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Approved by Ledil Board of Directors on 9th September 2021

CODE OF CONDUCT

1. PURPOSE AND OBJECTIVE

Since 2002, Ledil has developed innovative optical solutions to support customer operations, performance and regulatory compliance in the field of LED secondary optics.

Ledil Group Oy is a registered, privately held limited liability company headquartered in Salo, Finland. Ledil holds a worldwide leading position in the development, manufacturing and delivery of LED secondary optics. This has made Ledil products the primary choice for secondary optics for a majority of the global LED market leaders.

This Code of Conduct establishes the Ledil company standards for ensuring safe working conditions, equal and respectful treatment of workers, and environmentally responsible and ethically conducted business operations.

The code is made up of seven sections. Sections 2, 3, and 4 outline standards for Labour, Health and Safety and the Environment. Section 5 sets standards for our business ethics. Section 6 outlines the elements of an acceptable system to manage conformity to this code. Section 7 elaborates on the responsibility of each employee to ensure compliance with the Code.

The Code applies to all employees within Ledil Group, its subsidiaries and to all its representatives, including board members and industrial advisors. We also strive to ensure that our suppliers, agents and other business partners comply with the principles of our Code of Conduct.

2. LABOUR

We at Ledil are committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community. This applies to all workers including temporary, migrant, student, contract and direct employees, and to any other type of worker as well. Our labour standards are:

2.1 Voluntary employment

Forced, bonded (including debt bondage) or indentured labour, involuntary prison labour, slavery or human trafficking shall not be used or condoned. This includes transporting, harbouring, recruiting, transferring or receiving vulnerable persons by means of threat, force, coercion, abduction or fraud for the purpose of exploitation. All work must be voluntary, and workers shall be free to leave work at any time or to terminate their employment. Workers must not be required to surrender any government-issued identification, passports, or work permits as a condition of employment. Excessive fees are unacceptable and all fees charged from workers must be disclosed.

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2.2 Prohibition of child labour

Child labour is not to be used in any stage of manufacturing. The term “child” refers to any person under the age of 15 (or 14 where the law of the country permits), or under the age of completing compulsory education, or under the minimum age for employment in the country, whichever is the highest. The use of legitimate workplace apprenticeship and practice programs, which comply with all laws and regulations, is supported. Workers under the age of 18 shall not perform work that is likely to jeopardize the health or safety of young workers.

2.3 Working hours

Studies of business practices clearly link worker strain to reduced productivity and increased injury and illness. Weekly working hours are not to exceed the maximum set by local law. Further, weekly working time should not exceed 60 hours per week including overtime, except in an emergency or unusual situations. Workers shall be allowed at least one day off per a seven-day week.

2.4 Compensation and benefits

Compensation paid to workers shall comply with all applicable labour laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. The basis on which workers are being paid is to be provided in a timely manner via payslip or similar documentation.

2.5 Humane treatment

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; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

2.6 Non-discrimination

Ledil makes active efforts to achieve a corporate culture and workplace free from discrimination and harassment. Employees at Ledil have a joint responsibility with the company management for this to be achieved. We shall not engage in discrimination based on race, colour, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership, marital status or other distinguishing characteristics in hiring or in other employment practices such as promotions, rewards, and access to training. Any form of discrimination or harassment is also forbidden between colleagues. In addition, workers or potential workers should not be subjected to medical tests which could be used in a discriminatory way.

2.7 Freedom of association

Open communication and direct engagement between workers and company management are the most effective ways to resolve workplace and compensation issues. The rights of workers to associate freely, to join or not to join labour unions, to seek representation and to join workers' councils in accordance with local laws shall be respected. Workers shall be able to openly communicate and share grievances

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with the management regarding working conditions and management practices without fear of reprisal, intimidation or harassment.

3. HEALTH AND SAFETY

We believe, that in addition to minimizing the incidence of work-related injuries and illnesses, a safe and healthy working environment enhances the quality of products and services, the consistency of production, and worker retention and morale. The company also recognizes, that continuous worker input and training is essential to identifying and solving health and safety issues in the workplace. The health and safety standards are:

3.1 Occupational safety

Worker exposure to potential safety hazards (e.g. electrical and other energy sources, fire, vehicles, and falling hazards) is to be controlled through proper design, engineering and administrative controls, preventive maintenance and safe working procedures (including lockout/tagout), and continuous safety training. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment. Workers shall not be disciplined for raising safety concerns.

3.2 Preparedness for emergencies

Potential emergency situations are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures including the following: emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans.

3.3 Occupational injury and illness

There must be procedures and systems for preventing, managing, tracking and reporting occupational injuries and illnesses. These shall include provisions to encourage worker reporting, to classify and record injury and illness cases, to provide necessary medical treatment, to investigate cases and implement corrective actions to eliminate their causes, and to facilitate workers' return to work.

