

EFFECT Photonics

Supplier Code of Conduct

Introduction

EFFECT Photonics is a company preparing the world for the technology of tomorrow. The telecommunication demand is growing exponentially, and the optical communication systems of tomorrow will play a major role in the society. EFFECT Photonics’ optical transceiver will allow greater data traffic using less energy than existing solutions.

As a company creating a technology that will have a positive influence on the planet, EFFECT Photonics wants to control its impact, by involving all its stakeholders and together participate proactively in the improvement of social and environmental practices.

This Code of Conduct describes how EFFECT Photonics takes words into actions and provides a set of principles for Corporate Social Responsibility (CSR). It sets up standards to ensure that working conditions throughout its supply chain are safe and respectful and that its operations are conducted sustainably and ethically. EFFECT Photonics expects its suppliers to share those principles and will use these for its suppliers’ selection and suppliers are encouraged to do the same.

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Labor and human rights

Child labor

EFFECT photonics condemns all kinds of child exploitation and unlawful employment. The minimum age for admission to employment is 18 years old. It may vary where the economy and educational facilities are insufficiently developed, it cannot be less than 18 years old for work involving hazardous activities and work that interferes with educational activities (Minimum Age Convention, 1973, ILO).

Slavery & Freely Chosen Employment

No forced labor; All employees have the right to freely choose their employments. Any kind of forced labor (exploitative prison labor, slavery, debt-bonded labor, etc) shall not be used. This includes labor or services received by means of threat, force or fraud. All work shall be voluntary and workers are free to leave work or terminate their employment, without their employer threatening or forcing them in any way.

Working hours, minimum wage

Working hours should not be more than what the national law allows. At least 24h hours of consecutive break are provided in every seven-day period.

Compensation paid to employees will comply with applicable national wage laws and ensure an adequate standard of living. Unless otherwise provided by local laws, deductions from basic wages as a disciplinary measure will not be permitted (this does not exclude the entitlement of damages on a contractual or legal basis). Suppliers are expected to provide their employees with fair and competitive compensation and benefits. Compensation and benefits should aim at providing an adequate standard of living for employees and their families. Suppliers' employees will be paid in a timely manner. It is recommended that suppliers offer their employees ample training and educational opportunities

Overtime should be used responsibly, considering all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment.

Diversity and inclusion

Equal treatment of all employees will be a fundamental principle of the supplier's corporate policy. Typical discriminatory treatment takes into consideration – consciously or unconsciously – irrelevant characteristics of an employee such as race, national origin, gender, age, physical characteristics, social origin, disability, union membership, religion, family status, pregnancy, sexual orientation, gender identity, gender expression or any unlawful criterion under applicable law. EFFECT Photonics encourages suppliers to provide an inclusive and supportive working environment and to exercise diversity when it comes to their employees as well as in their decisions to select subcontractors.

Respectful treatment

Suppliers will ensure that their employees are not harassed in any way. Any sexual harassment, sexual abuse, corporal punishment or torture, mental or physical coercion or verbal abuse of employees, or the threat of any such treatment are strongly forbidden. Employees' contracts should not be unfairly terminated without a clear explanation.

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Freedom of association

Suppliers will be committed to an open and constructive dialogue with their employees and workers' representatives. In accordance with local laws, suppliers will respect the rights of their employees to associate freely, join labor unions, seek representation, join works councils and engage in collective bargaining. Suppliers will not disadvantage employees who act as workers' representatives.

Environmental, Health & Safety

Health and process safety

Suppliers are expected to provide safe and healthy working environment to their employees and taking into account possible personal circumstances such as pregnancy. They will provide help and protection from any chemical, biological and physical hazards and physically demanding tasks in the workplace as well as from risks associated with any infrastructures used by their employees. Suppliers will therefore provide safety trainings, maintenance and prevention; safety information must be available at all times. Suppliers will operate procedures and systems to prevent, manage, track & reduce occupational injury by employees. This includes evaluating (production) machinery for safety hazards and making sure employees' exposure to the hazards of physically challenging work is reduced. Finally, Employees will have access to clean facilities (toilets, water, food preparation & eating). Where Supplier provides dorms to employees, these will include at minimum reasonable personal space (able to secure), hot water, lighting and ventilation. Communication on Health & Safety will be done in a language (or languages) any employee can understand.

