Welcome

Everything we do at Jabil reflects our core values and culture. Social and environmental responsibility (SER) sits at the epicenter and is a clear catalyst for our business success. Jabil has responsibility for roughly 142,000 employees and operates in 75+ communities across the globe.

As I visit with many of our hard-working employees in various countries around the world, I take tremendous pride in what we have accomplished and our unwavering commitment to making Jabil a great place to work. It’s the devotion and allegiance, put forth by our team, which enables us to serve our customers and protect the outstanding brands they represent. I applaud their efforts, focus, and diligence to do what’s right.

We continued to realize good progress during the past 12 months in the area of SER.

- We rearticulated our company values and made them more visible, which has strengthened employee engagement.
- We further embedded risk management into our supply chain practices.
- We set new baselines, improving the way that we measure and manage our impact to the environment, specifically energy, emissions and water.

Amid our progress, challenges remain . . . We MUST improve further.

It is with a heavy heart and deep compassion, that I acknowledge the fact that we experienced two tragic fatalities within our factories during this same timeframe. In response, we have swiftly and diligently intensified our focus on employee SAFETY. This is our PRIORITY.

We have a serious obligation to keep our workplace safe and to ensure that every employee is unharmed under our watch and care. As we navigate our way forward, we will continue to share our “wins” and our “challenges” with clarity and transparency.

Thank you.

Mark T. Mondello
Chief Executive Officer

Jabil’s approach to SER has always been to lead with our heart and be humble. Our people speak many languages, but across those boundaries, there are common values that bind us, including humility, which helps us recognize when we have to improve in areas of social and environmental responsibility.

Eric Austermann
Vice President, Social & Environmental Responsibility
Goals & Progress

This Corporate Social and Environmental Responsibility (CSER) Update contains data and metrics on Jabil’s progress and performance across our global operations in Fiscal 2014. Throughout this interactive PDF, many of the charts and figures contain additional data and information. Mouse over any of these icons for details. To learn more about our approach to CSER, visit Jabil Cares online at www.jabil.com/jabilcares.

46% Gender Diversity
Approximately 46 percent of our employees were female, predominately in our manufacturing operations. We are working to expand diversity, particularly at management levels and above.

80 Training Hours
All Jabil employees receive on-the-job training. Direct labor employees received an average of 80 hours of training, and indirect employees received an average of 27 hours.

45.3 kg CO₂e
In 2013, we generated 45.3 kg CO₂e per $1,000 sales. In 2015, we will reset our emissions and energy baseline to reflect recent changes in our business.

42.6% Waste Recycled
Jabil strives to minimize the amount of waste sent to landfill through reduction and recycling. In 2014, we recycled 42.6 percent of waste.

6,993,788 Meters³ Water
In 2014, we established a purchased water baseline across all our operations. Globally, we purchased 6,993,788 meters³ of water.

410 Risk Assessments
In 2014, we focused on improving risk management in our supply chain. We completed 410 supplier risk assessments and 51 supplier SER audits.

73% Supply Chain Spend
By the end of Fiscal 2014, 4,409 Jabil suppliers had completed conflict minerals declaration, accounting for 73 percent of our total spend.

14,000 Volunteers
In 2014, more than 14,000 employees reported volunteering. We estimate that they donated more than 100,000 hours of their time to their communities.
Employees

Our global workforce of more than 142,000 employees drives our success. Aligned by our core values of integrity, inspiration and ingenuity, we work to promote a culture of inclusiveness and we encourage our employees to act ethically, maintain a safe workplace and treat each other with respect.

We are committed to fostering an environment where our employees act responsibly and respectfully, and we promote an open-door policy for reporting ethical concerns. The Jabil Code guides our ethical and cultural principles. In Fiscal 2014, we realigned our values to better reflect our company culture and strategy moving forward.

GLOBAL WORKFORCE

Jabil’s skilled and diverse workforce consists of more than 142,000 employees across over 30 countries. In Fiscal 2014, approximately 46 percent of our employees and roughly 42 percent of all new hires were female. Three-quarters of our employees are considered direct labor, meaning they work in our manufacturing operations. The majority of our diversity is currently limited to our direct operations. Recognizing this, we are working to increase the percentage of women in our indirect workforce, particularly at management levels and above.

The Jabil Joules program provides education and mentorship, and facilitates dialogue about gender diversity. It champions the business benefits of gender balance, challenges organizational barriers and endeavors to expand the representation of women in leadership and operations.

More than three-quarters of our employees are considered direct labor, meaning they work in our manufacturing operations.

Jabil recognizes that employee turnover is an industry-wide challenge, which sometimes exceeds 100 percent for us and our peers. We have taken steps to improve workforce retention and to better engage our employees, including promoting respectful working environments, ensuring safe and clean living spaces, providing health services and creating career development opportunities. Jabil also believes in recognizing employees for exceptional contributions and inspiring innovations, and, we celebrate these accomplishments through our Respect. Recognize. Reward. program and Deliver Best Practices competition.