3.4 Industrial hygiene

Worker exposure to chemical, biological and physical agents is to be identified, evaluated, and controlled. Engineering or administrative controls must be used to control overexposures. When hazards cannot be adequately controlled by such means, worker health is to be protected by appropriate personal protective equipment.

3.5 Physically demanding work

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, is to be identified, evaluated and controlled.

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3.6 Machine safeguarding

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.

3.7 Sanitation, food and housing

Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Possible worker dormitories provided by the company or a labour agent are to be maintained clean and safe, and provided with an appropriate emergency exit, hot water for bathing or showering, adequate heat and ventilation, and reasonable personal space along with reasonable entry and exit privileges.

4. ENVIRONMENT

We recognize that environmental responsibility is essential to producing world class products. In manufacturing operations, adverse effects on the community, environment and natural resources, are to be minimized while safeguarding the health and safety of the public.

The ISO 14001 standard was used as a reference in preparing this Code and may be used as a source of additional information. The environmental standards are:

4.1 Environmental permits and reporting

All required environmental permits (e.g. discharge monitoring), approvals and registrations are to be obtained, maintained and kept up-to-date, and their operational and reporting requirements are to be followed.

4.2 Pollution prevention and resource reduction

Waste of all materials and resources, including water and energy, is to be reduced or eliminated at the source by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using.

4.3 Hazardous substances

Chemicals and other materials posing a hazard if released into the environment are to be identified and managed to ensure their safe handling, movement, storage, use, recycling or re-use and disposal.

4.4 Wastewater and solid waste

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.

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4.5 Air emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, monitored, controlled and treated as required prior to discharge.

4.6 Product safety and content restrictions

Products manufactured at Ledil must comply with all laws and regulations relating to product safety. Ledil will, when applicable, adhere to all relevant laws, regulations and customer requirements regarding prohibition or restriction of specific substances, including labelling for recycling and disposal.

5. ETHICS

To meet social responsibilities and to achieve success in the market, Ledil is to uphold the highest standards of ethics including:

5.1 Business integrity

The highest standards of integrity are to be upheld in all business interactions. Ledil enforces a zero-tolerance policy to any and all forms of bribery, corruption, extortion and embezzlement. The term corruption refers to the abuse of a position of trust for personal or the company's gain, for example through the use of bribes. It is forbidden to offer promise or give, as well as request, accept a promise of or receive a bribe. A bribe is a gift or other benefit that might influence another person, as a part of their employment or duties, to show improper favour to the giver.

Ledil's employees may, for example, not offer, give, receive or request gifts, services, entertainment or other rewards that:

- violate accepted business practice
- have more than insignificant value to the recipient
- consist of money, securities, cash loans, other types of personal payments in the form of discounts, commissions, bonuses or fees
- consist of pure leisure or vacation trips
- violate existing laws and/or go beyond local custom
- are offered to people employed in the public sector in conjunction with imminent or ongoing procurement or decisions which constitute the exercise of authority
- are other rewards, which due to their value or other relevant circumstances, are typically likely to improperly influence the recipient in the exercise of their professional duties, or in another manner risk embarrassing the company or the employee in the event they were to become public knowledge.

Provided that the above criteria are adhered to, Ledil employees may give and receive benefits. This is subject to the condition that such benefits are modest, openly accepted and offered, and otherwise compliant with this Code of Conduct.

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All business dealings are transparently performed and accurately reflected on Ledil business records. The management of Ledil Group is responsible for regular analysis of the risks of corruption related to its operations, and for maintaining an adequate anti-corruption program and implementing any other measures regarded as necessary in order to prevent the corruption risks identified in the risk analysis.

5.2 Disclosure of information

Information regarding business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable. Ledil's employees may not spread or abuse confidential information. This principle may however be waived if specific permission has been given by the immediate manager. Examples of confidential information include non-public information about Ledil's operations, financial position, strategies, business transactions, business plans, business processes, etc. Ledil requires employees and other persons who perform services for Ledil, when relevant, to sign a confidentiality agreement. The obligation to maintain confidentiality survives the termination of employment or consultancy work.

5.3 Intellectual property

Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner which protects intellectual property rights.

5.4 Fair business, advertising and competition

Standards of fair business, advertising and competition are to be upheld. We support and aim to achieve fair competition. Employees in our company must therefore comply with all relevant competition rules and refrain from concluding unlawful anti-competitive agreements as well as exchanging unlawful price and/or market information with competitors. Appropriate means to safeguard customer information must be available.

5.5 Protection of identity

Programs ensuring the confidentiality and protection of supplier and employee whistle-blowers¹ are maintained.

5.6 Privacy

Ledil and its suppliers are to commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers and employees. The parties are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

¹ Whistle-blower, definition: Any person who makes a disclosure about improper conduct by an employee or officer of a company, or by a public official or official body.

