

# Sesotec Group Code of Conduct



## **Note:**

These guidelines apply equally to parties of all gender identifications (M, F, TGNC).



**Our intelligent technologies and services for foreign object detection, material sorting and analysis enable our customers to create safe, efficient production processes that comply with regulations.**

Dear employees, business partners, and service providers,

The guiding principle stated above motivates our day-to-day actions. Economic success and social responsibility are not at odds with one another. Rather, they are mutually dependent. This Code of Conduct outlines the responsibilities each member of the Sesotec group has to uphold when it comes to their behavior and activities both globally and locally.

Our behavior in day-to-day business is influenced to a large extent by our values and standards. By upholding the law, internal and external rules and procedures, and our own companywide ethical standards, we hope to be a fair and reliable partner to our customers, business affiliates, employees, and shareholders.

This Code of Conduct is intended to inform you and help you avoid misconduct. It also contains an explanation of the Core Values according to which we at Sesotec conduct our business. Each of these values is reflected in our founding principles of “Simplification,” “Collaboration,” and “Innovation.”

The content of this Code of Conduct is binding for every person working for or with Sesotec, regardless of the contractual terms of engagement, be they permanent or temporary employment, external service provider, or business partner. In case of doubt, always contact your manager or the Sesotec Compliance Officer.

The managing directors of each Sesotec Group subsidiary are responsible for ensuring that these guidelines are distributed, discussed, and upheld in compliance with all local regulatory requirements.



Marc Setzen  
CEO



Jan Hülsmann  
CFO



Sesotec is committed to acting in an economically, environmentally, and socially sustainable manner.

## Scope of application

This Code of Conduct concerns all day-to-day business activities and is binding for every person working for or with Sesotec, regardless of the contractual terms of engagement. This includes, but is not limited to, managers, executives, permanent and temporary employees, consultants, external service providers, and business partners. The Code of Conduct applies to all companies in which Sesotec directly or indirectly holds more than a 50 percent stake or a controlling interest.

Sesotec is committed to acting in an economically, environmentally, and socially sustainable manner. Sesotec will therefore:

- always respect current legislation and human rights
- never tolerate corruption
- reject discrimination of any kind
- prioritize occupational health and safety
- use resources responsibly
- engage in fair and honest competition
- treat personal and corporate information as strictly confidential.

Any decisions made in the name of economic success are only permissible if they do not raise legal or ethical concerns. Violations of applicable law can cause significant damage to the company, especially through heavy fines, penalties, or damage claims. They can furthermore cause lasting damage to the reputation of Sesotec.

Should any provisions contained within this Code of Conduct conflict with the laws or other public regulations of a country in which Sesotec is active, the legal provisions take precedence over those detailed here.



## Work environment

### **a) Diversity and equal opportunity**

The personal dignity of each individual must be respected without exception. The working environment at Sesotec is therefore defined by mutual appreciation and understanding as well as polite and fair interactions with others. Each employee has the right to be treated with respect by colleagues, managers, and others.

Diversity benefits us as a company. For this reason, we consciously promote a working environment in which diversity is encouraged through respect and equal opportunity.

Discrimination, harassment, and other behaviors contributing to a hostile working environment will not be tolerated in our company.

No one may be discriminated against or given preferential treatment on the basis of skin color, gender, disability, opinions, culture, sexual orientation, age, religion, ethnicity, social background, nationality, physical condition, physical appearance, family status, political activism, or trade union involvement.

Any form of child or forced labor is prohibited in our company.

