



**Code of Conduct**  
for the ZEISS Group



# Preface

ZEISS is a company dedicated to delivering optimum performance and meeting the highest demands, in terms of not only technology, but also compliance with the “rules” of good and fair behavior in competition and when dealing with our employees, customers and business partners.

Therefore, ZEISS approved a globally valid Code of Conduct in 2007. It stipulates and explains the general rules of behavior for various aspects of our business activities.

This Code of Conduct has proven to be a valuable tool. The reward for complying with the Code of Conduct is the trust given to our company and the excellent reputation of the ZEISS brand on global markets. It is our firm conviction that sustainable economic success is inseparable from compliance with laws and our internal standards, and thus depends on every single employee.

Following a revision in 2014, in which we enhanced aspects such as product safety, environmental protection and the protection of personal data, this version of the Code of Conduct was subsequently changed in 2016 to expressly acknowledge the international

labor (ILO) standards for ZEISS. Moreover, we have made editorial changes to make it easier to read and understand.

The Code of Conduct satisfies in full the requirements found in the Code of Conduct of the Electronic Citizenship Coalition (EICC).

The Code of Conduct does not intend to explicitly reference all legal regulations which apply to our business conduct. Instead, it explicitly addresses those subject areas which are essential for the sustained success of ZEISS and, in the event of a violation, can result in severe financial penalties or reputation damage. Thus all supervisors and employees are expected to also adhere to the laws and rules in those cases which are not expressly addressed in this Code of Conduct.

By using this Code of Conduct as a guideline for your daily activities, you will see that we already practice most of what is contained in these pages every day.

However, there may be individual areas with room for improvement.

Oberkochen, January 2017



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# 1 Principles

ZEISS's success requires the skill, dedication and responsible actions of every employee.

Responsibility towards people and nature as well as fairness and tolerance characterize and shape our company culture to a high degree.

## **These are the most important principles:**

- Legally-compliant and ethically flawless conduct
- Social commitment
- Adherence to general legal and cultural conditions
- Fair, polite and respectful interaction with colleagues and business partners
- Refraining from any form of discrimination
- Professionalism, fairness and reliability in all business dealings
- Loyalty to ZEISS

## Legal Compliance

## 2 Fair treatment of employees and business partners

Our business partners (customers, sales partners and suppliers) and employees are the central focus of our activities. Relationships with our business partners and employees shall be marked by mutual reliability and sustainability. Honesty in our actions, politeness in our dealings with each other as well as respect and fairness are expected of us.

Fair treatment also means fair working conditions. This includes the free choice of employment, i.e. the prohibition against forced or slave labor, human trafficking or child labor, complying with compensation that has been legally or contractually stipulated or agreed upon, the freedom of association and the right to humane treatment at work.

Moreover, no one may be harassed or discriminated against based on race, skin color, nationality, ancestry, gender, sexual identity, religion, world view, political orientation, age, physique or appearance.

These principles can only be implemented if they are practiced by management personnel towards employees and observed by employees in their interactions with each other.

### How do we act appropriately?

We do this by ...

- ensuring a good working atmosphere both in what we do and where we work.
- treating each other in a friendly, polite and respectful manner.
- respecting cultural differences.
- not disadvantaging or discriminating against anyone because of their ethnic or social background, skin color, gender, age, marital status, disability, religion, nationality, sexual identity or any other characteristic.
- making and communicating decisions in a transparent and comprehensible manner.
- promoting fair working conditions and upholding human rights not only within our company, but also at our business partners' sites.

## Fair Conduct

## 3 Fair competition

Regulations to protect fair competition are an essential part of a free market economy. Almost all countries have passed laws on this issue. In particular, these laws:

- prohibit collusion and the exchange of information between competitors on prices, division of territories, product quantities or other parameters relating to competition.
- prohibit price fixing by sales partners.
- prohibit the abuse of a dominant market position.

