

Governance

Supplier Code of Conduct

This Supplier Code of Conduct covers Novanta Inc. and its subsidiaries, businesses and brands.

Novanta Inc. and its subsidiaries (collectively, "Novanta") are committed to conduct business and source materials and components from responsible suppliers ("Suppliers") who meet the highest applicable legal and ethical standards. To assist Suppliers in meeting Novanta's expectations, this Supplier Code of Conduct ("Code") provides basic guidelines for important areas of business conduct. As used in this Code, "Supplier" refers to any entity providing products, people or services to Novanta, and where applicable, the personnel of Supplier and its subcontractors and agents. Novanta expects Suppliers, as well as their next tier suppliers, to comply with these guidelines and always exercise good judgment in applying them to their conduct as a Novanta Supplier. The Code is not intended to create new and additional third party rights, including for workers. Suppliers must conduct their business operations in full compliance with the laws, rules and regulations of the countries in which they operate and all other laws, rules and regulations applicable to their business and/or products, including but not limited to those described in this Code, and in conformity with the internationally recognized standards of business conduct described in this Code.

1 Labor

Novanta expects Suppliers to comply, at a minimum, with all applicable local laws and regulations related to fair labor and employment practices including, but not limited to, freedom of association, collective bargaining, privacy, immigration, working time, wages and hours.

Furthermore, Novanta expects Suppliers to comply with the following principles:

1.1 Child Labor

Suppliers will not engage in nor support the use of child labor. By child labor, it means employees under the age of 15 years old or under the legal minimum age, as defined by local law, whichever is higher. However, for employment or work which by its nature or circumstances is not suitable for a person under the age of 18 years old, child labor shall mean employees under the age of 18 years old. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. Furthermore, Suppliers must adhere to the prohibition of the worst forms of child labor for individuals below the age of 18, as stated in Convention 182 of the International

Labor Organization (ILO, Worst Forms of Child Labor Convention). Novanta supports the use of legitimate workplace learning programs that comply with all applicable laws and regulations.

1.2 Forced or Compulsory Labor

Suppliers will not engage in nor support the use of forced or compulsory labor. Suppliers are expected not to exact any work or service from any person under the threat of any penalty. For example, Suppliers' employees must be free to leave work or terminate their employment with reasonable notice, and they are not required to surrender any government issued identification, passports or work permits as a condition of employment.

1.3 Freedom of Association

Suppliers are expected to recognize the principle of freedom of association and the right to collective bargaining where local laws allow. Suppliers shall respect the right of all workers to bargain collectively, and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.

1.4 Respect and Dignity

There is to be no harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers, in addition, there may be no threat of any such treatment. Suppliers shall respect internationally recognized human rights and human rights practices as described by the United Nations Guiding Principles on Business and Human Rights, U.K. Modern Slavery Act 2015, and California Transparency in Supply Chains Act of 2010. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

1.5 Hours Worked

Working hours shall not exceed the maximum by local law. Where such requirements do not exist, employees shall not work more than 60 hours per week, including overtime (excluding unusual situations). As stated in Convention 14 of the International Labor Organization (ILO, Weekly Rest (Industry) Convention) employees shall have at least one day off per seven-day week.

1.6 Wages and Benefits

Suppliers shall pay employee compensation in accordance with all applicable wage and hour laws, including those relating to minimum wages, overtime hours and legally mandated benefits. Overtime hours shall be paid at a higher rate than regular working hours. Payment of local living wage must also be taken into consideration. Employees shall receive a prompt and clear wage statement that provides sufficient details to ensure their compensation is correct for the work they performed. Furthermore, Suppliers must not allow wage deductions as a disciplinary measure.

1.7 Adequate Information of Workers

All employees must receive clear, legally compliant terms and conditions of employment before their start date, in a language they understand. These terms shall cover working hours, wages, benefits, and termination conditions. For each pay period, employees must be provided in a timely manner with a comprehensible salary statement containing sufficient information to verify the exact remuneration for the work performed.