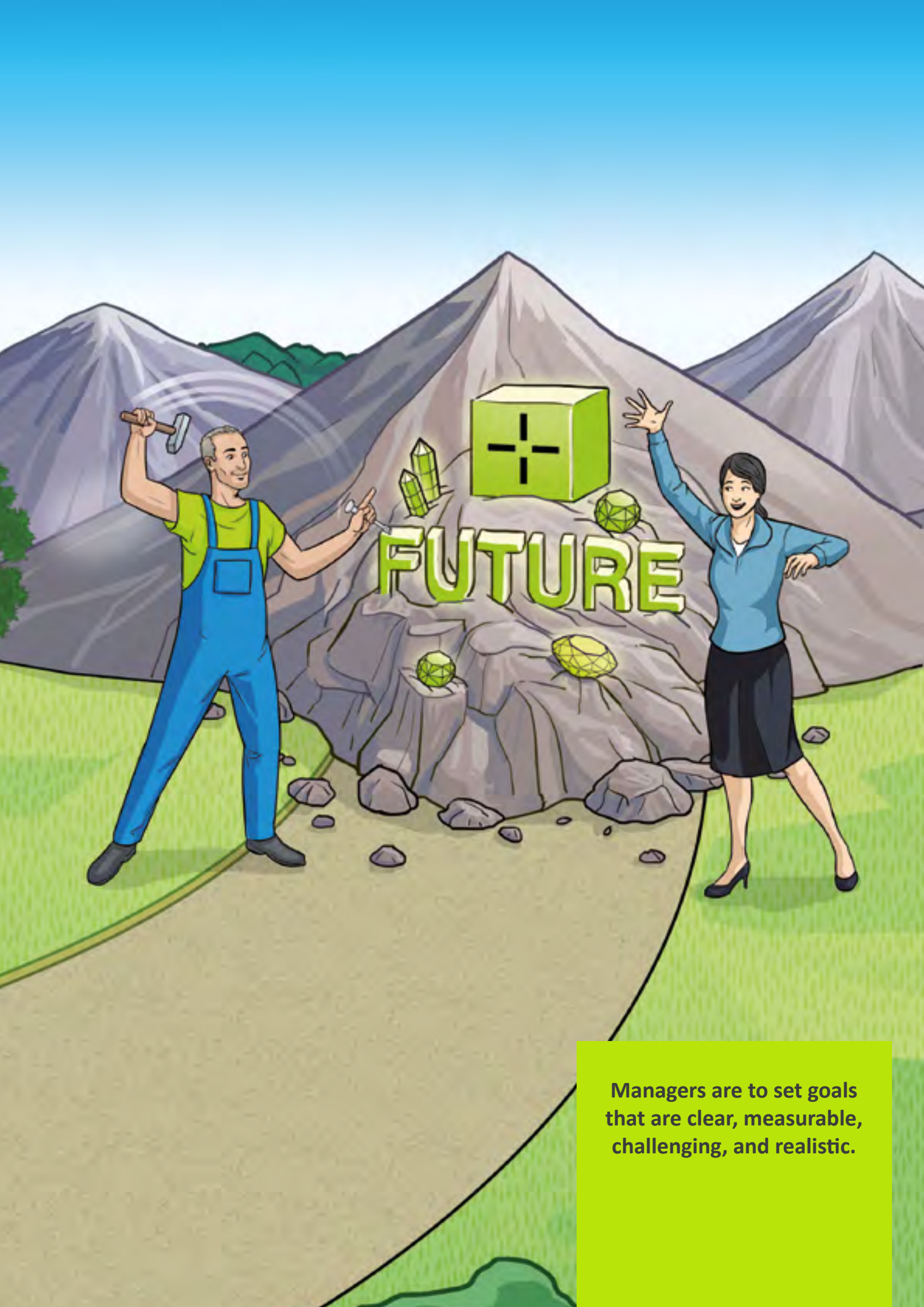
### **b) Health and safety at work**

Employees are Sesotec's most valuable asset. That is why we attach great importance to health and occupational safety. Through careful planning and operation as well as by optimizing our processes and services, we ensure a safe working environment for our employees. National and local regulations represent the minimum requirements for us to reduce risk and avoid accidents.

Precautionary measures for workplace health and safety help us ensure the physical and mental health, satisfaction, and long-term performance of our employees. Every employee is responsible for avoiding health risks. Proactive, safety-conscious conduct and strict adherence to occupational health and safety requirements are obligatory for all. Should any employee discern deficiencies, these are to be immediately reported to the appropriate superior.