These types of prohibited agreements include informal discussions, informal gentlemen's agreements and coordinated behavior in so far as a measure to limit competition is arranged or implemented. Even the appearance of coordinated behavior must be avoided.

Violations of the legal stipulations can result in considerable damages for the company, e.g. fines or damage to reputation, and the employees involved may have to pay a personal fine.

### How do we act appropriately?

We do this by ...

- not colluding with competitors about parameters which affect competition, e.g. prices, price changes, conditions, product quantities, sales areas, customer allocation.
- not exchanging any information about parameters affecting competition with competitors.
- not influencing our sales partners' pricing or other sales terms (by either threatening to impose penalties or promising privileges).
- not interfering in tender processes, i.e. we do not agree on quotes with competitors and do not prompt the persons inviting tenders to divulge information to us which has not been made public.
- not taking advantage of market-dominant positions (i.e. through a supplier boycott).
- not making any untrue or misleading marketing statements.

For more information on the requirements, please see the corporate directives from Compliance.

# No Collusions

## 4 Fighting corruption

# Gifts and Entertainment

We want to be successful in competition, because the price, performance and quality of our products and services impress and not because the procurement decision was influenced in some other way.

Corrupt behavior is prohibited. Corrupt behavior can be said to exist if a person demands, accepts, offers or grants personal privileges in order to receive preferential treatment in the initiation, awarding or processing of an order. Both the person granting (or promising) the benefit as well as the person demanding (or accepting) it are criminally liable.

A personal privilege is any kind of benefit such as cash payments (e.g. donations), non-cash benefits (e.g. a voucher, invitation, prohibited price reduction) or material gifts.

A distinction must be made between granting or accepting invitations and corrupt conduct. This may be permissible if it concerns 'socially typical benefits' and if these invitations are not made with the intention of providing preferential treatment in connection with, for example, the awarding of a contract. However, the appearance of improper influence can also quickly emerge in these cases, thus caution is generally required with invitations and gifts.

Particular caution is required with gifts and invitations involving state employees or office holders, including foreign states, and in the medical sector. These are even prohibited entirely in many countries.

### How do we act appropriately?

We do this by ...

- not making business decisions dependent upon us benefiting from these business decisions in return.
- not trying to influence business decisions in favor of ZEISS by granting or promising personal benefits to decision makers from our business partners.
- rejecting bribery attempts of this sort and immediately notifying the supervisor or the compliance officer.
- acting extremely cautiously as concerns invitations or gifts.
- using 50 euros as a guideline for invitations and gifts.
- disclosing incommensurate gifts internally which cannot be refused for reasons of politeness and making them available to others (e.g. for a company raffle).
- not extending or promising any invitations to officials or members of the medical sector unless they have been expressly approved by the compliance officer responsible.
- discussing the matter with the supervisor or the compliance officer if in doubt.

For more information on the requirements, please see the corporate directives from Compliance.

## 5 Handling company property

Each employee is obligated to treat all operating equipment, in particular machines and tools as well as all information and communication systems carefully and in accordance with their intended purpose. The workplace and all facilities that serve the workforce or the company must always be kept orderly and damage must be reported to the supervisor.

Company property must not be used privately or removed from company premises without the express permission of the authority responsible in the company.

Violations may result in consequences under legal or labor law for the particular employee.

### How do we act appropriately?

We do this by ...

- protecting all company property as well as information and communication systems from loss, damage or misuse.
- reporting damage or loss immediately.
- using the resources made available by the company sparingly and carefully.
- adhering to the respective valid travel directive when booking and invoicing business trips.
- using property or removing property from the company for private purposes only with the permission of the supervisor.
- never using company property for illegal or any other unauthorized purposes (e.g. visiting illegal websites).
- being vigilant about a third party attempt to damage our company property, e.g. through theft, fraud, hacker attacks, etc.

For more information on some items, please see the corporate directives from Corporate Security.

