

ADVA Optical Networking Supplier Code of Conduct

ADVA Optical Networking Version 1.0 – October 11, 2011

ADVA Optical Networking is a global provider of intelligent telecommunications infrastructure solutions. With software-automated Optical+Ethernet transmission technology, we are building the foundation for high-speed, next-generation networks. Our FSP product family adds scalability and intelligence to customer networks while removing complexity and cost. Thanks to reliable performance over more than 15 years, we have become a trusted partner for more than 250 carriers and 10,000 enterprises across the globe.

In order to maintain that trust, ADVA Optical Networking understands that we must hold ourselves to a high standard of conduct with respect to workers' rights, health & safety, the environment, and ethics and pass those expectations on to companies we do business with while bringing our products to market. To document these expectations, ADVA Optical Networking has developed this Supplier Code of Conduct. This Code is modeled on the widely-accepted Electronics Industry Code of Conduct (EICC, v3.0 - 2009), developed by the Electronics Industry Citizenship Coalition. The Code is made up of five sections. Sections A, B, and C outline standards for Labor, Health and Safety, and the Environment, respectively. Section D outlines the elements of an acceptable system to manage conformity to this Code. Section E adds standards relating to business ethics.

All suppliers are required to follow this Supplier Code of Conduct, outlined below, and should be prepared to demonstrate adherence through a Social Responsibility audit whether it be announced or not.

For the purpose of this document "Suppliers" refers to any company, corporation, or other entity that sells, or seeks to sell goods or services, to ADVA Optical Networking, including the Supplier's employees, agents and any other representatives.

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A. LABOR

Suppliers are committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community.

The recognized standards, as described at the end of this document in *References*, were used as references in preparing the Code and may be a useful source of additional information.

The labor standards are:

1) Freely Chosen Employment

Forced, bonded or indentured labor or involuntary prison labor shall not be used. All work will be voluntary, and workers shall be free to leave upon reasonable notice. Workers shall not be required to hand over government-issued identification, passports or work permits to the Supplier or Labor Agent as a condition of employment.

2) Child Labor Avoidance

Child labor 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 for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. The use of legitimate workplace apprenticeship 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.

3) Working Hours

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

4) Wages and Benefits

Compensation paid to workers shall comply with all applicable wage 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 pay stub or similar documentation.

5) Humane Treatment

The Supplier's disciplinary policies and procedures shall be clearly defined and communicated to workers. 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.

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6) Non-Discrimination

Suppliers should be committed to a workforce free of harassment and unlawful discrimination. Companies shall not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status in hiring and employment practices such as promotions, rewards, and access to training. In addition, workers or potential workers should not be subjected to medical tests that could be used in a discriminatory way.

7) Freedom of Association

Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. Suppliers are to respect the rights of workers to associate freely, join or not join labor unions, seek representation, join workers' councils in accordance with local laws. Workers shall be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation or harassment.

B. HEALTH and SAFETY

Suppliers recognize that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production and worker retention and morale. Suppliers also recognize that ongoing worker input and education is essential to identifying and solving health and safety issues in the workplace.

Recognized management systems such as OHSAS 18001 and ILO Guidelines on Occupational Safety and Health were used as references in preparing the Code and may be a useful source of additional information.

The health and safety standards are:

1) Occupational Safety

Worker exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles, and fall hazards) are to be controlled through proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout), and ongoing 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.

2) Emergency Preparedness

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

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3) Occupational Injury and Illness

Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness, including provisions to: a) encourage worker reporting; b) classify and record injury and illness cases; c) provide necessary medical treatment; d) investigate cases and implement corrective actions to eliminate their causes; and e) facilitate return of workers to work.

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 programs.

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.

6) Machine Safeguarding

Production and other machinery are to 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.

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. Worker dormitories provided by the Supplier or a labor agent are to be maintained clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, and adequate heat and ventilation and reasonable personal space along with reasonable entry and exit privileges.

C. ENVIRONMENTAL

Suppliers recognize that environmental responsibility is integral 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. Recognized management systems such as ISO 14001, the Eco Management and Audit System (EMAS) were used as references in preparing the Code and may be a useful source of additional information.

The environmental standards are:

1) Environmental Permits and Reporting

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

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2) Pollution Prevention and Resource Reduction

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

3) Hazardous Substances

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

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.

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.

6) Product Content Restrictions

Suppliers are to adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances, including labeling for recycling and disposal.

D. MANAGEMENT SYSTEM

Suppliers shall adopt or establish a management system whose scope is related to the content of this Code. The management system shall be designed to ensure (a) compliance with applicable laws, regulations and customer requirements related to the supplier's operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement.

The management system should contain the following elements:

1) Company Commitment

Corporate social and environmental responsibility policy statements affirming Supplier's commitment to compliance and continual improvement, endorsed by executive management.

2) Management Accountability and Responsibility

The Supplier clearly identifies company representative[s] responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management system on a regular basis.

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3) Legal and Customer Requirements

Identification, monitoring and understanding of applicable laws, regulations and customer requirements.

4) Risk Assessment and Risk Management

Process to identify the environmental, health and safety^B and labor practice and ethics risks associated with Supplier'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.

^B 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.

5) Improvement Objectives

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

6) Training

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

7) Communication

Process for communicating clear and accurate information about Supplier's policies, practices, expectations and performance to workers, suppliers, and customers.

8) Worker Feedback and Participation

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

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.

10) Corrective Action Process

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

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.

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E. ETHICS

To meet social responsibilities and to achieve success in the marketplace, Suppliers and their agents are to uphold the highest standards of ethics including:

1) Business Integrity

The highest standards of integrity are to be expected in all business interactions. Suppliers shall prohibit any and all forms of corruption, extortion and embezzlement. Monitoring and enforcement procedures shall be implemented to ensure conformance.

2) No Improper Advantage

Bribes or other means of obtaining undue or improper advantage are not to be offered or accepted.

3) 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.

4) Intellectual Property

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

5) Fair Business, Advertising and Competition

Standards of fair business, advertising and competition are to be upheld. Appropriate means to safeguard customer information must be available.

6) Protection of Identity

Programs that ensure the confidentiality and protection of supplier and employee whistleblower^c are to be maintained.

^{c)} Whistleblower 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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References:

Electronic Industry Code of Conduct (EICC, v.3.0 - 2009)

www.eicc.info/PDF/EICC%20Code%20of%20Conduct%20English.pdf

ILO Code of Practice in Safety and Health

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

National Fire Protection Agency

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

ILO International Labor Standards

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

OECD Guidelines for Multinational Enterprises

www.oecd.org

United Nations Convention Against Corruption

www.unodc.org/unodc/en/crime_convention_corruption.html

United Nations Global Compact

www.unglobalcompact.org

Universal Declaration of Human Rights

<http://www.un.org/en/documents/udhr/>

ISO 14001

www.iso.org

SA 8000

www.cepaa.org/

SAI

www.sa_intl.org

Ethical Trading Initiative

www.ethicaltrade.org/

OHSAS 18001

www.bsi-global.com/index.xalter

Eco Management & Audit System

www.quality.co.uk/emas.htm

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