Additionally, we are enhancing our efforts to track employee feedback, including our Employee Engagement Index, Employee Net Promoter Score, employee retention, gender diversity and employee relations experience ratings. In 2014, we began rolling out new programs, including the pilot of our Voice of the Employee survey to better manage and track the employee experience. This program will fully roll-out across our major sites in 2015. We believe that strong data and universal employee feedback tools will help us understand employee needs and provide an opportunity for them to thrive.
LABOR RIGHTS
At Jabil, we are committed to the fair and ethical treatment of our workforce. Jabil prohibits the use of child and forced labor in our operations. Fair treatment of employees also extends to responsible working hours and overtime—a particular challenge for our industry.

Jabil’s approach to human rights is governed through the Jabil Code and the Electronic Industry Citizenship Coalition (EICC) Code of Conduct, as well as the United Nations Guiding Principles on Business and Human Rights. To ensure compliance with human rights standards, we conduct both internal and third-party audits at all our sites every year. Additionally, in Fiscal 2014, 17 SER-focused audits took place, showing improvements in labor and health and safety performance over Fiscal 2013.

Managing working hours and excessive overtime continues to be an industry challenge. Jabil follows EICC Code of Conduct guidelines and we monitor employee working hours and conduct audits at sites to prevent excessive overtime. Jabil also follows all local regulations and policies with respect to freedom of association and collective bargaining agreements.

INCLUSIVE CULTURE
We promote equal employment opportunities to all qualified individuals and we take necessary measures to ensure a non-discriminatory work environment. We believe that an inclusive culture supports a diversity of ideas and values, strengthens collaboration and inspires innovation.

We have established policies and procedures, detailed in the Jabil Code, so that employees can report ethical violations, such as discrimination, without fear of retaliation.

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WORKPLACE HEALTH AND SAFETY

Our extensive safety measures, such as workplace training, risk assessments, audits, engineering controls and personal protective equipment help prevent workplace incidents, and we continually upgrade our employee health and safety programs and policies to ensure best practice. We are committed to compliance with all global health and safety standards, laws and regulations.

In Calendar Year 2014, tragically, two employees lost their lives due to workplace accidents. In response, we moved to adopt more stringent control measures, while enhancing our global management systems.

In Fiscal 2014, we conducted nearly 60 health and safety-focused audits in our global facilities, and currently, 20 of our sites hold OSHAS 18001 certification, covering more than 65,000 employees. Our enhanced injury reporting has allowed us to better track incidents at our sites and employ proactive safety measures across our sites, and, in Fiscal 2015, we intend to report all recordable injuries. Jabil endeavors to continually improve and bolster its management and health and safety systems.

WELL-BEING AND PROFESSIONAL DEVELOPMENT

In addition to maintaining a safe workplace, Jabil is committed to improving the overall well-being of our workforce. At Huangpu, we offer on-site health and wellness programs, such as fitness activities and women’s health education, and at many residential sites, employees have access to Jabil-provided medical services from doctors, nurses and counselors. One of our most successful programs is the HER (Health Enables Returns) Project, in partnership with BSR, which has provided reproductive health education and services to women at the Jabil Huangpu site since 2009. In 2014, more than 7,000 women participated in the program.

We offer a wide range of learning and development programs and provide employees with a platform to advance their careers within Jabil. Employees can choose from a variety of educational and career-development programs and job-specific training activities. In Fiscal 2014, direct labor employees received an average of 80 hours of training and indirect labor employees received an average of 27 hours of training.

CASE STUDY:
Measuring the ROI of Jabil’s Empowerment Programs

In 2014, we commissioned a study to measure the social return on investment (SROI) of our HER Project and Women in Factories (WIF) partnerships with Business for Social Responsibility (BSR). The study showed that these programs elevated the sense of well-being, health knowledge and healthy behaviors among female Jabil employees, while also increasing the return on investment for Jabil through improved productivity and overall workplace harmony. The report estimates the SROI ratio of the HER Project at 3.84 and WIF at 1.43.

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Environment

We have a long-standing commitment to environmental stewardship, tracking carbon, energy and waste, and employing energy efficiency and waste management solutions that mitigate the impact of our global operations. We are also expanding our services to provide clean technology solutions in support of our customers’ sustainability goals.

In 2008, Jabil established a global environmental management system (EMS) to track environmental performance. Most Jabil locations utilize the EMS, and each site conducts an environmental performance review annually. Our EMS follows the ISO 14001 certification standard, setting principles across our global operations and allowing us to manage energy consumption and greenhouse gas (GHG) emissions. Among our more than 60 core manufacturing sites, 89 percent have obtained ISO 14001 certification.

