, the family of owners holds more than 95% of SICK AG. SICK Holding GmbH holds the majority of the shares.

A trusting cooperation between SICK's Management Board and the Supervisory Board, with a clear separation of responsibilities for corporate governance and control, are the cornerstones of our company's corporate governance structures. The SICK Group's commitment to corporate responsibility for independence and long-term, sustainable growth unites the Management Board as the management body and the Supervisory Board as the governing body.

SICK AG's six-member Management Board heads the company and is responsible for the SICK Group's strategy and business development of the SICK Group. The Management Board represents the company in court and out of court. The Chairman of the Management Board is responsible for the functional coordination of the business areas of the members of the Management Board; he also represents the Management Board and SICK AG to the public. SICK's Supervisory Board consists of twelve members and is staffed on an equal basis with shareholder representatives and employees. The Annual General Meeting elects the six shareholder representatives on the Supervisory Board, while the workforce of the German Group companies elects the employee representatives in accordance with the provisions of the Co-determination Act. The founding family is represented by two members on the Supervisory Board.

The Supervisory Board oversees the work of the Management Board and determines the broad guidelines of the SICK Group's business policy and corporate strategy together. In order to provide the Supervisory Board with a suitable informational basis, the Management Board is required under the German Stock Corporation Act to report on material aspects and processes to the Supervisory Board.

The Supervisory Board's duties and responsibilities include, for example, auditing the annual and consolidated financial statements, appointing and removing members of the Management Board, and representing the company to the members of the Management Board. In addition, certain transactions of the SICK AG Management Board require the express consent of the Supervisory Board. These transactions are set out in the rules of procedure for the Management Board. The Chair of the Supervisory Board convenes, prepares, and chairs the meetings of the Supervisory Board and chairs the Annual General Meeting. In particular, he also represents the Supervisory Board to the Management Board.

SICK AG shareholders exercise their rights at the Annual General Meeting. The resolution authority of the Annual General Meeting is generally based on the German Stock Corporation Act and includes amendments to the Articles of Association and capital measures, for example. The Annual General Meeting is held annually within the first eight months of each fiscal year. In particular, it decides on the discharge of the Management Board and the Supervisory Board, as well as on the appropriation of net retained profit, and elects an auditor. According to SICK AG's Articles of Association, each share grants one vote at the Annual General Meeting.

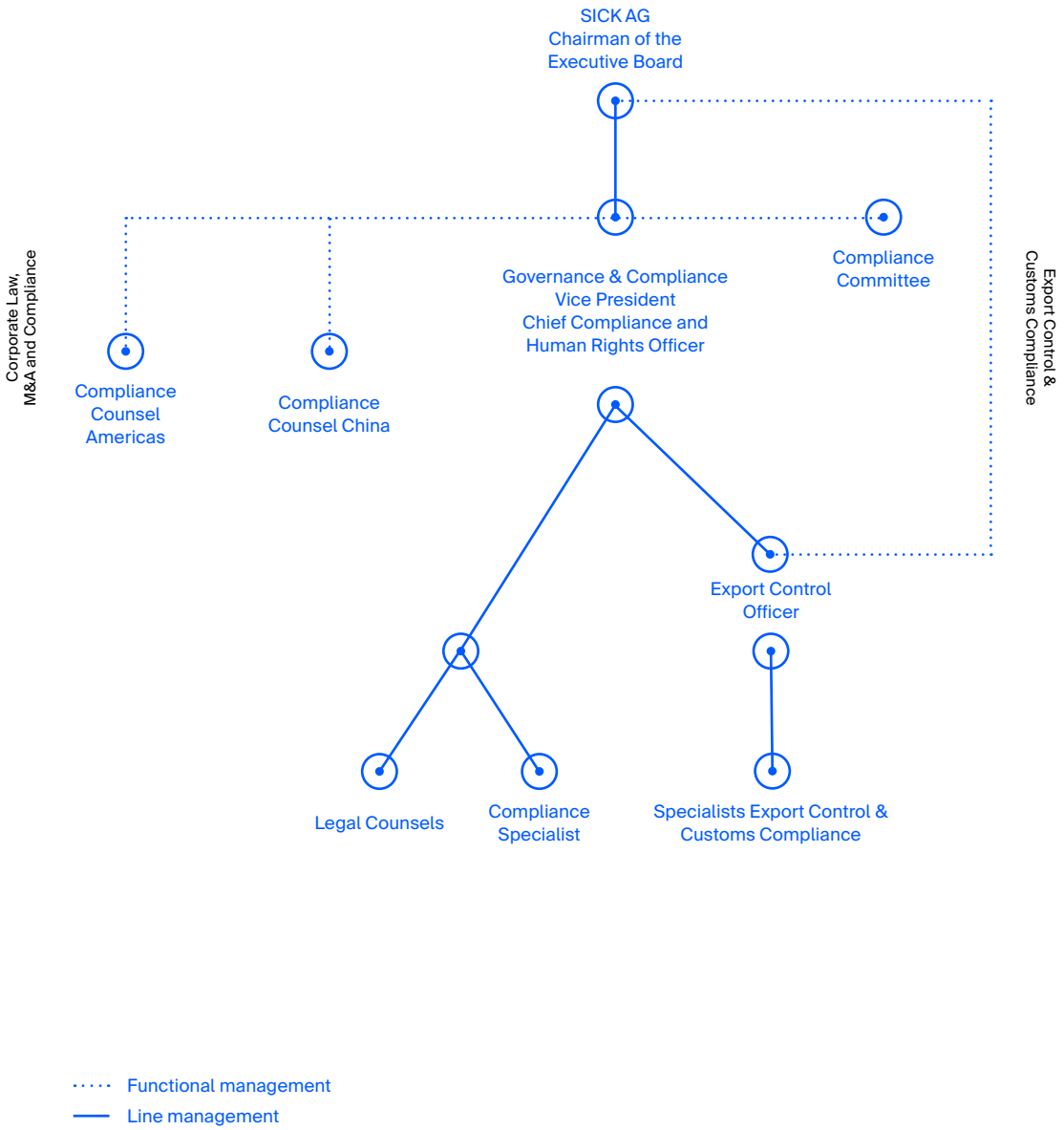
[1] Following CSRD ESRS 2 GOV-1 and GOV-2.

