

## Code of Conduct of LASOS Lasertechnik GmbH

### 1 Objective

The object of this work instruction is to define a code of conduct for LASOS Lasertechnik GmbH.

The LASOS Code of Conduct is based on the Code of Conduct of the Electronic Industry Citizenship COALITION® (EICC®) in the current version and the UN Guiding Principles on Business and Human Rights and has been derived from key standards of international human rights, including the ILO Declaration on Fundamental Principles and Rights at Work and the UN Universal Declaration of Human Rights.

These basic conducts and standards ensure that workers are treated with respect and dignity, and that business is practised in an ecologically and ethically responsibly manner.

LASOS also expects its suppliers to comply with this Code of Conduct.

### 2 Scope of application

This work instruction applies to all employees, temporary employees, trainees, students etc. and the entire premises of LASOS Lasertechnik GmbH, Franz-Loewen-Str. 2, 07745 Jena, Germany as well as all subsidiaries in which LASOS has a legal involvement as a company.

### 3 Code of Conduct of LASOS Lasertechnik GmbH

The Code consists of five sections. Sections A, B and C describe the standards that relate to labour, health and safety and the environment. Section D contains standards that relate to business ethics, and Section E outlines the elements of an appropriate system for ensuring that the Code is complied with.

#### A. LABOUR

LASOS is committed to upholding the human rights of its workers and treating them with dignity and respect in accordance with the international community's understanding of this. This applies to all workers, including temporary and migrant workers, working students, part-time workers, permanent workers and all other types of workers.

The working standards are:

#### 1) Free choice of labour

No forced, bonded (including debt bondage) or compulsory labour, involuntary prison labour, slave labour or labour based on human trafficking will be undertaken. This includes the transportation, accommodation, employment, relaying or receipt of persons for the provision of labour or services under the use of threat, force, coercion, abduction or fraud. The freedom of movement of workers in the facilities in which employment takes place will not be unreasonably restricted, nor will any undue restrictions be placed on entering and leaving the facilities provided by the company.

As a part of the recruitment process, workers shall receive a written contract of employment in their native language before leaving their country of origin, which includes a description of the conditions of employment.

All work is voluntary and workers can leave their place of work or terminate their employment relationship within the context of the contractual relationship at any time. LASOS and agents shall neither withhold, destroy, hide nor confiscate workers' passport or immigration documents, such as those identity documents, passports or work permits issued by government bodies, nor deny workers access to their documents, unless the law requires that work permits be withheld in this manner. Workers shall not be required to pay agency fees or other related charges to the party or agent for being recruited, provided legal requirements do not explicitly permit it. If it is determined that the worker has paid such fees, they shall be returned to him.

## **2) Young workers and child labour are prohibited at LASOS.**

The term "child" refers to anyone under 15 years of age, or to persons of school age or those who have not yet reached the minimum age for employment in the country in question, whereby the highest age prevails. Advocacy of the use of approved workplace apprenticeship programmes, which comply with all laws and regulations is given.

Workers under 18 years of age (young workers) should not be allowed to perform hazardous work which could endanger their health and safety, including night shifts and overtime. Through proper management of student records, the parties must ensure strict and careful examination of the training partners and the protection of the rights of students in accordance with the applicable laws and regulations for the proper employment of students. LASOS shall provide all working students with adequate support and training.

## **3) Working hours**

Studies on business practices show clear that highly stressed workers are less productive, change jobs more frequently and get injured or become ill more often. The total weekly number of working hours is not allowed to exceed the maximum number of hours applicable under local law. Moreover, the weekly amount of time spent working, including overtime, should not exceed 60 hours. Emergencies and unusual circumstances form exceptions to this. Workers must be granted at least one day off every seven days.

## **4) Wages and social benefits**

The compensation paid to workers shall comply with all the applicable laws governing payment, including the laws on minimum wages, overtime and statutory benefits.

Workers should promptly receive a comprehensive wage slip for each period of payment that contains sufficient information to verify that the work performed has been remunerated correctly.

Any employment of temporary workers, seconded workers or outsourcing work is to take place in accordance with local legislation.

## **5) Humane treatment**

The brutal or inhumane treatment of employees is not permitted. This includes sexual harassment, sexual abuse, corporal punishment, mental or physical coercion and verbal abuse. This also applies to the threat of such treatment.

## **6) Prohibition of discrimination**

Unlawful harassment and discrimination will not be tolerated at LASOS.

As part of hiring and employment practices, such as wage payments, promotions, awards and access to training opportunities workers shall not to be discriminated against due of the following:

Ethnicity, skin colour, age, gender, sexual orientation, gender identity and gender expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, former military affiliation, protected genetic information or family status.

Workers shall be granted appropriate access to facilities for carrying out their religious practices.

Furthermore, present and future workers shall not be subjected to medical tests or physical examinations that may be used in a discriminatory manner.

## **7) Freedom of association**

In accordance with local legislation, LASOS respects the right of all workers to form unions or join unions of their choice, to bargain collectively and conduct peaceful assembly, as well as their right to not participate in such activities.