1.8 Non-Discrimination

Suppliers are expected to support diversity and employment equity. Suppliers are expected to offer without any discrimination equal employment opportunities and compensation including wages, promotions, rewards, and access to training. Novanta prohibits any form of discrimination based on gender, race, color, gender identity, sexual orientation, ethnicity or national origin, religion, age, disability, pregnancy, political affiliation, union membership, marital status or veteran status. Suppliers shall not require pregnancy or medical testing unless required by applicable laws and regulations or for reasons necessary for workplace safety and shall not discriminate unlawfully on the basis of test results. Suppliers shall be committed to a workforce free of unlawful discrimination.

1.9 The California Transparency in Supply Chains Act of 2010

In 2010, the State of California adopted the Transparency in Supply Chains Act, which requires certain retailers and manufacturers to post a disclosure statement on their websites detailing whether, and to what extent, they investigate or monitor slavery or human trafficking in their direct product supply chains. Novanta expects that Suppliers in their direct product supply chains will comply with applicable laws, will investigate claims brought to their attention regarding the use of slavery or human trafficking by their Suppliers and will take appropriate action to discontinue the use of Suppliers that use such labor.

1.10 Recruitment fees

Workers shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

2 Health and Safety

Suppliers shall provide a safe and healthy work environment for employees in order to minimize the incidence of work-related injury and illness and enhance the quality of products and services, the consistency of production, and worker retention and morale.

2.1 Emergency Preparedness

Suppliers shall identify and assess potential emergency situations and events and minimize their impact by implementing emergency plans and response procedures including emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment and property.

2.2 Occupational Safety and Industrial Hygiene

Worker exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles, and fall hazards) are to be controlled through proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tag out) and ongoing safety training. Where hazards cannot be adequately controlled by these means, workers shall have knowledge of the inherent risks involved in the process and are to be provided with appropriate, well-maintained personal protective equipment free of charge. In addition, production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers. Reasonable measures must be taken to keep pregnant women, "nursing mothers" and workers with health problems away from high-risk workplaces, to eliminate or reduce all risks to health and safety at work, including the risks associated with their work tasks, and measures shall be taken to make adequate provision for "nursing mothers". Suppliers shall provide workers with appropriate workplace health and safety training in a language that is

understandable to them. Health and safety related information shall be clearly posted in the facility. Workers shall not be disciplined for raising safety concerns.

2.3 Occupational Injury and Illness

Suppliers are expected to implement procedures and systems to prevent, manage, track and report occupational injury and illness, including provisions to a) encourage worker reporting; b) classify and record injury and illness cases; c) provide necessary medical treatment; d) investigate cases and implement corrective actions to eliminate their causes; and d) facilitate return of workers to work.

2.4 Sanitation, Food, and Housing

Suppliers shall provide workers with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by Suppliers, or their agents shall be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate heat and ventilation, and reasonable personal space, along with reasonable entry and exit privileges.

2.5 Physically Demanding Work

Suppliers shall identify, evaluate and control worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks.

3 Environment

Suppliers shall minimize adverse effects on the community, environment and natural resources in their manufacturing operations, while safeguarding the health and safety of the public.

3.1 Environmental Permits and Reporting

Suppliers shall obtain and maintain all required environmental permits (e.g. with respect to discharge and monitoring), approvals and registrations, and comply with their operational and reporting requirements.

3.2 Pollution Prevention, Resource Reduction and Handling

Suppliers shall reduce or eliminate the use of resources and generation of waste of all types, including water and energy, wherever commercially feasible, either at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials. Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be characterized, monitored, controlled and treated as required prior to discharge or disposal. Suppliers shall conduct routine monitoring of the performance of their wastewater treatment systems.

3.3 Hazardous Substances and Material Restrictions

Suppliers are expected to identify and manage chemical and other materials posing a hazard if released to the environment to ensure their safe handling, movement, storage, use, recycling or reuse and disposal. Suppliers shall adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances in products and manufacturing, including labelling for recycling and disposal.

3.4 Air Emissions

Suppliers shall characterize, routinely monitor, control and treat air emissions of volatile organic compounds in chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations as required prior to discharge. Suppliers shall conduct routine monitoring of the performance of their air emission control systems.