COMPLIANCE ORGANIZATION AT SICK

The Chairman of the Management Board is responsible for Compliance on the SICK AG Management Board. The Chief Compliance Officer reports directly to him. Together with other employees of SICK AG and its subsidiaries who are tasked with compliance duties, the Chief Compliance Officer is responsible for implementing, monitoring, and continually refining compliance management throughout the Group. He regularly informs the entire Management Board and the Audit Committee of the Supervisory Board about compliance at SICK.

The Compliance Committee, which is chaired by the Chief Compliance Officer, defines the Group's compliance requirements and supports the operating units in adopting and maintaining corresponding measures. It monitors the effectiveness of compliance management and initiates additional compliance activities as necessary. It is supported in this by regular internal and external audits that examine both potential compliance violations and any weaknesses in the compliance processes. The Compliance Committee comprises all of the company's Compliance-related departments, especially Internal Auditing, Data Protection, Information Security, Export Controls, Workplace Safety, Risk Management, and representatives from the works council.

In order to continually develop our compliance management, we introduced an internal directive for dealing with conflicts of interest in the 2024 fiscal year. This is in addition to the Group-wide Anti-Corruption Guidelines, which educate and sensitize our employees to all forms of corruption and bribery. In this directive, we defined and implemented principles of conduct and rules for preventing and forestalling conflicts of interest throughout the Group. In addition, we were able to achieve Group-wide training rates of well over 90 percent by introducing various compliance training courses, including on our code of conduct.



STATEMENT ON DUE DILIGENCE [1]

Protecting and respecting people and the environment is a top priority for SICK AG and its Group companies, and is an indispensable part of its corporate responsibility. Our sustainability due diligence starts at the top management level. The Management Board is committed to SICK's responsibility to promote sustainable practices and ensure that our decisions are consistent with applicable laws and our own ethical principles.

We have integrated the identification, assessment, and management of our material sustainability-related impacts, risks, and opportunities into our risk management process. Risk assessments are conducted annually using the internal risk management system to query and analyze risks. This is our method for identifying and assessing risks and, if necessary, for reducing them through specific measures, as well as for generating awareness and transparency about possible risks. In addition to SICK AG, all subsidiaries throughout the Group are also involved. The Enterprise Risk Assessment consists of a checklist of questions with various risk topics, particularly in the area of compliance and sustainability.

SUPPLY CHAIN DUE DILIGENCE ACT (LKSG)

We are committed to respecting fundamental labor rights in accordance with the applicable laws and the International Labor Organization's (ILO) core labor standards. Since the LkSG came into force on January 1, 2023, SICK AG, as a company with its registered office in Germany and more than 3,000 employees, has also been required by law to comply with certain due diligence. One of our objectives is to identify and minimize the risks of 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 as part of the risk management. Ad hoc risk analyses are conducted in addition to the annual risk analysis required by law.

On November 13, 2023, the SICK AG's Management Board adopted a policy statement on the Human Rights Strategy, which was last updated on December 9, 2024, and published on the company's website. We are also obligated to prepare a report on the fulfillment of the due diligence under the LkSG for each business year, and to make it publicly available on our website. Initial reporting for the 2023 fiscal year will take place early in 2025.

SICK creates a risk profile for all suppliers. As a basic requirement for a long-term business relationship with SICK, we expect our suppliers to comply with the principles of our supplier code and to promote them to the best of their abilities with their own suppliers. In order to be able to verify compliance with these standards, we reserve the right to carry out audits.

RISK MANAGEMENT AND INTERNAL CONTROL OF SUSTAINABILITY REPORTING [2]

Our risk management described above is an integral part of our sustainability efforts. We are aware that sustainability-related risks can have impacts on our business activities. We have therefore established a comprehensive risk management system aimed at identifying, assessing, and managing potential risks related to the environment, social responsibility, and governance in good time.

Compliance with sustainability-related requirements and legal requirements is monitored and controlled by an internal control system. To this end, the Sustainability Framework was established, consisting of internal stakeholders and tasked with continuously monitoring sustainability issues and goals, as well as reporting on sustainability.

The SICK Group already has extensive and well-established measures, processes, and evaluation options for meaningful reporting in the area of sustainability. In view of the upcoming mandatory sustainability reporting in the European Union under the Corporate Sustainability Reporting Directive, we will continue to improve the global data situation and establish or expand long-term development goals for the global organization based on the strategic goals of sustainability. We would also like to introduce prospective KPIs and take greater account of the perspective of people outside of our organization.