## Due Dilligence

## 6 Protection of trade secrets and IT security

Our inventions and know-how are of particular importance for the long-term success of our company. Therefore, our intellectual property has to be protected by preventing third parties from gaining knowledge of or obtaining unauthorized access to it. Intellectual property rights comprise, for example, inventions and product prototypes as well as trade securities, including details about customers, suppliers or software.

IT security supports the protection of intellectual property against access by unauthorized third parties, against data theft, know-how drain or the consequences of malware through diverse IT security measures such as passwords, anti-virus programs and access concepts.

Furthermore, without approval, employees are not permitted to take part in public discussions (e.g. lectures, internet forums, etc.) or to publish company-relevant information (e.g. on the internet) in their capacity as ZEISS employees.

The loss of company secrets can have a negative impact on both the future success of the company and on the employees.

### How do we act appropriately?

We do this by ...

- keeping confidential information concerning the company secret and not divulging it to unauthorized persons (this includes family and friends).
- protecting records and files from unauthorized access (encryption).
- complying with security standards stipulated by IT and Corporate Security, both in personal communications and in electronic communication with third parties and also applying these same standards to confidential information made available to us by third parties.
- not divulging confidential information when using social media.
- not saving company data on private electronic devices.
- not connecting any private electronic devices to the company network.

You can find more information on the security standards which must be observed in the corporate directives from Brand Management & Communication and Corporate Security.

## 7 Ban on insider trading

Insider trading laws are intended to protect investors. They prohibit:

- exploiting insider information to gain direct or indirect personal benefits when purchasing or selling securities.
- the unauthorized dissemination of such information.

Insider information is information which is not yet known on the market and whose disclosure can considerably influence the market price of the affected shares (i.e. information on planned company acquisitions, strategic agreement for a joint venture between two companies, financial results, new products, problems with products or important agreements).

Prohibited insider trading can have considerable criminal and civil consequences for both the employee and the company.

### How do we act appropriately?

We do this by ...

- not using information which we obtain about listed companies (e.g. Carl Zeiss Meditec AG or others) within the scope of our business activity and which can influence the market value to buy or sell shares of this company so long as this information has not yet been made public.
- not divulging such information to third parties and not making recommendations to these third parties related to the purchase or sale of shares (The term "third parties" also refers to family members, partners, friends, or other ZEISS employees who do not possess this information).

## Insider Information

## 8 Avoiding conflicts of interest and private activities

In our everyday business, there may be situations in which private or personal interests or relationships conflict with those of ZEISS. Conflicts can, for example, occur in connection with one's own (sideline) entrepreneurial activity. Under certain circumstances they can also result from that of family members.

To prevent conflicts of interest, the HR department responsible must be informed about additional (entrepreneurial) activities, honorary appointments or similar pursuits and approval must be granted.

ZEISS supports the social and political commitment of its employees. However, any activity in clubs, political parties, or other social or political institutions, whether as an elected official or as an honorary appointment, must not interfere with the fulfillment of the employee's duties stipulated in contract of employment.

Non-disclosed conflicts of interest and unapproved sideline activities can mean damages for the company and result in legal consequences for the particular employee.

### How do we act appropriately?

We do this by ...

- declaring potential or actual conflicts of interest to our supervisor.
- handing over decisions in which we have a conflict of interest to our colleagues or supervisors.
- not inducing any related party (e.g. family member, partner) to perform activities which we may not perform ourselves due to a conflict of interest.
- informing our supervisor and obtaining permission from HR if we begin a sideline activity (accepting an additional position in another company, working for another company, undertaking one's own entrepreneurial activity).
- informing our supervisor if we assume an honorary office (e.g. as a juror, local council, trainer, etc.) in order to prevent conflicts with the obligations stipulated in the employment agreement.

## 9 Adherence to export controls and customs regulations

ZEISS is a global company. Within the scope of its international activities, it must comply with regulations which limit the free movement of goods.