It should be possible for workers and/or their representatives to communicate openly with the management without fear of discrimination, reprisal, intimidation or harassment, and to put forward ideas and concerns regarding working conditions and management practices.

## **B. HEALTH AND SAFETY**

A safe and healthy working environment not only contributes to minimising work-related injuries and illnesses, but also to improving the quality of products and services, the continuity of production, employee retention and employee morale. LASOS acknowledges that suggestions made by the workforce and the continuous training of the workforce are essential for identifying and resolving issues relating to health and safety in the workplace.

### **1) Safety at work**

If workers are exposed to potential safety risks (e.g. hazards caused by electricity and other power sources, fire, vehicles and falling from heights), these risks are to be monitored through proper design, technical and administrative controls, preventative maintenance and safe working procedures (including lockout-tagout) and regular safety training.

If it is not possible to adequately monitor risks and hazards by such means, the workforce shall be provided with suitable and well-maintained personal protective equipment and training materials that address the risks to which they are exposed due to the hazards.

Workers are encouraged to put forward their own suggestions for improving safety.

### **2) Emergency Prevention**

Potential emergency situations and incidents are to be identified and assessed. Their effects are to be minimised by introducing contingency plans and procedures for responding to emergencies. These include: reporting emergencies, alerting workers, evacuation procedures, training and emergency drills for workers, suitable fire detection and suppression equipment, adequate escape route and evacuation and rescue plans.

The focus of these plans and procedures is to minimise damage to life, environment and property.

### **3) Workplace accidents and occupational illnesses**

Methods and systems are available for preventing, handling, reporting and tracking accidents at work and occupational illnesses.

These include the following arrangements:

- Encouraging workers to report incidents;
- Classifying and recording accidents and illnesses, taking into account data protection;
- Providing the necessary medical care;
- Investigating incidents and initiating measures to correct the causes
- Facilitating the return of workers to their jobs

### **4) Workplace hygiene**

The manner in which workers handle chemical, biological or physical agents is to be examined, evaluated and monitored.

Technical or administrative control measures are to be used to control overexposure.

If it is not possible to monitor these hazards adequately with such measures, a suitable personal protective equipment programme is to be put in place to protect the health of the workers.

### **5) Physically stressful work**

If workers are exposed to the dangers of physically strenuous work, this work is to be identified, evaluated and monitored. This includes the manual handling of materials, heavy or repetitive lifting,

prolonged standing and highly repetitive installation work or such that requires a large amount of strength.

## **6) Machine safety**

Capital goods and related equipment are reviewed in relation to safety risks. If machines pose a risk of injury to workers, then physical guards, interlocks and barriers are to be installed and properly maintained.

## **7) Sanitary facilities, social facilities and living accommodation**

Workers are to be provided at all times with clean toilets, drinking water and facilities for the hygienic storage, preparation and consumption of meals.

Residential accommodation for workers provided by the employer or employment agent are to be kept well maintained, clean and safe, are to have proper fire exits, hot water for bathing or showering, and adequate heating and ventilation systems, as well as adequate personal space. Entry and exit authorisation must be clearly regulated.

## **8) Health and safety notices**

Information on health and safety issues is to be displayed openly, clearly and understandably on the premises/facility.

## **C. ENVIRONMENT**

A responsible approach to the environment forms an integral part of the production of world class products. During the manufacturing process, negative impacts on the community, environment and natural resources are to be minimised, while protecting the health and safety of the public at the same time.

In the elaboration of this Code, reference was made to recognised management systems such as ISO 14001 and the Eco Management and Audit Scheme (EMAS).

### **1) Environmental permits and reporting**

The requisite environmental permits (e.g. monitoring of waste water discharges), approvals and registrations are to be obtained and regularly renewed.

### **2) Prevention of pollution and the reduction of the resources used**

The use of resources and generation of waste of any type are to be reduced or completely avoided. Preference is to be given to the use of alternative materials, savings, recycling and the reuse of materials.

### **3) Hazardous substances**

Chemicals or other materials that pose a hazard if released into the environment are to be identified and handled so that when dealing with these substances, safety is guaranteed during transport, storage, use, recycling or re-use and disposal.

### **4) Waste water and solid waste**

LASOS practices modes of conduct to identify, manage, reduce and responsibly dispose of or recycle (non-hazardous) solid waste. Waste water from operations, manufacturing processes and sanitation is categorised into types, monitored, checked and treated if necessary prior to its discharge or disposal. Measures are also undertaken to reduce the generation of waste water and to routinely monitor the operation of the waste water treatment systems.

**5) Emissions into the atmosphere**

Emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone-depleting chemicals or the combustion by-products generated from operations are categorised into types and routinely monitored and appropriately managed before their release. LASOS routinely monitors the functioning of its emission control systems.

**6) Restrictions on product ingredients**

LASOS shall comply with all applicable laws, regulations and customer specifications concerning the prohibition or restriction of specific substances in products or in the manufacturing process, including labelling for recycling and disposal.