We ensure that ambitious targets are set and calculations are audited through internal audits as well as through our environmental, climate, and occupational health and safety certifications (ISO 14001, 50001, 45001, EMAS, Corporate Carbon Footprint, climate neutrality), the signing of the UN Global Compact, and our registration and evaluation with EcoVadis. Receiving the EcoVadis Platinum Medal places us among the top 1 percent of all companies rated by EcoVadis worldwide.

[1] Based on CSRD ESRS 2 GOV-4.
[2] Based on CSRD ESRS 2 GOV-5.

INCIDENTS RELATED TO HUMAN RIGHTS AT SICK

For SICK, adherence to human and employee rights applying both nationally and internationally is self-evident. We condemn all forms of discrimination or harassment; for example, on the grounds of ethnicity, religion, political opinion, gender, physical constitution, appearance, age, or sexual orientation.

No serious incidents of human rights violations were reported in the reporting period. There have been isolated reports of harassment or discrimination, and we have consistently pursued these reports. Where applicable, appropriate steps were taken after the completion of an internal investigation to protect those affected and prevent further incidents.

PROCEDURES AND CHANNELS FOR LODGING A COMPLAINT

The SICK Integrity Line, the SICK Group's internal reporting system, allows employees, customers, suppliers, and other external stakeholders to provide tips — anonymously if preferred — about misconduct, such as corrupt conduct or anti-competitive practices, and to ask questions about compliance issues. The SICK Integrity Line is a web-based platform that offers the option of communicating with anonymous whistleblowers via an electronic mailbox. The SICK Integrity Line is also the reporting system for the grievance process established at the SICK Group in the event of violations of human rights-related or environmental obligations within the organization, or by a direct or indirect supplier, under the German Supply Chain Due Diligence Act. In addition, whistleblowers and complainants can also contact the Chief Compliance Officer, the compliance team, or their line manager directly. Some Group companies also have their own reporting channel. Any indication of a compliance violation and any human rights- or environmentally-related complaint is reviewed and assigned to a suitably trained case officer, who will initiate internal investigations as necessary. Information is processed on a need-to-know basis, which ensures strict confidentiality. The Chief Compliance Officer, who is also SICK AG's Human Rights Officer, is responsible for investigating any incoming reports. In this respect, the CCO is independent and not bound by instructions. The company will determine the appropriate measures to eliminate and prevent misconduct. SICK's management welcomes the reporting of specific indications of compliance violations, and will not tolerate retaliations against whistleblowers and complainants who raise concerns in good faith.

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 Objective	Location	Date	Status Target Business Year 2023	Status Target Business Year 2024	Measures	Progress Action as % 2023	Progress Action as % 2024
FAIR CLIMATE & GREEN ENERGY								
Balance sheet on climate neutrality	Reduction of balance sheet-based GHG emissions in Germany to 0 for Scope 1, 2, and defined Scope 3 emissions[1] **KPI:** Emissions per energy consumed, less offset emissions [CO_2eq/kWh]	G	Since 2013	0 g CO_2eq/kWh	0 g CO_2eq/kWh	(1) GHG reduction through the measures described in the fields of action, including GHG compensation	(1) 100%	(1) 100%
	Continuous reduction of the compensation rate relative to Scope 1 and 2 **KPI:** Compensation rate [%] (= share of compensated energy in total energy use in kWh)	G	By 2030	56%	52%	Overall measure. For measures, see sustainable heat supply, energy efficiency, and renewable energies	–	–
	Reduction of the balance sheet-based GHG emissions of the global production sites, excluding Germany, to 0, with regard to Scope 1 and 2 **KPI:** Emissions per energy consumed, less compensated emissions [g CO_2eq/kWh]	W (excl. G)	By 2025	238 g CO_2eq/kWh	177 g CO_2eq/kWh	(1) Determining the GHG emissions of our global production sites (2) Transition of the global production sites to renewable energy supplies, including self-generation. We have been purchasing green electricity at the Minneapolis site since 2024 (3) Compensation for unavoidable emissions from 2025. We present our compensation ratio from this date onwards	(1) 100% (2) 36% (3) 0%	(1) 100% (2) 73% (3) 0%

[1] Defined Scope 3 emissions = business travel and commuting by employees.