**Managers are to set goals that are clear, measurable, challenging, and realistic.**



### **c) Sustainability and environmental protection**

Sesotec is committed to acting in an economically, environmentally, and socially sustainable manner. We see our efforts in the realm of sustainability as a success factor, a social obligation, and a contribution to our common future. We carry a shared responsibility for our environment and must therefore ensure that our day-to-day work does not contribute to the excessive consumption of natural resources.

To this end, we urge every employee and manager to engage with environmental protection and further strengthen our sustainability efforts. We consider social sustainability to be included in this cause. After all, we at Sesotec strive to be an attractive and reliable employer who takes responsibility for our employees, our planet, and our social environment.

### **d) Responsibilities of the management**

All managers and executives at Sesotec should act as role models, particularly when it comes to the implementation of and adherence to all fundamental management principles.

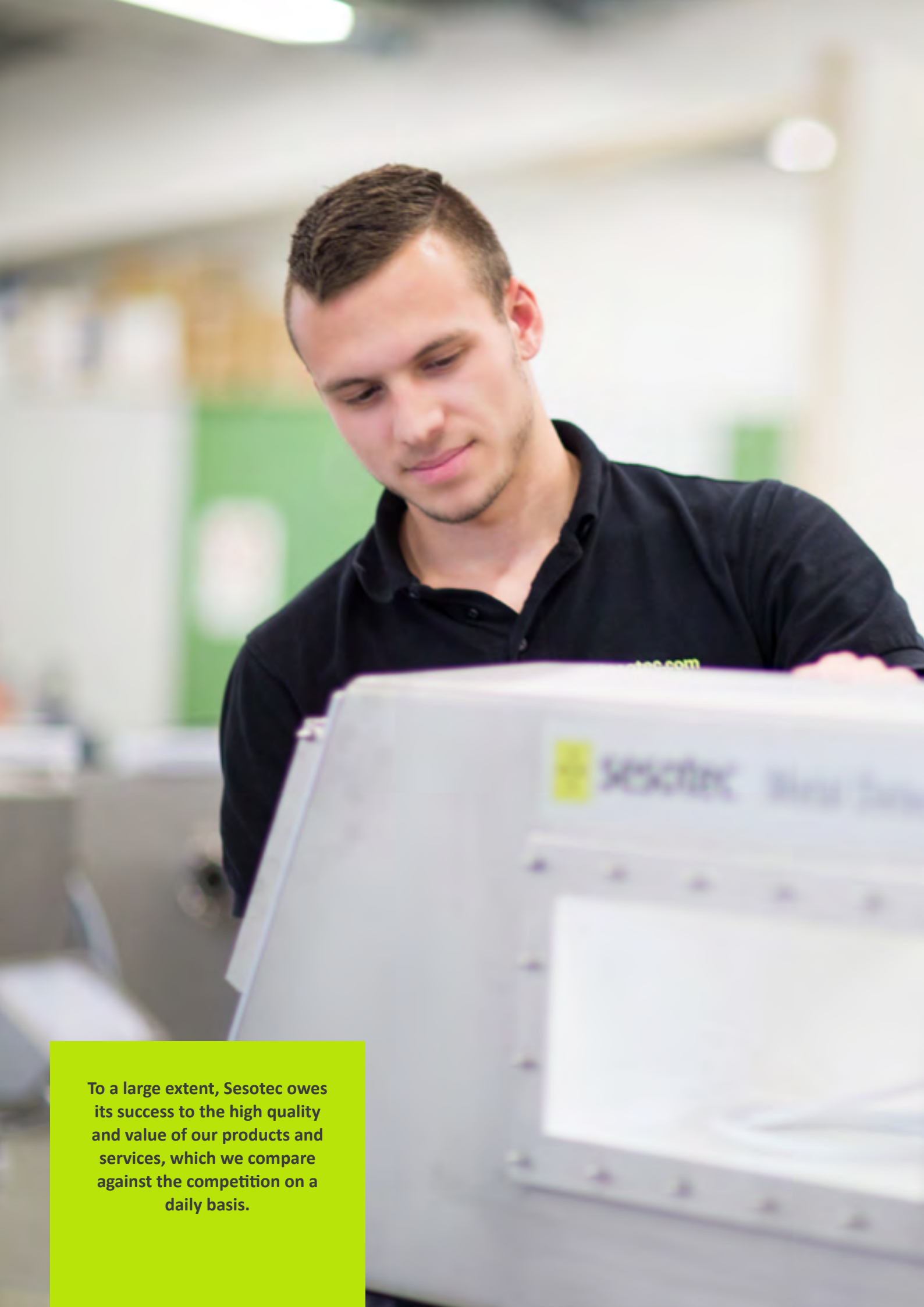
Managers assume responsibility not only for their own behavior and actions, but also for those of the employees they manage. Managers must lead by example in their behavior, performance, openness, and social competence in order to win the esteem of their colleagues.