**7) Handling rainwater**

LASOS undertakes a systematic approach to preventing the contamination of effluent rainwater. LASOS ensures that no illegal discharges or spills enter the storm water drains.

**8) Energy consumption and greenhouse gas emissions**

LASOS monitors and documents power consumption, energy efficiency is constantly improved and energy consumption and greenhouse gas emissions are minimised.

**D. ETHICS**

In order to fulfil their social obligations and achieve a successful positioning in the market including the following, LASOS and its agents comply with the highest ethical standards:

**1) Business integrity**

The highest standards of integrity form the basis of all business activities, and in particular the prohibition of all forms of bribery, corruption, extortion and embezzlement, so that a zero-tolerance policy is pursued.

All business processes are designed transparently and correctly reflected in the books and records of LASOS to ensure compliance with anti-corruption laws.

**2) Prohibition on undue advantage**

Bribes or other means of obtaining an improper or inappropriate benefit are neither promised, offered, approved, paid for, used or accepted. This prohibition also applies to promising, offering, approving, granting or accepting pecuniary benefits, both directly or also indirectly through third parties, with the aim of obtaining, maintaining or mediating a business deal to a person or otherwise gaining an improper advantage.

**3) Intellectual property**

Intellectual property rights will be respected; technology and knowledge transfer take place in such a way as to protect intellectual property rights and customer information.

Employees are guaranteed a fair share of inventions to which they contribute.

**4) Fair business, fair advertising and fair competition**

The standards of fair business, fair advertising and fair competition are to be observed. Suitable means must be available to protect customer information.

### **5) Protection of identity and prohibition of reprisals**

The confidentiality, anonymity and the protection of informants on the part of suppliers and the workforce is guaranteed,<sup>1</sup> unless prohibited by law. Concerns may be raised without the fear of reprisal.

### **6) Responsible sourcing of conflict minerals**

LASOS operates a strategy for the responsible procurement of products containing what are referred to as conflict materials.

### **7) Data protection**

LASO has appointed a Data Protection Officer who shall protect personal information with the reasonable expectations of business partners, including suppliers, customers, consumers and employees. Compliance with the laws pertaining to data protection, information security and government regulations concerning the collection, storage, processing, transfer and disclosure of personal information takes place.

## **E. MANAGEMENT SYSTEM**

The scope of the management system that LASOS has introduced can have the contents of this Code added to it.

The management system is designed to ensure following regarding the Code:

- (a) Compliance with the relevant laws, regulations and customer requirements in relation to the operations and products,
- (b) Compliance with this Code and
- (c) Identification and mitigation of operational risks, inter alia regarding this Code.

Continuous improvement is an inherent part of the management system.

### **Components of the management system**

#### **1) Obligation of the company**

Policy statements on social and environmental responsibility in terms of the corporate policy to which LASOS expresses its commitment to complying with the laws and regulations and for continuous improvement.

The policy statements are confirmed by the management and made known.

#### **2) Accountability and responsibility of the management**

Managers and representatives of the company are appointed who are responsible for introducing management systems and related programmes.

The management regularly evaluates the status of the management system.

#### **3) Provisions of the law and customer requirements**

Procedures for identifying, monitoring and better understanding the relevant laws, regulations and customer requirements are introduced.

The provisions of this Code are supplemented conformant to requirement.

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<sup>1</sup> Definition of an informant: Any person who provides information concerning the unlawful conduct of an employee or a manager of a company, or a public official or an official body.

#### 4) Risk assessment and risk management

Risk assessment and risk management are performed in accordance with ISO 9001 and based on BS 25999-1:2006 (British Standard, Business Continuity Management. Code of Practice).

#### 5) Goals for improvement

Performance goals, planned performance and implementation plans formulated in writing to improve the social and environmental conduct of the party, including periodic evaluation of the party's achievements to reach those goals.

#### 6) Training

Training programmes for managers and workers to implement the policies, procedures and goals for improvement and for complying with the applicable laws and government regulations.

#### 7) Communication

A procedure that serves for providing the workforce, suppliers and customers with clear and accurate information concerning the policies, practices, expectations and performance of the party.

#### 8) Feedback and workforce participation

Ongoing processes for assessing the extent to which the workforce has understood the procedures and provisions of the management system, and for collecting feedback, in order to foster continuous improvement.

#### 9) Inspections and assessments

Regular self-assessments to ensure compliance with the statutory and regulatory provisions, the contents of this Code and the requirements of customer contracts in terms of social and environmental responsibility.

#### 10) Procedure for corrective measures

A procedure for the timely resolution of deficiencies identified during internal or external reviews, inspections, investigations, examinations, audits and inspections. **11) Documentation and records**

The creation and maintenance of documents and records to ensure regulatory compliance and the fulfilment of business requirements. Appropriate confidentiality must be maintained at the same time in order to ensure data protection.

#### 12) Responsibility of the supplier

A procedure shall be established which to make the provisions of this Code clear to suppliers.

Jena, Germany, 19/02/2019

Dr. Jürgen Meyer  
Managing Director