



Supplier Code of Conduct

The FARO Technologies, Inc. Supplier Code of Conduct sets forth minimum workplace standards and business practices that are expected of any third-party supplier (“Supplier”) doing business with FARO Technologies Inc. or any of its affiliates or subsidiaries (collectively “FARO”), consistent with our Company’s values. These requirements are applicable to Suppliers of FARO globally.

A. Code of Conduct

1. Compliance with Laws. Supplier’s personnel and operations shall operate in full compliance with the laws of their respective countries and with all other applicable laws, rules and regulations. Additionally, Supplier will ensure that products, services and shipments for FARO adhere to all applicable international trade compliance, antitrust and import/export laws (including, without limitation, the antidumping laws under the U.S. Tariff Act of 1930), rules and regulations.

2. Labor. Supplier shall uphold the human rights of workers and treat them with dignity and respect.

(a) Supplier shall employ only workers who meet the applicable minimum legal age requirement, except that in no event shall Supplier employ any person under the age of 15, even if local law permits otherwise. Supplier shall also comply with all other applicable child labor laws according to local regulations.

(b) Supplier shall ensure that all work is voluntary. Supplier shall not traffic persons or use any form of slave, forced, bonded, indentured or prison labor. Involuntary labor includes the transportation, harboring, recruitment, transfer, receipt or employment of persons by means of threat, force, coercion, abduction, fraud or payments to any person having control over another person for the purpose of exploitation.

(c) Supplier’s plants shall set working hours, wages and over-time pay in compliance with all applicable laws. Workers shall be paid at least the minimum legal wage or a wage that meets local industry standards, whichever is greater.

(d) Supplier shall treat employees with dignity and respect and will not engage in or permit corporal punishment, threats of violence, or other forms of harassment whether based on gender, race, color, religion, ethnicity, age, sexual orientation, national origin, disability, or any other legally protected characteristic.

(e) Supplier shall employ workers on the basis of their ability to do the job, not on the basis of their personal characteristics or beliefs (including race, color, gender, nationality, religion, age, maternity or marital status).

(f) Supplier shall respect employees’ right to join or not join any lawful organization, including trade unions and works councils, and shall comply with all applicable local and national laws pertaining to freedom of association and collective bargaining.

3. Health & Safety. FARO is committed to being a global leader in safeguarding the health and safety of our employees.

(a) While engaged in any activities supporting FARO, whether Supplier is on-site at any FARO location, at any FARO customer location on behalf of FARO or elsewhere, Supplier shall comply with FARO’s Global Ethics Policy and any site-specific requirements.



(b) Supplier shall ensure a safe work environment and minimize physical and chemical hazards through proper design, engineering and administrative controls, preventative maintenance and safe work procedures as well as ongoing safety training.

(c) Supplier shall provide workers with appropriate personal protective equipment where hazards cannot be adequately controlled by other means.

(d) Supplier shall provide and properly maintain physical guards, interlocks and barriers where machinery presents an injury hazard to workers.

(e) Supplier shall minimize the impact of emergency situations through the implementation of emergency plans and response procedures.

4. Environment. At FARO, environmental considerations are an integral part of our business practices and our production of world-class products. Supplier shall comply with all applicable environmental laws and regulations.

(a) Supplier shall maintain all required environmental permits and registrations and follow the operational and reporting requirements of such permits.

(b) Supplier shall comply with regulated substance specifications and with any applicable laws and regulations prohibiting or restricting the use or handling of specific substances.

(c) Supplier shall endeavor to reduce or eliminate solid waste, wastewater and air emissions by implementing appropriate conservation measures in their production, maintenance and facility processes.

(d) Supplier shall manage, control, treat and/or dispose of non-hazardous solid waste, wastewater and/or air emissions generated from operations as required by applicable laws and regulations, before discharge.

(e) Supplier shall comply with the European Union's Restriction of Hazardous Substances (RoHS) Directive (2011/65/EU) for all goods it manufactures for and provides to FARO. Supplier shall also comply with the European Union's regulation regarding Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) (EC 1907/2006). Supplier agrees to comply with both RoHS and REACH even if Supplier is located outside of the European Union.

5. Ethics. Supplier shall commit to the highest standards of ethical conduct when dealing with its employees, suppliers and customers.

(a) Supplier shall prohibit any and all forms of corruption, extortion and embezzlement by its employees, officers, directors or agents.

(b) Supplier shall adhere to standards of fair business, advertising and competition.

(c) Supplier shall not offer or accept (i) bribes or (ii) other means to obtain an undue or improper advantage.

(d) Supplier shall accurately record and disclose information regarding their business activities, structure, financial situation and performance in accordance with applicable laws and regulations as well as prevailing industry business practices.



