



May 30th, 2025

The Honourable Gary Anandasangaree
Minister of Public Safety
Public Safety Canada
269 Laurier Avenue West
Ottawa ON K1A 0P8

Forced Labour in Canadian Supply Chains Report Financial Year 2024

Introduction and Organizational Structure

SICK Ltd. is a corporation organized under the laws of New Brunswick with a principal place of business in Ontario, and is a wholly owned subsidiary of SICK AG, (hereinafter collectively referred to as the “SICK Group”, “SICK” or the “Group”). SICK sells world-leading sensors and sensor solutions for industrial applications. In 2024, SICK Ltd. held more than \$20 million in assets and generated more than \$40 million in revenue, with fewer than 60 employees on average in Canada.

Compliance with nationally and internationally valid human rights and workers’ rights is a matter of course for SICK. The protection and respect of every person is SICK’s highest priority and are an indispensable element of corporate responsibility. SICK condemns any form of modern slavery, including human trafficking, slavery, or servitude, forced, compulsory, or involuntary labour, debt bondage, deceptive recruiting, forced marriage, and the Worst Forms of Child Labour (as defined by International Labour Organization (“ILO”) standards). We emphasize this by stipulating clear rules for ethical business conduct for our own employees and our business partners in SICK’s Code of Conduct and SICK’s Supplier Code of Conduct.

The SICK Group was founded by Dr. Erwin Sick in Vaterstetten near Munich in 1946. SICK AG is a stock corporation under German law. Approximately ninety-five percent of its shares are held by the Sick family. The remaining five percent are held by SICK employees and third parties. SICK AG is the controlling company for the SICK Group. SICK AG carries out its Group management tasks from the company headquarters in Waldkirch near Freiburg.

The SICK Group is organized into a regional structure with development and production centers domiciled in all regions of the world. Products are then sold to regional sales and service companies. As a regional sales and service company of the Group, SICK Ltd.’s principal activities include importing, distributing, and marketing SICK solutions in Canada that are manufactured by the SICK Group’s product-producing companies, all of which are located outside of Canada.

Supply Chain

SICK Ltd. is a sales and service company within the SICK Group and sources products from SICK AG and other production companies of the Group. The SICK Group’s supply chain is complex and has a



global footprint. SICK AG is the largest product-generating company and has created the SICK Supplier Code of Conduct (<https://www.sick.com/ca/en/compliance/w/compliance>) which sets the rules for ethical business conduct expected from our suppliers and applies to all suppliers globally of the SICK Group. The SICK Supplier Code of Conduct lays out SICK's requirement that forced labour and child labour not be present in its supply chain and requires suppliers to comply with all applicable laws regarding the employment relationship. Additionally, regional development and production companies of the SICK Group require that their own suppliers and supply chains adhere to the SICK Supplier Code of Conduct.

Sales and service companies, such as SICK Ltd., have local procurement teams that are responsible for importing products from the product-generating companies of SICK in their region and for purchasing products and services from local external suppliers that are needed to run the company's daily operations. SICK LTD.'s external suppliers are mostly Canada based companies and include freight companies and suppliers of office and IT equipment and services.

Our Policies

We operate under several internal policies and guidelines to ensure that we are conducting business in an ethical and transparent manner. SICK complies with statutory requirements as well as ethical and moral standards. SICK respects the 10 principles of the UN Global Compact and has incorporated them into its employee Code of Conduct (<https://www.sick.com/ca/en/compliance/w/compliance>), strategies, policies, and procedures.

We want to promote the principles of ethical business conduct at all levels of the value chain. SICK wants to ensure that neither we nor our supply chain partners are involved in slavery, servitude, forced labor or human trafficking. Therefore, SICK has outlined these principles in the SICK Supplier Code of Conduct and expects its suppliers to adhere to them and work towards their implementation across their own supply chains. These principles include, in particular, but not exclusively:

Respect of human rights

International human rights must be respected and protected.

Prohibition of child labor

Regulations governing the prohibition of child labor and the respective regulations for the protection of juvenile employees must be complied with.

Prohibition of forced labor

Any kind of promotion or implementation of forced labor and slavery is prohibited.

Respect of employee needs

Fundamental employee needs must be respected at all levels and appropriate and necessary actions must be taken to satisfy such needs. This includes, but is not limited to, actions designed to promote occupational health and safety, compliance with minimum wage regulations, freedom of association, and a non-discriminatory work environment.



Due Dilligence to Identify and Adress Modern Slavery Risks

The SICK Group maintains a holistic and integrated risk management system to identify, assess and manage risks, including those related to forced labour and child labour. The early identification and mitigation of compliance risks arising from our business activity, business relationships, products, and services is crucial to SICK's success.

In addition to our Supplier Code of Conduct, SICK's due diligence efforts include regular compliance audits of all SICK Group companies conducted in cooperation with external auditors. The scope of these audits includes human resources and procurement topics, including forced labour and child labour topics, and to date, our audits have not identified any instances of forced or child labour in our organization or supply chain.

To further ensure that SICK is made aware of all potential human rights and workers' violations, SICK implemented a compliance hotline and online whistleblower system where employees, customers, suppliers and other external stakeholders can anonymously report suspected violations. All reports are investigated in accordance with applicable laws, company agreements, and individual agreements. The whistleblower system is available in all languages spoken at the SICK locations worldwide.

SICK continues its efforts to obtain suppliers' acceptance of the SICK Supplier Code by requiring suppliers to register on SICK's online supplier platform, which requires acceptance of the SICK Supplier Code. Where suppliers have accepted the SICK Supplier Code, SICK may audit suppliers' compliance with Code within the scope of customary or contractually agreed supplier audits and, in cases where there are specific grounds for suspecting a violation against these principles, SICK has the right to perform an unscheduled audit during the usual office hours. If a supplier violates any of the principles set out in the SICK Supplier Code, SICK may demand that the supplier ceases these violations. If the supplier fails to remedy the violations within a reasonable period and the violations continue, SICK may terminate the relevant contract with immediate effect.

While SICK has not identified any specific instances or risks of forced or child labour in its operations and supply chain, the SICK Group remains aware of potential general risk depending on the individual countries that its supply chain may touch. Accordingly, SICK continues to engage in risk assessments of suppliers and require that suppliers create, implement, and adhere to their own policies to identify and prohibit the use of forced and/or child labour.

Training and Assessing Effectiveness

All new employees of SICK are required to complete a web-based Code of Conduct training, and all employees complete regular Code of Conduct refresh training. Additionally, the Chief Compliance Officers and the other members of the compliance organization conduct regular trainings on individual compliance topics across SICK. These trainings ensure that the employees are aware of their right to raise concerns about how colleagues are being treated and about practices within our supply chain that violate human rights without any fear of retaliation.



SICK continues to assess the implementation and effectiveness of its policies through regular and recurring internal audits and assessments of suppliers, and as discussed previously, SICK may audit its suppliers upon learning of potential violations of its Supplier Code.

Approval and Attestation

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act), and in particular section 11 thereof, I, Ron Jubis, in the capacity of President, attest that I have reviewed the information contained in the report on behalf of the governing body of SICK Ltd. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed within this report and that I have authority to bind SICK Ltd.

Name: Ron Jubis

Title: President, North America

Date: 30-May-2025

Signature: 
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