4 Ethics

The highest standards of integrity are to be upheld in all business interactions. Suppliers shall have a zero tolerance policy with respect to any and all forms of bribery, corruption, extortion and embezzlement (covering promising, offering, giving or accepting any bribes). All business dealings shall be transparently performed and accurately reflected on participant's business books and records. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

4.1 Anti-Corruption

Suppliers shall prohibit any and all forms of bribery, corruption, extortion and embezzlement. Suppliers shall ensure that their employees and agents do not promise, offer, authorize, give or accept bribes or other means of obtaining undue or improper advantage. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. All business dealings shall be transparently performed and accurately reflected in Suppliers' business books and records. Suppliers shall implement monitoring and enforcement procedures to ensure compliance with anti-corruption laws.

4.2 Disclosure of Information

Suppliers shall disclose information regarding their labor, health and safety, environmental practices, business activities, structure, financial situation and performance in accordance with applicable laws and regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in Suppliers' supply chain is unacceptable.

4.3 Property Rights of Others

Suppliers will respect the property rights of others. In the conduct of business, Suppliers have occasion to receive and use proprietary information of others, such as customer lists, technical developments or operational data, as well as other material that is not publicly available. Suppliers must use this information only in accordance with the agreements under which such information is received. A Supplier policy must be in place to honor and respect the intellectual property rights of others. Intellectual property rights include patents, trademarks and copyrights. Suppliers shall not engage in any improper use of the

intellectual property rights of others, including the unlawful or unauthorized copying, revealing or use of anyone's intellectual property.

4.4 Fair Business, Advertising and Competition

Standards of fair business, advertising and competition are to be upheld. Means to safeguard customer information should be available.

4.5 Protection of Identity and Non-Retaliation

Suppliers shall maintain and communicate a process for their personnel to raise any concerns regarding Suppliers' business and operations without fear of retaliation. Suppliers shall ensure the confidentiality, anonymity and protection of whistle-blowers, unless prohibited by law. A whistle-blower is any person who makes a disclosure about improper or illegal conduct by an employee or officer of a company, or by a public official or official body.

4.6 Responsible Sourcing of Minerals

Suppliers shall have a policy to reasonably assure that the tantalum, tin, tungsten and gold in the products they manufacture does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country. Suppliers shall respond to Novanta's Reasonable Country of Origin Inquiries and exercise due diligence on the source and chain of custody of these minerals. Suppliers shall make their due diligence measures available to customers upon customer request.

4.7 Privacy

Suppliers shall implement measures consistent with the highest industry standards to protect the personal information of individuals involved in their operations, including customers, vendors, consumers, employees and agents. Suppliers shall comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

5 Compliance Measures

Suppliers shall adopt or establish a management system whose scope is related to the content of this Code. The management system shall be designed to ensure (a) compliance with applicable laws, regulations and customer requirements related to the Supplier's operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code.

5.1 Reporting and Assessments

Suppliers must undertake periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code and customer contractual requirements related to social and environmental responsibility and implement a process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews. Within a reasonable period of time following Novanta's request, Suppliers will provide the Novanta with self-assessments, certifications and/or other documentation verifying their conformance with this Code as reasonably required by Novanta to assist the company in its own compliance efforts.

5.2 Training

Suppliers shall develop and maintain management and worker training programs to facilitate proper implementation of its policies and procedures and to fulfil Suppliers' continuous improvement objectives. Suppliers shall have a process for communicating clear and accurate information about their performance, practices, policies, and expectations to their workers, next-tier supplier(s), and customers. Suppliers shall have an ongoing process to obtain feedback on their practices related to this Code and to foster continuous improvement.

5.3 Corrective Actions

To ensure and demonstrate compliance with this Code, Suppliers shall keep a record of all relevant information and provide Novanta supporting documentation upon request. Novanta reserves the right to engage, visit, inspect or audit the suppliers, with or without the support of a third party, to ensure that all tenets of this Code are satisfactorily met. If the results of such an exercise cause Novanta to believe that a Supplier does not comply with this Code, the Supplier shall take necessary corrective actions in a timely manner. In the event of failure to comply with this Code Novanta may take action with respect to such non-complying Supplier, including suspending, reducing or terminating activities with such Suppliers.