G = Germany
W = worldwide

Environmental Aspect	Specific Objective	Location	Date	Status Target Business Year 2023	Status Target Business Year 2024	Measures	Progress Action as % 2023	Progress Action as % 2024
	Reduction of the balance sheet-based GHG emissions of our global production sites outside of Germany to 0, with regard to defined scope 3 emissions[1] **KPI:** Emissions per energy consumed, less compensated emissions [g CO_2eq/kWh]	W (excl. G)	By 2030	–	–	(1) Recognition of defined Scope 3 emissions	(1) 50%	(1) 50%
Energy efficiency	Saving 0.5% of the previous year's energy consumption (electrical and thermal) annually through efficiency measures **KPI** target for 2023: -247 MWh **KPI** target for 2024: -237 MWh **KPI** target for 2025: -235 MWh	G	From 2022	100%	100%	(1) Energy efficiency measures to achieve the 0.5% goal 2023 (D): 237 MWh – measures implemented: – Pump replacement (approx. 85,000 kWh) – Ventilation systems optimized (approx. 400,000 kWh) – Total savings > 485,000 MWh	(1) 100%	(1) 100%
		W (excl. G)	From 2023 / 24	30%	30%	(2) Involvement of global sites and determination of savings potential from 2023 / 2024	(2) 30%	(2) 30%
Sustainable heat supply Heat with an emission factor CO_2 equivalent: 0 g/kWh	Continuous reduction of GHG emissions caused by fossil fuels **KPI:** Share of sustainable heat supply (%) = sustainable thermal energy (kWh) / total heat demand (kWh)	G	2030	8.2%	9.1%	(1) Continuous increase in the proportion of sustainable heat supply, e.g. through the use of heat pumps	(1) 8.2%	(1) 9.1%
		W (excl. G)		< 5%	< 5%	(2) Development of further key performance indicators and measurable goals	(2) 100% (G) 0% (W)	(2) 100% (G) 0% (W)
						(3) New building in Waldkirch: construction of ventilation systems with air / water / heat pump, completion Q2 / 25		(3) 70%
						(4.1) Plant 5, Donaueschingen: Supply via air / water / heat pump, simultaneously		(4.1) 60%
						(4.2) Development of the planned waste heat potential from process waste heat for use in 2026, completion Q2 / 25		(4.2) 10%
Renewable electricity supply	Third-party procurement of certified green electricity at all SICK sites in Germany **KPI:** Share of certified green electricity [%] = Third-party purchase of green electricity [MWh] / Total third-party purchase of electricity [MWh]	G	Since 2013	100%	100%	(1) Purchase of green electricity in accordance with the strict criteria of the OK power standard, which especially promotes the expansion of new facilities	(1) 100%	(1) 100%
	Third-party purchase of certified green electricity at all of SICK's global production sites outside of Germany **KPI:** Share of certified green electricity [%] = Third-party purchase of green electricity [MWh] / Total third-party purchase of electricity [MWh]	W (excl. G)	2025	46%	70%	Review of the availability of green electricity at all other production sites started. (1) Hungary (since 2022) (2) Production in America (since 2024) (3) Production in Asia	(1) 100% (2) 0% (3) 0%	(1) 100% (2) 87% (3) 0%

[1] Defined scope 3 emissions = employee business trips and commutes

G = Germany
W = worldwide

Environmental Aspect	Specific Objective	Location	Date	Status Target Business Year 2023	Status Target Business Year 2024	Measures	Progress Action as % 2023	Progress Action as % 2024
	Expansion of renewable energies (especially photovoltaics) at all SICK sites ≥ 15% **KPI:** Share of our own generation of renewable energy [%] = PV electricity consumption [MWh] / total electricity consumption [MWh]	G W (excl. G)	2030	5.2% 0.2%	6.7% 3.8%	(1) Conducting a potential analysis of existing and planned buildings in order to achieve PV expansion targets (1.1) Feasibility study of a 1 MW_p PV system for the Waldkirch site (1.2) Cost-effectiveness analysis of a parking lot PV roof at the site in Hungary (2) **PV expansion plan** **New commissioning in Germany in 2024:** no new commissioning **In planning:** (2.1) Waldkirch – WA building (2025) 0.1 MW_p (2.2) Donaueschingen – Plant 5 (2024) 0.3 MW_p **Under review:** (2.3) Waldkirch – WD building, (2025) 0.6 MW_p (2.4) Reute – RT building (2024) 0.2 MW_p **Global:** (2.5) Malaysia location (2025) 1.8MW_p	(1) Continuous (1.1) 70% (2.1) 20% (2.2) 0% (2.3) 20% (2.4) 10%	(1) Continuous (1.1) 100% (1.2) 100% (2.1) 70% (2.2) 80% (2.3) 40% (2.4) 40% (2.5) 70%

BIODIVERSITY

Species diversity	Promote species diversity through flower beds and the creation of new habitats on all of SICK's own green spaces	G / W	2030	Continuous	Continuous	(1) Applying indigenous flowering seed mixtures to newly planted green areas (2) Transition of mowing cycles on existing land (3) Facade greening of the parking garage in Waldkirch, target 2024	(1) Continuous (2) Continuous (3) new target	(1) Continuous (2) Continuous (3) 100%
	Biodiversity concepts for new buildings	G	2030	Continuous	Continuous	(1) Preparation of a biodiversity concept for the Reute plant expansion, with the aim of integrating nature-oriented and climate-adapted open spaces and buildings	(1) 5%	(1) 100%