In 2015, we opened the Blue Sky Customer Showcase Center in San Jose, California, our first Leadership in Energy and Environmental Design (LEED) certified building. The Center incorporates environmentally preferable construction materials and energy efficiency and waste management systems.

ENERGY AND EMISSIONS

Conserving energy and minimizing our carbon footprint is central to Jabil’s environmental management strategy. In 2015, we plan to reset our energy and GHG baseline. This new baseline will reflect full integration of Nypro into our business and significant growth in our energy-intensive diversified manufacturing segment, while improving alignment between our reporting cycle and third-party verification. Going forward, our sites will set annual targets with the goal to reduce energy and emissions intensity by 1 to 5 percent each year.

For Jabil, purchased energy represents both a significant operational cost and source of GHG emissions. By identifying and employing energy efficiency and clean technology solutions, we can optimize productivity and reduce our emissions. Initiatives include installing solar generation capacity at Jabil sites (see case study), utilizing internet-enabled energy management tools and installing white roofing to lower energy use.

In 2014, Jabil implemented 41 energy efficiency projects saving 4,926 MT CO$_2$e from entering the atmosphere.

CASE STUDY: Repurposing Solar Panels

Over the last year, we have expanded our business in the clean technology sector, and Jabil is currently the largest manufacturer of photovoltaic (PV) modules in Europe. At our site in Kwidzyn, Poland, we manufacture 950 MW of solar PV modules each year. While the solar modules are manufactured to our customers’ detailed specifications, occasionally, for cosmetic reasons, some of what we make cannot be sold.

Our sites in Kwidzyn and Tiszaujvaros, Hungary, have repurposed these cosmetic scrap solar modules to provide on-site clean energy solutions. In Kwidzyn, a 40 kW solar pilot was installed, which will provide 38,000 kWh of clean energy for the facility each year and give valuable hands-on experience to our solar manufacturing team.

In Tiszaujvaros, a 50 kW PV system was installed that also utilized scrap modules from the Kwidzyn site. The system now provides about 60,000 kWh of clean energy to the site each year while making good use of recycled waste. The Tiszaujvaros project was initially proposed by local staff as a Deliver Best Practices (DBP) award submission, and the team won a silver medal for their thoughtful cross-country collaboration. The site also has plans under way for a new solar array and geothermal plant that will produce nearly 500,000 kWh and prevent 160 metric tons of greenhouse gas emissions.

A solar array at our St. Petersburg, Florida, headquarters generates 28,000 kWh of electricity per year for use on-site.
WASTE
Waste reduction supports Jabil’s environmental management approach. By applying Lean Six Sigma management principles, we continually seek ways to maximize efficiency and reduce waste. As our business continues to grow and diversify, we need to look for innovative waste management solutions, including reducing the amount of hazardous materials in our manufacturing, developing sustainable packaging options and creating more environmentally friendly eWaste disposal methods across our operations.

Jabil strives to minimize the amount of waste we send to landfill through reduction and recycling. Since 2012, we have required facilities to track and report waste-generation data. We are currently piloting new eWaste management systems—for our own eWaste and that of our customers—testing safer and more environmentally sound methods to process eWaste.

In 2014, Jabil generated 58,490 metric tons of waste, 42.6 percent of which was recycled. The volume increase from previous years can be attributed largely to the acquisition of Nypro.

WATER
Responsible water management is embedded in our long-term commitment to environmental stewardship. By better understanding our water footprint, we can more effectively manage our internal water consumption while protecting resources in the communities where we operate.

Since 2012, we have been building our water reporting infrastructure to generate valuable water consumption metrics. In 2014, we established a purchased water baseline that will help track our conservation efforts going forward. These baseline figures provide us with reliable metrics to report against and will enable us to more closely monitor and understand our water-management activities in years to come.

In 2014, we purchased nearly 7 million cubic meters of water across our operations in the Americas, Asia and Europe. The volume increase from previous years can be attributed to reporting water data from more sites in 2014 and the acquisition of Nypro.

CASE STUDY: Jabil Huangpu—Water Conservation Award
In Huangpu, China, the site facilities manager, Xinchao Zhou, implemented a series of water-conservation and reclamation strategies after noticing that significant amounts of water could be saved by making modest upgrades. Since nearly 60 percent of water is consumed in the employee living areas, small abnormalities, such as leaks and running taps, are easy to spot by the employees and can be quickly remedied. By improving water monitoring, spotting and stopping small leaks and collecting and recycling rain water for the cooling system, Jabil Huangpu was able to save nearly 255,000 cubic meters of water—equivalent to 100 Olympic-size swimming pools—last year.

As a result of these water-saving accomplishments, Jabil Huangpu was one of 21 companies, out of thousands eligible, to be awarded the Water Conservation Enterprise award from Guangdong Province in 2014.