Waste and emissions

Suppliers will have systems in place to ensure the safe handling, movement, storage, recycling, reuse and management of (solid) waste, air emissions and wastewater discharges. Any of these activities that have the potential to adversely impact human or environmental health will be appropriately managed, measured, controlled and handled. Therefore, Suppliers shall have systems in place to prevent or mitigate accidental spills and releases into the environment.

Hazardous Substances

Chemicals and other materials posing a hazard to humans or the environment are to be identified, labelled and managed to ensure their safe handling, movement, storage, use and reuse, recycling and disposal.

Climate and resource protection

First, suppliers must comply with the environmental laws, particularly with regard to waste, air and water. Negative impacts on the environment and climate will be minimized or eliminated at their source or by practices such as the modification of production, maintenance and facility processes, material substitution, conservation, recycling, material reutilization and reduction of energy consumption & greenhouse gas emissions. Suppliers will engage in the development and use of climate-friendly products and processes to reduce power consumption and greenhouse gas emissions.

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Ethics and anti-corruption

Corruption

All forms of bribery (corruption, extortion, embezzlement) are prohibited, whether direct or through third parties. Suppliers will not offer or accept bribes or other unlawful incentives to/from their business partners. Direct and indirect contributions to political parties, organizations or individuals engaged in politics as a way of obtaining advantage in business transactions are prohibited. Charitable contributions should not be used as a cover to bribery (Business Principles for Countering bribery, Transparency International, 2009).

Fair competition

Suppliers must respect the competition law, also known as Anti-trust. It prohibits practices that restrict free trading and competition between business.

Privacy and intellectual property

Suppliers will safeguard and make only appropriate use of confidential information and ensure that all employees' and business partners' privacy and valid intellectual property rights are protected.

Conflict Minerals

Suppliers are expected to ensure that products supplied to EFFECT Photonics do not contain metals derived from minerals or their derivatives originated from conflict regions that directly or indirectly finance or benefit armed groups.

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Review and documentation policy

Documentation

Suppliers shall maintain appropriate documents, permits and records to ensure regulatory compliance.

Communication & transparency

Suppliers will communicate the principles set forth in this Supplier Code of Conduct to their supply chain. Reporting to stakeholders in a transparent and public manner is fundamental for companies committed to social and environmental sustainability. Suppliers are expected to continuously improve their sustainability performance by implementing appropriate measures.

Management Systems

Suppliers shall adopt management systems in order to comply with laws, this Code and identifying and mitigating risks related to this code. This includes systems and processes to identify ownership & commitment within the Supplier's organization, monitoring applicable laws, assessing risks against this Code and identifying improvements and finally training managers and employees. Employee feedback and (self) assessments (including a CaPa process) shall be part of these processes as well.

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References

The following standards were used for definition of this Code and shall be applied as guidelines in adhering to this Code.

Dodd-Frank Wall Street Reform and Consumer Protection Act

<http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf>

Eco Management & Audit System http://ec.europa.eu/environment/emas/index_en.htm

Ethical Trading Initiative www.ethicaltrade.org/

ILO Code of Practice in Safety and Health

www.ilo.org/public/english/protection/safework/cops/english/download/e000013.pdf

ILO International Labor Standards

www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm

ISO 14001 www.iso.org National Fire Protection Association

www.nfpa.org/catalog/home/AboutNFPA/index.asp

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas <http://www.oecd.org/corporate/mne/mining.htm>

OECD Guidelines for Multinational Enterprises

<http://www.oecd.org/investment/mne/1903291.pdf>

OHSAS 18001 <http://www.bsigroup.com/en-GB/ohsas-18001-occupational-health-and-safety/>

Universal Declaration of Human Rights www.un.org/Overview/rights.html

United Nations Convention Against Corruption

<https://www.unodc.org/unodc/en/treaties/CAC/>

United Nations Global Compact www.unglobalcompact.org

SA 8000 <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=937>

Social Accountability International (SAI) www.sa-intl.org

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