G = Germany
W = worldwide

Environmental Aspect	Specific Objective	Location	Date	Status Target Business Year 2023	Status Target Business Year 2024	Measures	Progress Action as % 2023	Progress Action as % 2024
GREEN MOBILITY								
E-mobility	Increase in the share of battery-powered vehicles to reduce GHG emissions in the SICK company vehicle fleet: 2025 – 50% of the entire vehicle fleet 2030 – 75% of the entire vehicle fleet	G W	2025 / 2030	21.5% < 5%	49% 16%	**Germany:** (1) Support for electric vehicles through a SICK environmental bonus of EUR 350 per month, which is included in the reference lease rate, irrespective of government support (2) Support for wallboxes with an additional EUR 350, irrespective of government support (3) Assumption of electricity costs by SICK if sustainable green electricity is charged **Global:** (4) Consulting all subsidiaries regarding fleet status	(1) 100% (2) 100% (3) 100% (4) 100%	(1) 100% (2) 100% (3) 100% (4) 100%
Combustion	Reducing emissions in conventional vehicles powered by combustion engines	G / W	2021–2024	< 154 g/km	< 127 g/km	(1) In Germany, the only models that have been available since 2021 are those with WLTP consumption < 5.8 l/100 km (or GHG emission) < 154 g/km) (2) From 2024, only models with WLTP consumption < 4.8 l/100 km or 127 g/km will be available in Germany (3) For environmental reasons, gasoline-powered vehicles can only be ordered as plug-in hybrids (4) The thresholds have also been applicable internationally since 2023	100% (G) 100% (W)	< 127 g/km will apply from 1/1/2024 to all new vehicles powered by combustion engines
Charging infrastructure	Expansion of charging infrastructure at all SICK locations as needed	G / W	2030	Continuous	Continuous	(1) Expansion of the charging infrastructure as needed. Our main plant in Waldkirch has > 100 charging points. Additional charging stations are added annually as needed.	(1) 100%	(1) 100%
Business travel	Reducing GHG emissions due to business travel by focusing on video conferencing, rail travel, and avoiding air travel (base year Germany 2019: 4,556 tons of CO_2) **KPI:** GHG emissions per year	G	2030	6,158 t CO_2eq (G)	3,150 t CO_2eq (G)	(1) Reducing air travel wherever possible (2) SICK Green Travel Policy for global locations	(1) 100%	(1) 100% (2) in planning

G = Germany
W = worldwide

Environmental Aspect	Specific Objective	Location	Date	Status Target Business Year 2023	Status Target Business Year 2024	Measures	Progress Action as % 2023	Progress Action as % 2024
GREEN MATERIALS								
Environmentally friendly and resource protective materials	Develop a strategy for using recyclates and materials based on renewable raw materials in our products.	W	2024 → Target post-poned to 2025	90%	90%	(1) Integration of Green Materials into the PEP 4.0 central development process by 2024 → target postponed to 2025	(1) 20%	(1) 20%
	Development of a database of sustainable materials as an alternative to existing materials	W	Continuous	Continuous	Continuous	(1) Standardized procedure for testing specimens (2) The qualification of sustainable materials through initial materials testing will start in 2023. The first test specimen and the first housing part (cover) of a sensor were manufactured from plastic recycled material. Tests and results are pending. (3) Identification of further use cases for applying recyclates, including conducting tests for qualification from 2023 onwards (4) Qualify the basic selection of recycled materials for standard application and make it available for use. One aggregate was qualified in 2024	(1) 80% (2) 60% (3) 5% (4) 0%	(1) 80% (2) 60% (3) 5% (4) 5%
GREEN PACKAGING								
Environmentally friendly packaging	Prevention and reduction of packaging wherever possible; use of recycled packaging material; reduction of plastic packaging **KPI:** in preparation	W	2030	Continuous	Continuous	(1) Derive measures and standards for optimizing packaging based on the results of packaging analysis (2) Reduction of 50% plastic use in the Buchholz logistics center (avoidance of filling material / introduction of reusable packaging between SICK logistics centers) (3) Determination of master packaging data in terms of material, weight, and volume (by the end of 2024) (4) Expansion of KPIs to global locations	(1) 20% (2) 20% (3) 5%	(1) 30% (2) 50% (3) 75% (4) new target

G = Germany
W = worldwide

Environmental Aspect	Specific Objective	Location	Date	Status Target Business Year 2023	Status Target Business Year 2024	Measures	Progress Action as % 2023	Progress Action as % 2024
GREEN LOGISTICS								
Rail and maritime transport	Increase in the share of rail and ocean freight **KPI:** Share of total freight by rail and ocean freight [%]	W	2030	Paused[1]	1.5% (early Dec 24)	Development of an overall concept for increasing the share of rail and ocean freight. The overall concept includes: (1) Warehouse replenishment concept: Identification of materials / goods suitable for maritime and rail transport, including process adaptation (Demand Inventory Planning) (2) Identification of further potential and definition of further goals	Paused[1]	Product Center Asia → Buchholz in Q4 to determine requirements for standard
	Use of a constant rail line for goods transport between the Buchholz Distribution Center (DC) and China	W	Since 2020	Paused[1]	Paused[1]	The use of the rail connection between Buchholz DC (Germany) and FCC Jiaxing (China), which was initiated in 2020, had to be discontinued from 2022 and will be resumed as soon as possible.	Paused[1]	Reopening has been considered, but is not possible due to ongoing sanctions against Russia.
	Increase in the share of ocean freight from Germany to the USA to 20% **KPI:** Share of ocean freight of total freight from Germany to the USA (%)	W	2025	2%	13% (early Dec 24)	The target could not be reached due to the current delivery situation and availability of ocean freight capacities, and will be reassessed as part of the overall concept.	Paused[1]	Ocean freight is again being used in a small project scope