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5.7 Non-retaliation

Ledil and its suppliers have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

5.8 Responsible sourcing of minerals

Ledil and its suppliers have a policy to reasonably assure, that the tantalum, tin, tungsten and gold in the products they manufacture or provide, 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. The parties shall exercise due diligence in ascertaining the source and chain of custody of these minerals and make their due diligence measures available to customers upon customer request.

5.9 Zero tolerance for child pornography and purchase of sexual services

Purchase of sexual services, sexual exploitation of children and child pornography is illegal based on legislation in several countries, including Finland, and can support trafficking, which is a violation of human rights. Ledil has a zero tolerance policy against child pornography and purchase of sexual services. Employees at Ledil on assignments and business travel, also internationally, are expected to respect this stance. This applies irrespective of country and both during and after working hours.

5.10 Export Controls

We shall comply with all applicable rules regarding export controls, including not acting contrary to, or with persons implicated in, economic sanctions. Ledil shall further not trade in or export sensitive goods without the requisite export permits.

5.11 Conflicts of interest are avoided

The organisation of Ledil Group is politically independent, and our employees work in the best interest of the company. Ledil's employees shall avoid all acts that might be perceived as favouring a company, organisations, individuals or other stakeholders at the expense of Ledil. Employees shall avoid all types of activity that violate the company's interests or have a negative effect on the employee's judgement and integrity. Agreements with or other forms of assignments to related parties shall be avoided, and always be reported to and approved by the nearest manager or the company's Group management. Ledil does not take a political stand and therefore we do not use funds from the company to support political campaigns or other political purposes.

6. MANAGEMENT SYSTEM

Ledil has established a management system which is related to the content of this Code. The management system is designed to ensure: (a) compliance with applicable laws, regulations and customer requirements related to the company's operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code. It also facilitates continual improvement schemes. The management system does or will contain the following elements:

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6.1 Company commitment

Corporate social and environmental responsibility policy statements, affirming the commitment of the whole company staff to their compliance and continual improvement, endorsed by executive management.

6.2 Management accountability and responsibility

Ledil has identified the company Quality manager as responsible for ensuring implementation of the management systems and associated programs. Company management reviews the status of the management system on a regular basis.

6.3 Legal and customer requirements

A process to identify, monitor and understand applicable laws, regulations and customer requirements, including the requirements of this Code.

6.4 Risk assessment and risk management

A process to identify the environmental, health and safety², labour- and ethics-related risks associated with the company's operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

6.5 Improvement objectives

Written performance objectives, targets and implementation plans to improve the company's social and environmental performance, including a periodic assessment of Participant's performance in achieving those objectives.

6.6 Training

Programs for training managers and workers to implement Company policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements.

6.7 Communication

A process for communicating clear and accurate information about Company policies, practices, expectations and performance to workers, suppliers and customers.

² Areas to be included in a risk assessment for environmental health and safety are production areas, warehouse and storage facilities, plant/facilities support equipment, laboratories and test areas, sanitation facilities (bathrooms), kitchen/cafeteria and worker housing/dormitories.

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6.8 Worker feedback and participation

Continuous processes to obtain feedback and to assess employees' understanding of practices and conditions covered by this Code and to foster continuous improvement.

6.9 Audits and assessments

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.

6.10 Corrective action process

A process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.

6.11 Documentation and records

Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

6.12 Supplier responsibility

A process to communicate Code requirements to suppliers and to monitor supplier compliance to the Code.

7. PERSONAL RESPONSIBILITY AND ROUTINES FOR REPORTING VIOLATIONS

All employees must be aware of the contents of the Code of Conduct and they are responsible for knowing the laws, guidelines and regulations relevant for their working duties. If an employee has questions relating to practical situations (e.g. giving or receiving of gifts/rewards or conflicts of interest), the immediate superior should be consulted in the first instance. If an employee suspects a possible behaviour that violates the Code of Conduct, this should be reported to the immediate superior as soon as possible. If such person is involved or otherwise disqualified, the event should be reported to the next-highest superior, or alternatively according to the following: immediate superior, HR manager, Quality manager, CEO, Chairman of the board. Alternatively, the report can be filed through the Ledil internal Whistleblowing channel: <http://whistleblower.ledil.com>.

All reports shall be taken seriously and investigated where necessary. There shall be no form of retaliation (termination of employment, harassment, discrimination, etc.) for reporting in good faith of a violation of the Code of Conduct or participation in the company's investigation of a complaint. Moreover, Ledil will ensure that immediate disciplinary actions, to the full extent of the employment laws of the relevant country, are taken against those who violate this Code of Conduct and that circumstances in violation of applicable laws and regulations are reported to the relevant authorities. Any information submitted through this process will be processed on confidential basis and in accordance with the applicable data protection and other regulations. All reports should be submitted honestly and in good faith. Abuse of the whistleblowing process, deliberate reporting of false or malicious information is a serious offence and may result in further action.