Various national and international laws and embargoes limit or prohibit the import, export or domestic trade of goods, technologies and services as well as monetary transactions and the movement of capital. The limitations and bans can be due to the nature of the goods, the country of origin, the country in which the goods are to be used, or who the business partner is.

ZEISS is also committed to combating smuggling. Within the scope of all import and export business it performs, each ZEISS company and its acting employees must comply with the respective customs regulations.

Apart from the consequences for the respective business unit, violations of the aforementioned regulations can severely damage the reputation of the entire company and have incalculable consequences.

### How do we act appropriately?

We do this by ...

- having the responsible experts check whether there are limitations or prohibitions when purchasing, selling, facilitating or putting on market goods and services as well as when transferring technologies.
- obtaining necessary official permits before performing the particular act, if applicable.
- checking and observing the particular conditions stipulated by customs for import and export transactions.

For more information on the requirements, please see the corporate directives from Export Control.

## Restriction on the Free Movement of Goods

## 10 Occupational health and safety

Safety in the workplace and protecting the health of all employees is a fundamental principle for ZEISS and has been enshrined in the Foundation statutes.

Therefore, each ZEISS entity has to take the necessary measures in line with its business operations to prevent accidents and occupational health risks as well as to create humane working conditions.

For us, occupational health and safety also includes the professional support of our employees before and during business trips.

Each supervisor is responsible for the protection of their employees and must provide them with appropriate instruction, training and supervision.

### How do we act appropriately?

We do this by ...

- adhering to safety regulations (e.g. when handling hazardous substances).
- developing an awareness of hazards and safety-relevant activities.
- being sufficiently cautious so that potentially dangerous situations do not arise in the first place.
- eliminating hazardous situations.
- immediately reporting all detected accidents or potential hazards and exposures as well as near misses to the supervisor responsible.
- resolving safety issues related to travel in advance of business trips.
- using the precautionary measures offered by the company.

For more information on the requirements, please see the corporate directives from Occupational Health and Safety.

## Safety at Work

## 11 Product safety

Our success is determined by the safety and reliability of our products as well as by their performance. Product safety begins at the development stage, continues during the procurement and production processes and is of fundamental importance during the installation of our products at the customer's site and during servicing.

A multitude of legal stipulations relating to the development, production, approval and sale of our products serve to guarantee the safety of our products. ZEISS products must not endanger the safety and health of consumers and must meet certain quality standards.

Defective products may cause significant damage, not only to the company (e.g. product recalls, reputation), but also and especially to the consumer.

### How do we act appropriately?

We do this by ...

- observing the quality specifications.
- obtaining all necessary permits for launching our products.
- informing our customers and performing corrective measures if we learn of hazards resulting from our products.

# Quality

## 12 Environmental protection and efficient use of energy

Our company is committed to environmental protection as a corporate objective enshrined in the statutes and declares the sparing use of resources and energy efficiency a pivotal production factor in our manufacturing processes. The following commitments concerning environmental protection and efficient energy use apply:

- Environmental protection, the careful and economical use of all resources including energy, as well as regulated recycling and disposal, are central elements of our corporate philosophy. This allows us to prevent or minimize any negative impact on people, the environment and nature, and to improve our energy performance on an ongoing basis.
- We incorporate the requirements of an intact environment into the development, design, manufacturing process, packaging and shipping of our products, as well as in the improvement of processes and the introduction of new systems and products.
- Maximum efficiency in the use of resources while simultaneously ensuring sustainable economic viability is one of our fundamental principles.

Violations against environmental protection regulations can not only harm people and nature, but also the success of the company in the long term (e.g. loss of reputation, fines).

### How do we act appropriately?

We do this by ...