[1] 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 Objective	Location	Date	Status Target Business Year 2023	Status Target Business Year 2024	Measures	Progress Action as % 2023	Progress Action as % 2024
GREEN BUILDINGS								
New buildings	Improving the building energy standard	G / W	Continuous	Continuous	Continuous	(1) Evaluation of different energy concepts for new construction projects	(1) Continuous	(1) Continuous
						(2) Implementing a sustainable heat supply: where technically possible, using sustainable heat generators instead of fossil heat generators	(2) Continuous	(2) Continuous
						New construction projects:		
						(3.1) New Waldkirch building – Effizienzhaus 55 energy standard – ~100kWp PV system – Air / water heat pump for operation of the ventilation systems	(3.1) 30%	(3.1) 80%
						(3.2) Campus USA – Construction phase 2 – Set out in the planning: heat pumps with geothermal energy	(3.2) 10%	(3.2) 40%
						(3.3) Expansion of the Reute plant – The aim is to provide all thermal energy with renewable energy sources – Preparation of an energy concept based on 100% renewable energy sources	(3.3) 0%	(3.3) 100%
						(3.4) New building in Malaysia – certified sustainable building in accordance with the Green Building Index Gold / Platinum	(3.4) 0%	(3.4) 100% Planning completed, start of construction in 2025
						(3.5) New building, Plant 5, Donaueschingen – Sustainable heat supply using air / water / heat pump, tapping into the waste heat potential of machining as a source for later design of a heat pump		(3.5) 70%
Existing buildings	Minimizing heat losses and determining energy saving potential	G	Continuous	Continuous	Continuous	(1) Expansion of the energy measurement concept	(1) Continuous	(1) Continuous
						(2.1) Preparation of a transformation concept for the Reute production site – existing		(2.1) 70%
						(2.2) Site transformation – Reute		(2.2) 5%

G = Germany
W = worldwide

Environmental Aspect	Specific Objective	Location	Date	Status Target Business Year 2023	Status Target Business Year 2024	Measures	Progress Action as % 2023	Progress Action as % 2024
Operation of buildings	Identifying energy savings potential	G	Continuous	Continuous	Continuous	(1) Optimizing ventilation systems: (1.1) Analysis of the current situation and identification of measures (1.2) Implementation of initial measures (2) Optimization of the heating centers in Waldkirch / Buchholz / Reute: a) Analysis of operations b) Deriving optimization potential c) Implementation of initial measures (3) Introduce an expanded technical monitoring concept at the sites in Waldkirch and SIA Buchholz	(1.1) 100% (1.2) 5% (2) 10%	(1.1) completed (1.2) 30% (2) 100% (3) 20%

GREEN OFFICE

Copier paper	Introduction of recycled paper	G	2021	100%		(1) Introduction of recycled paper and reduction of the level of whiteness from ISO 100 to ISO 80 in Germany	(1) 100% (G)	(1) completed
		W	2024	0%		(2) Expansion to global production sites: (Pilot: Hungary from 2025).	(2) 0%	(2) Start: 2025

GREEN IT

Energy consumption	Reduction of energy consumption **KPI:** in preparation	W	Continuous	Continuous	Continuous	(1) Definition of measurable targets for our Waldkirch data center: Upon completion of the counter installation, the energy consumption can be measured. According to current knowledge and also to legal requirements, no further optimizations are necessary or sensible. (2) Testing of energy-efficient cooling for the relocation of the server room to Reute	(1) 50%	(1) 100% (2) new target
Resource	Reduction of resource consumption	W	Continuous	Continuous	Continuous	(1) Development of an overall concept, particularly taking into account IT end devices, including mobile devices, telephones, and smartphones, by 2023. → Continuation in 2024 including expansion of follow-print in the Group and replacement of the on-print servers with cloud print servers (2) Definition of measurable targets: Softphone penetration rate: > 75%[1]	(1) 50% (2) 80%	(1) 100% (2) 90%

[1] 75% refers to the units that use IP telephony. The global IP telephony rollout will be completed in 2024.

G = Germany
W = worldwide

Environmental Aspect	Specific Objective	Location	Date	Status Target Business Year 2023	Status Target Business Year 2024	Measures	Progress Action as % 2023	Progress Action as % 2024
GREEN CATERING								
Regionality	Use of 60% regional products **KPI:** Percentage of products sourced from regional producers (relative to purchase volume) (regional = within Germany, radius usually < 60 km from use site)	G	Since 2022	60%	60%	(1) Purchase of 60% of products from regional sources[1]	(1) 100%	(1) 100%
Meat consumption	Reducing meat consumption **KPI:** Number of dishes with meat / Total number of dishes [%]	Wa R	2022 2030	34% 58%	34% no value	(1) Waldkirch: In our largest company restaurant by far, in Waldkirch (approx.: 70% of the total food in Germany), the all-inclusive concept was changed to a surcharge concept for meat. The change has reduced meat consumption by over 50%. The vegetarian offerings are to be expanded (2) Reute: When planning the catering facility for the plant expansion in Reute, the goal is to align it with the concept of the company restaurant in Waldkirch in order to reduce the consumption of meat and fish. Meat consumption was first determined at 58% in 2023. Further monitoring is not currently taking place. Reute is the second largest location and accounts for approximately another 20% of food in Germany.	(1) 100% (2) –	(1) 100% (2) –
GREEN SUPPLY CHAIN								
Suppliers	Development of the top suppliers towards climate neutrality in Scope 1 and 2 (equivalent to 80% of the purchase volume)	W	2030	3%	3%	(1) Setting sustainability criteria and developing an agreement to reduce GHG emissions (by 2023) → Goal postponed to 2025 due to integration of current legal developments & standards (CSRD & SBTi) (2) Regular review of selected sustainability criteria in the supplier base and in the supplier phase-in process of strategic suppliers (3) Inclusion of sustainability criteria in award decisions → target postponed to 2025 (see (1))	(1) 50% (2) 80% (3) 5%	(1) 60% (2) 85% (3) 20%