Managers have organizational and supervisory duties in their respective areas of responsibility. In order to ensure compliance with all laws, rules, and procedures, it is crucial that managers regularly inform their employees about their responsibility to prevent infractions.

Managers are to set goals that are clear, measurable, challenging, and realistic.

Their leadership style should be characterized by trust, open communication, and appreciation.

Productive cooperation depends on a working environment characterized by trust and an open flow of information. All Sesotec managers are to observe these fundamental management principles.



To a large extent, Sesotec owes its success to the high quality and value of our products and services, which we compare against the competition on a daily basis.

## Fighting corruption

To a large extent, Sesotec owes its success to the high quality and value of our products and services, which we compare against the competition on a daily basis. Bribery and other forms of corrupt behavior would not only harm our company but also our business partners and is therefore strictly prohibited. We categorically reject corruption or economically detrimental behavior of any kind, including unfair business practices by our managers or employees.

This means that no Sesotec manager or employee may offer, promise, or accept any incentives, favors, or preferential treatment if this is intended to influence, or even appears to influence, business decisions that are otherwise fair, objective, and right.

Open, fair, and consistent conduct towards our customers and business partners is important to us. Relationship management in the normal course of business includes invitations and gifts. Gifts may only be accepted or granted within the framework of wage tax law.

This absolutely disallows accepting or granting unreasonable advantages. Gifts and invitations must be consistent with normal business practices, compliant with the law, and granted in a transparent manner. Gifts qualifying as consistent with normal business practices are those that are understood to be courtesies of small monetary value.

The acceptance of financial benefits is categorically prohibited. Business meals of an official nature must also remain within reasonable and customary limitations. In general, all exchanges of gifts and invitations in a business setting should be both upfront and seldom. Gifts and invitations given to our employees in connection with important contract negotiations are to be viewed with particular scrutiny. In case of doubt, we oblige all employees and managers to consult their superior or the Compliance Officer for guidance and recommendations about how to proceed.

## Preventing money laundering

Money laundering is the practice of concealing the origins of illegally obtained or otherwise suspicious funds in order to make them appear legitimate. In most countries this is a criminal offense. We are committed to full compliance with all laws designed to prevent, detect, and report money laundering. We only engage with customers and partners who conduct legitimate businesses and use legitimate funds.





WIN  
WIN



## Dealing with authorities and third parties

The highest discretion is required in dealing with officials, politicians, judges, and other representatives of public institutions. Because the laws that govern dealings with public officials are more strictly defined, gifts and invitations are to be avoided to the greatest possible extent. In case of doubt, always consult the Compliance Officer about interactions with public officials.

Decisions made in regards to the selection and engagement of consultants, agencies, and brokers must be based on specific and documented criteria and job descriptions.

The payments made to consultants, agencies, and brokers must be reasonably proportionate to the value of the services provided and personal qualifications. Fundamentally these relationships must serve the interests of Sesotec.