(e) Supplier shall respect intellectual property rights and safeguard customer information. Transfer of technology and know-how shall be done in a manner that protects intellectual property rights.

(f) Supplier shall incorporate international Supply Chain Security (SCS) measures into its business processes as described by the World Trade Organization's SAFE framework or similar SCS guidelines (e.g., Business Anti-Smuggling Coalition (BASC) Security Program; Customs-Trade Partnership Against Terrorism (C-TPAT); Authorized Economic Operator (AEO), and Partners in Protections (PIP)).

(g) Supplier shall implement appropriate processes and procedures and exercise due diligence to detect and avoid counterfeit parts.

(h) FARO is committed to ensuring that the products it sells do not incorporate "conflict minerals" (tin, tantalum, tungsten and/or gold, commonly referred to as "3TG") sourced from entities which directly or indirectly finance conflict in the Democratic Republic of Congo or adjoining countries. FARO requires its Suppliers to:

- Perform sufficient due diligence into their respective supply chains to determine whether products sold to us contain 3TG, and, if so, whether and to what extent those metals are sourced from conflict-free smelters;
- Report to FARO the results of such due diligence to enable FARO to comply with its legal obligations and policy goals; and
- Commit to being or becoming "conflict-free", so that any such metals are sourced only from conflict-free smelters.

(i) Supplier shall implement a comprehensive business continuity plan throughout its operations and supply chain to preserve the safety of workers, protect physical property from loss and damage, safeguard intellectual property, prevent interruptions in the manufacturing process and ensure the integrity of shipments at the point of origin. Supplier shall provide this business continuity plan to FARO upon request.

(j) Supplier shall implement processes to address the confidentiality and protection of an employee who in good faith raises a concern, makes a report, or assists with an investigation related to potential ethical or criminal violations.

(k) Supplier shall only accept an approved FARO purchase order or executed supply agreement (or equivalent) as a means for confirming business commitments. Supplier shall make no deliveries of products or services and claim payments based on verbal, email or other correspondence from FARO.

6. Anti-Corruption. FARO is committed to complying with all applicable anti-corruption laws, including those that prohibit bribes, kickbacks or other corrupt actions to obtain or retain business or obtain any improper advantage. Supplier is expected to comply with all applicable anti-corruption laws while conducting business with or on behalf of FARO. Supplier is prohibited from directly or indirectly receiving or offering any form of bribe, kickback or other corrupt payment, to or from any person or organization, including government agencies or officials, private companies or employees of those private companies. Supplier affirms that Supplier is fully aware of and understands the provisions of the U.S. Foreign Corrupt Practices Act of 1977 as amended, the U.K. Bribery Act and any other applicable anti-corruption laws, including those of the country or countries in which Supplier is to manufacture, sell, or provide goods or services to FARO, and Supplier has not violated and will not violate, nor caused FARO to violate, any applicable anti-corruption laws in connection with



providing goods or services to FARO.

7. Gifts and Entertainment. FARO recognizes that it is customary for some of its Suppliers, customers and other business associates to occasionally give small gifts or offer modest business entertainment to those with whom they do business. It is important, however, that these gifts and entertainment events do not affect any FARO employee's business judgment, or give the appearance that judgment may be affected.

B. Compliance Monitoring

Supplier will allow FARO and/or any of its representatives or agents access to its facilities and all relevant records associated with the products and services provided to FARO. Supplier and FARO will establish a mutually agreeable date and time for access. However, risks to FARO's business may require immediate access to the products, services and associated records and Supplier will accommodate FARO's access as required. Supplier also agrees to cooperate with FARO to investigate any allegations of wrongdoing, misconduct or corruption.

C. Application to Sub-Contractors

This Code also applies to any sub-contractor(s) to Supplier that provides goods or services to Supplier. The Supplier Code of Conduct shall be cascaded down to all sub-tier subcontractors. Each Supplier is fully responsible for ensuring compliance by any such sub-contractor(s) as if it were Supplier itself. FARO reserves the right to audit Supplier's sub-contractors for compliance to FARO's Supplier Code of Conduct and Supplier will accommodate FARO's audit as required.

D. Event of Violation

Supplier shall promptly report to FARO notice of known breach of this Code and implement a corrective action plan to cure the non-compliance within a specified time period (furnished to FARO in writing). If Supplier fails to meet the corrective action plan commitment, FARO may terminate the business relationship, including suspending placement of future orders and potentially terminating current production immediately and with no further obligations of payment to Supplier, including payment obligations relating to goods already shipped to FARO. FARO reserves the right to hold Supplier responsible for reasonable costs of investigating non-compliance.

Adopted March 30, 2017