[1] in monetary terms

G = Germany
W = worldwide
R = Reute
Wa = Waldkirch

Environmental Aspect	Specific Objective	Location	Date	Status Target Business Year 2023	Status Target Business Year 2024	Measures	Progress Action as % 2023	Progress Action as % 2024
GREEN SENSOR SOLUTIONS								
Sensor solutions	Development of sensor solutions in the areas of renewable energy generation (photovoltaics, hydrogen, wind power), as well as production and logistics (efficiency gains, emissions monitoring)	W	2025	Continuous	Continuous	(1) Development of a natural gas meter for operation with a gas mixture of up to 30% hydrogen (2) Development of calibrated meters for a hydrogen concentration of 100%. A sensor for measuring the purity of hydrogen was integrated into the meter (3) Development of sensors for analyzing hydrogen, particularly for use in large-scale electrolysis and the use of hydrogen (industrial heat generation) (4) Provision of a complete range of new functions for measuring clean energy with a quantity and quality analysis by the end of 2025 (5) Development of a gas meter for calibrating captured CO_2 (5.1) gaseous (5.2) liquid	(1) 100% (2) 85% (3) 20% (4) 20%	(1) 100% (2) 85% (3) 30% (4) 30% new target: (5.1) 75% (5.2) 15%
GREEN PRODUCTION								
Energy efficiency	Reducing the energy consumption of our production facilities **KPI:** in preparation	G	2025	–	–	(1) Conducting basic research including possible introduction of stand-by / sleep / wake-up modes. Completion planned for 2024. → Not yet fully completed because different machines and systems still need coordination with manufacturers (2) Systematic analysis of energy consumption data for new production facilities – Installation of measuring devices (compressed air and electricity) is being installed in new internally developed equipment. – Determination of specifications for externally procured equipment (3) Setting standards for developing future production facilities using sustainable and energy-efficient components (4) Development of KPIs for measuring energy efficiency and application of KPIs from 2025 Goal: Quarterly evaluation with display via dashboard	(1) 90% (2) 70% (3) 40% (4) 90%	(1) 90% (2) 80% (3) 80% (4) 90%

G = Germany
W = worldwide

Environmental Aspect	Specific Objective	Location	Date	Status Target Business Year 2023	Status Target Business Year 2024	Measures	Progress Action as % 2023	Progress Action as % 2024
Recycling / circular economy	Packaging	G	2025	–	–	(1.1) Approach to reducing and reusing disposable packaging – Final packaging – Production packaging (1.2) Use of shuttle packaging (reusable)	(1.1) 30% 50% (1.2) 40%	(1.1) 40% 60% (1.2) 60%
GREEN PRODUCT DESIGN								
Product Carbon Footprint (PCF)	Development of a method for calculating the Product Carbon Footprint (PCF) for SICK products as a basis for ecological product design	W	2027	–	–	(1) Product Carbon Footprint Project to implement initial PCF for selected products (2025)	(1) 25%	(1) 30%

G = Germany
W = worldwide

ENERGY CONSUMPTION, WATER CONSUMPTION, AND EMISSIONS

SICK GROUP

	2022	2023	2024
Energy consumption [MWh]	93,786	95,600	95,288
External procurement of natural gas	26,745	24,080	24,250
External procurement of electricity	34,372	35,492	37,189
External procurement of district heating	1,547	1,507	1,191
External procurement of heating oil	50	558[1]	51
Consumption of our own PV electricity	1,373	1,482	2,302
Fuel	29,699[2]	32,481[2]	30,306
Proportion of renewables – absolute [MWh]	27,522	27,893	28,327
Proportion of renewables – relative [%]	29%	29%	30%
Water in m^3	85,418	93,303	86,325
Total CO_2 emissions in [t]	17,086[2]	17,517[2]	15,803
Scope 1 – Direct emissions	13,109	13,126	12,275
Scope 2 – Location-based indirect emissions	3,976	4,391	3,528
Waste			
Total waste quantity [t]	2,457	2,339	2,351
Non-hazardous waste	2,352	2,226	2,209
Hazardous waste	140	133	142

[1] 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.
[2] Not all the correct 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 correct data is now available and has been adjusted.

SICK GERMANY

Scopes 1 and 2	2022	2023	2024
Energy consumption by energy source [MWh]	57,183	55,264	53,398
Stationary			
External procurement of natural gas	21,989	19,523	19,392
External procurement of district heating	1,100	1,100 [1]	982
External procurement of heating oil	50	558	51
External procurement of electricity	21,349	21,164	21,628
Consumption of our own electricity PV	1,373	1,448	1,718
Mobility			
Fuel	11,138	10,881	8,400 [2]
Electricity charging stations	184	591	1,226
Electricity performance indicators			
Total consumption, electricity	26,949	26,530	27,007
Own use, PV [MWh]	1,373	1,448	1,718
Own use, CHP (from gas) [MWh]	4,227	3,918	3,661
Share of PV in total electricity consumption	5.1%	5.5%	6.4%

[1] 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.
[2] Thanks to the continuous transition of our vehicle fleet to electric vehicles, fuel consumption is declining while electricity consumption is increasing.