All dealings with authorities and third parties on behalf of Sesotec will be conducted by the following departments or positions:

*(This list does not claim to be exhaustive. If no office is listed for an individual case, correspondence should be coordinated with the Corporate Communication department or management.)*

- Politicians in the broadest sense, including but not limited to community representatives: Management
- Representatives of the judiciary, including but not limited to courts and judges: Management
- Local government agencies in the broadest sense: Group Director Operations in cooperation with Corporate Communication
- Representatives of the tax authority: Group Director Finance
- Other third parties, including but not limited to industry associations: Corporate Communication

## Donations and sponsorships

Sesotec supports charitable projects as part of our commitment to social sustainability and as a way to make a positive contribution to the society in which we operate.

These contributions are customary for companies such as ours and take the form of donations in kind, cash donations, and sponsorships in the name of promoting education, science, culture, art, social welfare, athletics, and other community activities.

All donations are made exclusively for charitable purposes. All sponsorships are for the benefit of the region and society.

We adhere to principles of transparency and legal defensibility in all of our voluntary donations and sponsoring activities. Decisions about sponsorships and donations are made exclusively by the management. Upon deciding, all payments and donations are to be centrally documented by Sesotec's finance department. No payments are to be made in cash.



# PROTECT

Driving Value and Efficiency

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## Fair competition

At Sesotec, we are committed to fair, honest, and open competition.

Compliance with all applicable antitrust and competition laws is a matter of course for us.

Antitrust and competition laws protect both the public interest and performance-oriented companies like Sesotec by enabling free market development. All managers and employees are obliged to comply with these laws and to ensure fair competition.

Illegal, anticompetitive activities of any kind are strictly prohibited. This includes any agreement or information exchanges with competitors about prices, offers, business terms and conditions, market shares, capacities, or competitive restrictions.

It is also strictly prohibited to submit fake offers or to allocate customers or regions with competitors. Because the interpretation of certain antitrust and competition laws can prove difficult, always consult your supervisor if you have doubts or questions.

## Avoiding conflicts of interest

### a) Personal interests

Our joint success is important to us. It is therefore essential that all employees make business decisions objectively and in the sole interest of Sesotec, rather than on the basis of personal interests. Conflicts of interest may arise, for example, in the event that family members, friends, or other persons are also employed by Sesotec, have a close relationship with business partners or competitors, or have a personal or financial interest at stake.

It is imperative that all initiatives regarding business relationships, purchasing decisions, and hiring decisions are documented in a transparent manner and made according to objective criteria to the benefit of Sesotec.

Possible conflicts of interest are to be reported to supervisors immediately in order to resolve the situation and avoid accusations of corruption.

### b) Secondary occupations and shareholdings

Paid or unpaid secondary occupations are only permitted if they do not in any way conflict with the interests of Sesotec or interfere with the duties of the employed.

Any external secondary employment must first be reported to the respective manager and Human Resources department and then receive written approval from the management.

Managers and employees are permitted to invest in thirdparty companies so long as this does not conflict with or relate to the interests of Sesotec. Such conflicts of interests generally arise in cases where the third-party company acts as a supplier, customer, or competitor of Sesotec. In such cases, managers and employees must refrain from acquiring these investments unless the shares are publicly traded and do not exceed five percent of the company's total capital.



## Protecting corporate values and personal data

### a) Protecting Sesotec property

As the basis upon which the future development of our company is built, the material and intellectual property of Sesotec is valuable and worthy of protection.

All managers and employees are bound to secrecy regarding confidential business information, trade secrets, and internal reporting. Examples of such confidential information include internal processes and procedures (both written and unwritten), knowledge and data won through research and development, production and sales data, and all other non-public knowledge and information. When internally or externally transferring data or information, we must ensure that the recipient is authorized to receive such information. We are also obliged to maintain confidentiality when handling data and information from our customers, business partners, and any third parties. The unauthorized disclosure of information may be prosecuted under civil or criminal law. The obligation to maintain secrecy continues even after the termination of the employment relationship.

