I. Purpose

IPG Photonics Corporation ("IPG") adopts this Anti-Human Trafficking Policy and Compliance Plan to set forth IPG’s policy (the “Policy”) against trafficking in persons (“human trafficking”) and set forth elements of its compliance plan (the “Plan”). The Policy and Plan are consistent with IPG’s Code of Business Conduct (the “Code”) and IPG’s core values to ensure respect for human dignity and human rights in IPG’s global business practices. This Policy and Plan is designed to comply with Federal Acquisition Regulation (FAR 52.222-50 and 52.222.56) (including Subpart 22.17), the California Transparency in Supply Chains Act of 2010 and the UK Modern Slavery Act.

II. Policy Applicability

IPG has an established, zero-tolerance policy prohibiting human trafficking-related activities. Pursuant to the Policy, involuntary or forced labor (including bonded, debt bondage, indentured and involuntary prison labor), commercial sex, slavery, or trafficking of persons is prohibited. This includes transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. As required by law and IPG Policy, IPG and its employees, subcontractors, and agents shall not:

1. Engage in any form of trafficking in persons;
2. Procure commercial sex acts;
3. Use forced labor in the performance of any work;
4. Destroy, conceal, confiscate, or otherwise deny access by an individual to the individual’s identity or immigration documents, such as passports or drivers' licenses, regardless of issuing authority;
5. Use misleading or fraudulent practices during the recruitment of candidates or offering of employment/contract positions, such as failing to disclose, in a format and language accessible to the candidate, basic information or making material misrepresentations during the recruitment of candidates regarding the key terms and conditions of employment, including wages and fringe benefits, the location of work, the living conditions, housing and associated costs (if arranged or provided by IPG or its agent or subcontractor), any significant cost to be charged to the candidate, and, if applicable, the hazardous nature of the work;
6. Use recruiters that do not comply with local labor laws of the country in which the recruiting takes place;

7. Charge applicants or candidates recruitment fees;

8. If required by law or contract, fail to provide return transportation or fail to pay for the cost of return transportation upon the end of employment;

9. If required by law or contract, fail to provide or arrange housing that meet the host country housing and safety standards; or

10. If required by law, fail to provide an employment contract, recruitment agreement or other required work document in writing.

III. Responsibility

Each employee, subcontractor, and agent of IPG is responsible for ensuring compliance with this Policy.

IV. Disciplinary Action

Any violation of this Policy could result in disciplinary action, up to, and specifically including, removal from a contract, reduction in benefits, termination of a business relationship, or termination of employment.

V. Reporting

1. Credible information regarding a potential violation of this Policy, whether by a IPG employee, agent, subcontractor, or subcontractor employee, must be immediately reported to the Human Resources Department (jweaver@ipgphotonics.com) and the Legal Department, alopresti@ipgphotonics.com. Reports may also be submitted anonymously through IPG’s anonymous reporting hotline using one of the following reporting methods:

   Telephone:
   - [ ] English speaking USA and Canada: (855) 600-0036 (not available from Mexico)
   - [ ] Spanish speaking North America: (800) 216-1288 (from Mexico user must dial 001-800-216-1288)
   - [ ] Employees outside of North America: 800-603-2869

   Telephone instructions, including country codes and dialing instructions, for employees outside of North America can be found at https://www.lighthouse-services.com/documentlink/International_Toll-free_Hotline_Access_Instructions.pdf
Website: http://www.lighthouse-services.com/ipgphotonics
E-mail: reports@lighthouse-services.com (must include company name with report)
Fax: (215) 689-3885 (must include company name with report)

2. IPG employees, subcontractors and agents are required to report information or knowledge of actual or potential human trafficking violations to IPG management. IPG does not permit retaliation against employees, agents or subcontractors that submit reports of violation in good faith under the Policy or that cooperate with a compliance investigation, even when no evidence is found to substantiate the report.

3. Employees aware of potential human trafficking violations may, in addition, contact the U.S. State Department's Global Human Trafficking Hotline directly at 1-844-888-FREE or help@befree.org.

VI. Compliance Plan

IPG’s Compliance Plan includes the following:

1. **Procedures.** Ensure compliance with each element of the Policy

2. **Awareness Program and Training.** IPG’s awareness program includes Code of Business Conduct training and periodic review of this Policy and Plan to ensure ongoing awareness.

3. **Recruitment and Wage Plan.** Only recruitment companies with trained employees may be used. No recruitment fees may be charged to the employee and all wages must meet applicable host-country legal requirements.

4. **Subcontractors, Agents, and Supplies.** Failure to comply with the requirements of this Policy and Plan is grounds for IPG to take any and all appropriate actions, up to and including immediate termination of that subcontractor’s, supplier’s or agent’s contract with IPG.

5. **Certification of Compliance Plan** – When required by FAR 52.222-50(h), IPG will certify that:
   a. It maintains a combating trafficking in persons compliance plan.
   b. It monitors for any contractor, subcontractor, or agent who is violating the Plan.
   c. After conducting sufficient due diligence, and to the best of its knowledge and belief, neither IPG (including its respective subsidiaries) nor any of its contractors, subcontractors, or agents are engaged in prohibited activities.
   d. If there are any violations, remedial action has been taken against the violator.
6. **Notification** – IPG shall promptly inform the appropriate contracting officer upon receipt of credible information alleging a violation of FAR 52.222-50; and any actions taken against an IPG employee, subcontractor, subcontractor employee or their agent pursuant to FAR 52.222-50.

7. **Posting** – IPG shall post its Compliance Plan on the IPG Website. IPG shall provide its Compliance Plan to a contracting officer upon request.

For further information regarding the Policy or Plan please contact the Legal Department at alopresti@ipgphotonics.com.