- using resources (e.g. water, paper, electricity) sparingly, disposing of and recycling resources in accordance with regulations.
- observing environmental protection and energy efficiency measures in the entire value creation process.
- disposing of waste in an environmentally friendly manner.
- preventing environmental damage by reporting environmental risks.
- informing the internal experts immediately in the event environmental damage has occurred. These then arrange the legally prescribed report to the according authority.

You will find more information in the corporate directives on Environmental Protection.

## Energy Efficiency

## 13 Protection of personal data

The simpler and more comprehensive data processing becomes, the more important it is to protect the personal and person-specific data of our customers, business partners and employees (e.g. name, address, date of birth, tax number, health information). These person-specific data may only be divulged and processed within the scope of the respective valid laws.

Violations of data-protection stipulations are punished with large fines.

### How do we act appropriately?

We do this by ...

- having an overview of the extent to which we deal with person-specific data.
- informing the data protection officer responsible about the treatment of person-related data.
- protecting the person-related data from unauthorized access (e.g. observing the required security standards in electronic dealings with third parties).
- only collecting, storing or sharing person-related data if it is necessary to complete the task and legally permitted.
- monitoring and disposing of person-related data in a secure manner;
- contacting the Data Protection Officer in charge or our supervisor in case of any doubt.

You will find more information in the corporate directives on Data Protection.

# Data Protection

## 14 Financial integrity and anti-money laundering

All business transactions must be duly reproduced in accounting documents, balances and tax returns. Thus it is necessary that all relevant issues be correctly and completely captured as well as documented and archived in a replicable manner. Any non-compliance carries the risk of being subject to investigations because of balance sheet manipulation, falsifying documents, fraud allegations, tax offenses or money laundering.

Money laundering refers to disguising the source of illegally obtained assets (e.g. through terrorism, drug trafficking, corruption and other criminal offenses) in order to bring them into the legal economic cycle and thereby make them ostensibly legitimate assets. It's ZEISS' declared objective not to be abused for money laundering and other illegal purposes nor to contribute to it.

### How do we act appropriately?

We do this by ...

- adhering to financial reporting standards.
- not performing any business outside of the normal processes.
- archiving all documents associated with business transactions in an organized manner.
- adhering to legal obligations to archive records.
- neither changing nor destroying documents haphazardly which are related to government investigations or civil disputes.
- not closing any business if there are indications of possible money laundering and, in case of doubt, discussing the matter with the particular supervisor or the compliance officer responsible.

# Transactions

## 15 What to do when in doubt and contacts for reporting suspected violations

Every employee is expected to seek the advice and support of their supervisors, the departments responsible, their employee representatives or the Compliance organization should this employee doubt the legality of their own behavior or should there be evidence of legally dubious processes in their work environment.

You will find a list of all compliance officers as well as further information on the intranet under Compliance.

All concerns are taken seriously, and the person voicing their concern should not fear any disciplinary measures or sanctions even if the alleged misconduct is not confirmed. Making an accusation which is known to be false or which is made maliciously in order to slander others shall not be tolerated.

Information can also be submitted anonymously.

Confidentiality is ensured if the person making the accusation so wishes.

### How do we act appropriately?

We do this by ...

- being courageous and making inquiries if we are in doubt or informing others of suspected misconduct.
- taking action by reporting concerns either locally or, if concerns are not being addressed, by reporting it to the superordinate compliance organization on the BG or Corporate level.

## Reporting Violations

## 16 Special responsibilities of supervisors

Executives and supervisors bear a particular responsibility in adhering to the Code of Conduct.

### They must

- serve as a model.
- ensure that their employees know, understand and adhere to the requirements of the Code of Conduct.
- conduct the necessary information and training courses for their employees.
- ensure the occupational safety and health of their employees in daily business.
- ensure consistent adherence to the Code of Conduct and, if necessary, perform corrective or disciplinary measures.
- act as contacts for employees and support them, e.g. by following up on tips concerning misconduct.

## Acting as a Role Model

**Carl Zeiss**

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73446 Oberkochen  
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