All managers and employees must treat Sesotec's property in accordance with its intended use. This includes all tools, equipment, and other objects used in company operations. The property of Sesotec may only be used for business purposes. Unless private use has been contractually permitted, it is prohibited to privately use, remove, or appropriate company property. We share the responsibility of protecting Sesotec's property from loss, damage, misuse, theft, misappropriation, and destruction.

All managers and employees contribute to Sesotec's public image and are therefore encouraged to consider our corporate reputation in the wider society. Any correspondence with the media or other institutions must be deferred to the management. Any and all outward communication about Sesotec as a business is to be conducted exclusively by the management.

### b) Data protection and data security

At Sesotec, we take seriously our responsibility to protect the personal information of our employees (both past and present), customers, business partners, and other third parties. All managers and employees are obliged to comply with applicable legal regulations about data protection as stipulated by the GDPR ([Link](#)) and to treat personal data and sensitive information with the appropriate discretion. Personal data is only collected, processed, and used in applications where it is necessary in order to fulfil specified tasks and business purposes. Personal data may only be passed on to authorized parties. All employees are required to comply with data protection regulations within their scope of influence, including, for example, treating personal data confidentially and storing it securely in order to prevent misuse. In addition to personal data, employees must also treat all business and workplace data in accordance with the law and protect it from unauthorized access. In case of doubt or questions, employees should contact their supervisor or the Compliance Officer.





**Sesotec GmbH**

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[sesotec.com](http://sesotec.com)

## Implementing the Code of Conduct

### **a) Obligation to comply**

Compliance with this Code of Conduct is required of all managers, executives, permanent and temporary employees, external service providers, and business partners. It is expected that every Sesotec employee is familiar with our Code of Conduct, corporate principles, and guidelines in order to uphold them in their day-to-day work. Especially in cases of doubt, it is of great importance for the protection of our people and our company that all decisions are made in accordance with the law, corporate procedures, company guidelines, and our Code of Conduct. To this end, Sesotec managers play a key role in ensuring that employees are aware of and acting in compliance with the Code of Conduct and the company guidelines for their area of responsibility. Managers are required to facilitate a positive and trusting working environment in which all employees feel empowered to ask for help or discuss shortcomings.

All managers and employees are obliged to point out shortcomings or suspected violations of any legal regulations or our Code of Conduct. This is necessary in order to protect employees and the company from the possibility of serious damages.

Should a violation be suspected, it must be reported to the respective superior, the management, or the Sesotec Compliance Officer. No one should fear any negative repercussions for reporting a suspected violation, and all reports will be treated confidentially.