SICK GERMANY

	2022	2023	2024
Total offsetting ratio [1] [%]	58%	56%	52%
Offsetting ratio, stationary [%]	48%	46%	44%
Use of renewable energy [MWh]	23,822	23,712	24,329
Use of fossil-based energy [MWh] with carbon offsetting	22,039	20,081	19,443
Offsetting ratio, mobility	98%	95%	87%
Avoidance through renewable energy	184	591	1,226
Fossil-based energy offset	11,138	10,881	8,400
Scopes 1 and 2 and defined Scope 3			
Total CO_2 emissions in [t]	14,443	17,480	13,797
Scope 1 – Direct emissions	7,304	6,864	6,135
Scope 2 – Location-based indirect emissions	39	157 [2]	219
Scope 3 – Other indirect emissions	7,100	10,459	7,443
Business trips	1,976	6,158 [3]	3,150 [4]
Commuting by employees (since 2020)	5,125	4,300	4,293
Water in m^3	52,375 [5]	50,526 [5]	44,268
Waste			
Total waste quantity [t]	1,771	1,608	1,462
Non-hazardous waste	1,654	1,496	1,369
Hazardous waste	117	112	93

[1] 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.
[2] Since 2023, electric vehicle charging has been integrated into public charging stations. Assumption of a German electricity mix (0.434 kg CO_2eq/kWh). The emissions factor was increased to 0.498 kg CO_2eq/kWh on the advice of our climate accounting firm, DEKRA (source emissions factor: German Umweltbundesamt central environmental authority).
[3] The reason for the visible increase is the resumption of business travel after the coronavirus pandemic.
[4] In 2024, air travel was severely curtailed due to cost-cutting measures aimed at reducing business travel, resulting in a significant reduction in CO_2 emissions.
[5] Not all the correct 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 correct data is now available and has been adjusted.

Production Europe comprises our sites in Germany and Hungary.

PRODUCTION EUROPE

	2022	2023	2024
Energy consumption [MWh]	67,687	65,279	61,190
External procurement of natural gas	23,508	20,794	19,821
External procurement of electricity	26,149	26,411	26,170
External procurement of district heating	1,100	1,100	855
External procurement of heating oil	50	558[1]	51
Consumption of our own electricity PV	1,373	1,482	2,157
Consumption of our own electricity BHKW	4,227	3,918	3,610
Fuel	11,280	11,016	8,525[2]
Proportion of renewables – absolute [MWh]	27,522	27,893	28,327
Proportion of renewables – relative [%]	41	43	46
Proportion of self-generated electricity – relative [%]	18	17	18
Water in m^3	54,147	58,661	46,908[3]
Total CO_2 emissions in [t]	7,676	7,310	6,437
Scope 1 – Direct emissions	7,649	7,153	6,239
Scope 2 – Location-based indirect emissions	27	157	198
Waste			
Total waste quantity [t]	2,020	1,837	1,644
Non-hazardous waste	1,889	1,714	1,514
Hazardous waste	131	123	130

[1] 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.
[2] The continuous transition of our vehicle fleet to electric vehicles reduces fuel consumption and increases electricity consumption.
[3] Savings measures, particularly in Waldkirch and Hungary, have helped to significantly reduce water consumption.

Production Asia comprises our sites in Malaysia, Singapore, and China. (Changzhou City, Jiangsu Province, Beijing).

PRODUCTION ASIA

	2022	2023	2024
Energy consumption [MWh]	3,487	3,583	3,657
External procurement of natural gas	877	913	951
External procurement of electricity	2,509	2,570	2,621
Fuel, vehicle fleet	101	101	84
Water in m^3	11,098	12,611	10,341
Total CO_2 emissions in [t]	1,590	1,632	1,666
Scope 1 – Direct emissions	198	204	209
Scope 2 – Location-based indirect emissions	1,393	1,427	1,457
Waste			
Total waste quantity [t]	258.0	302.8	350.9
Non-hazardous waste	248.4	292.9	342.5
Hazardous waste	9.6	9.9	8.4

Production in America includes our sites in Minneapolis and Houston.

PRODUCTION AMERICA

	2022	2023	2024
Energy consumption [MWh]	4,135	4,595	3,965
External procurement of natural gas	1,592	1,769	1,721
External procurement of electricity	2,510	2,789	2,208
Fuel, vehicle fleet	32	36	35
Water in m^3	9,921	11,023	8,127
Total CO_2 emissions in [t]	1,310	1,454	467[1]
Scope 1 – Direct emissions	331	366	357
Scope 2 – Location-based indirect emissions	979	1,088	110
Scope 3 – Other indirect emissions			
Waste			
Total waste quantity [t]	179.55	199.52	156.61
Non-hazardous waste	179.50	199.44	156.61
Hazardous waste	0.05	0.08	–

[1] Thanks to the U.S. production plants' continuous transition toward green electricity, CO_2 emissions have dropped dramatically.

SITES WITHOUT PRODUCTION (SALES, DEVELOPMENT, LOGISTICS)

	2022	2023	2024
Energy consumption [MWh]	28,640	30,087	30,703
External procurement of natural gas	3,351	2,532	2,567
External procurement of district heating	492	457	336
External procurement of electricity	6,685	6,012	6,185
Fuel, vehicle fleet	18,111[1]	21,086[1]	21,615
Wasser in m^3	19,291	17,941	20,949
Total CO_2 emissions in [t]	6,510[1]	7,120[1]	7,234
Scope 1 – Direct emissions	4,932	5,402	5,470
Scope 2 – Location-based indirect emissions	1,578	1,718	1,764

[1] Not all the correct 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 correct data is now available and has been adjusted.

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