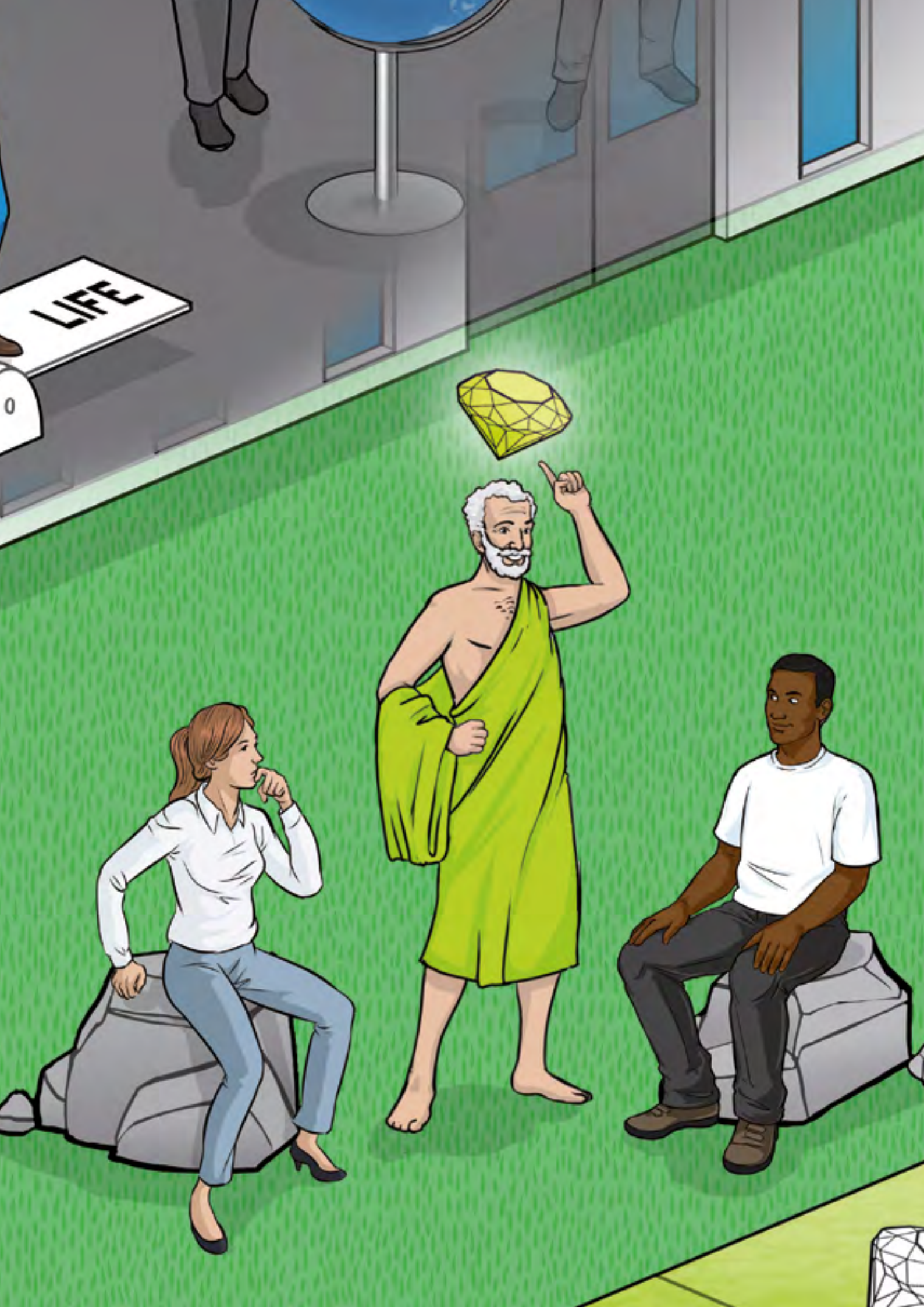
### **b) Awareness and training**

All managers and employees are expected to be adequately familiar with the Sesotec Code of Conduct at the beginning of their employment. This familiarity will be strengthened through regular trainings.

### **c) Questions and further information**

This Code of Conduct is intended to support and assist Sesotec managers and employees in successfully managing day-to-day business while complying with all regulations. In the event that further support is needed to answer questions or navigate an uncertain situation, employees should turn to their superiors, the Compliance Officer, or a member of the management team.







#### **d) Compliance Officer**

The Compliance Officer is responsible for guiding the company towards correct conduct in compliance with all relevant laws, regulations, and procedures. The Compliance Officer is tasked with ensuring that all managers and employees receive appropriate training from the relevant Human Resources or legal departments.

If non-compliance is suspected, the Compliance Officer conducts investigations and may enlist the assistance of internal or external professionals. The Compliance Officer is a neutral party obliged to treat all cases of alleged violations with strict confidence, discretion, and respect.

You can find contact information for our current Compliance Officer in our internal QM system.

### **Whistleblower system**

Sesotec encourages all employees to contact their superiors, the management, the Compliance Officer, the HR department, or the works council with any kind of concern. Concerns may be filed openly or anonymously, in person, electronically, in writing, or by telephone. Anonymous concerns can be submitted via our dedicated hotline (0049 8554 308 1090) or to this e-mail address ([compliance@sesotec.com](mailto:compliance@sesotec.com)).



**Simplification**



**Innovation**



**Collaboration**

**Preserve valuable resources and protect the planet. We make sure that sustainable and high-quality production pays off.**

**For people, for the environment, and for industry.**









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