In 2014, Jabil Huangpu was able to save nearly 255,000 cubic meters of water.
Supply Chain

We procure more than $12 billion in goods and services from a diverse set of suppliers and are committed to responsibly managing our own—and our customers’—supply chains. Through comprehensive analytics, we improve both the reliability and accountability of our supply chain.

Jabil’s supply chain includes more than 18,000 suppliers who provide the materials used in our manufacturing. Suppliers are classified according to the nature and strength of our relationship with them: the base of our supply chain contains thousands of “transactional” suppliers identified by Jabil and our customers; “in-strategy” suppliers are those who meet essential quality, risk and SER performance requirements; finally, “strategic” suppliers are the “in-strategy” suppliers that we have long-standing, deep relationships with and who are most critical to our business. In Fiscal 2014, 29 percent of our total spend was with 768 “in-strategy” suppliers.

We require that all our suppliers act in accordance with the Jabil Supplier Requirements Manual and the EICC Code of Conduct. We also encourage all suppliers to complete annual EICC self-assessment questionnaires through the EICC-ON tool, which is a data management system that helps us oversee and track supplier risk assessment and audit data. In Fiscal 2014, 1,057 suppliers verified their understanding and acceptance of these expectations.

Jabil follows global supplier standards, such as those set by the EICC, to perform our supplier selection and auditing processes and to help us identify social and environmental risks in our supply chain. In 2014, we improved our data collection and supply chain analytics to better understand the risk profiles of our suppliers. By doing so, we can transition our spending to lower risk suppliers or work with them to reduce risks, enhancing the reliability of our procurement activities for ourselves and our customers.

**SUPPLY CHAIN KEY PERFORMANCE INDICATORS**

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<th>FISCAL 2013</th>
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<tr>
<td>Number of SER risk assessments completed</td>
<td>✔ 61</td>
<td>410</td>
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<tr>
<td>Number of SER audits planned/performed</td>
<td>✔ 0</td>
<td>51</td>
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<tr>
<td>Number of suppliers that have provided a completed conflict minerals declaration</td>
<td>✔ 537</td>
<td>4,409</td>
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<tr>
<td>Percentage of supply chain spend that has completed a conflict minerals declaration</td>
<td>✔ 12%</td>
<td>73%</td>
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SUPPLIER AUDITS
To ensure compliance with our policies and to identify SER risks in our supply chain, we conduct supplier audits with “in-strategy” suppliers and those being considered for qualification. Audits are carried out by our team of 13 EICC-qualified auditors, as well as through the EICC Validated Audit Program. In Fiscal 2014, we conducted 140 supplier quality audits and 51 supplier SER audits. These audits helped us to identify 42 high risk suppliers and influenced the disqualification of six.

In FY14, we also launched a labor agency audit program to ensure the labor agents who help us recruit employees meet our ethical standards for fair practices (see case study).

HUMAN RIGHTS
Jabil is committed to responsible sourcing and eliminating human rights abuses from our supply chain. We strictly enforce policies to eradicate slavery and human trafficking, in addition to promoting fair and safe labor practices. In 2011, we launched a comprehensive conflict minerals oversight initiative to track the origins of tin, tantalum, tungsten and gold from more than 8,000 suppliers. We also provide responsible sourcing training to material suppliers and work with customers to understand and mitigate conflict mineral risks in their supply chains.

In FY14, Jabil engaged 6,754 suppliers to further their understanding of conflict minerals requirements, and received inquiries on conflict minerals from more than 70 customers.

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CASE STUDY: Labor Agency Engagement
In China, manufacturers like Jabil rely on a system of third-party recruitment agencies and intermediate brokers who recruit and hire workers to meet fluctuations across production cycles. We depend on the flexibility this system provides. China allows licensed intermediate brokers to charge workers a reasonable recruitment fee and licensed labor agencies to properly account for administrative activity. We recognize that without proper oversight and governance, some labor agencies take advantage of workers, charging illegal or excessive fees.

Building on past successes eliminating excessive fees for migrant workers in Southeast Asia, in 2014, Jabil implemented a new audit process to help us identify and select only responsible agencies in China. The new process is based on the EICC Code of Conduct and tailored to Jabil’s business. It involves a two-day audit conducted by members of our team of more than a dozen EICC-qualified auditors, document review and interviews with on-site workers. If violations are found, we work with the agency to implement corrective action plans and verify improvements. We also offer standardized training on our requirements for labor agencies. Furthermore, we educate Chinese workers about agency fees and what is allowed, which enables them to advocate for themselves and negotiate fair terms.

In 2014, we conducted 41 labor agency audits in China in Fiscal 2014, covering 97 percent of our in-country spend. Three-quarters of the agencies have submitted formal corrective action plans, and several agencies were disqualified from working with us.

While many of our sites have reduced their dependence on workers hired through labor agencies, more than half of our workers in China are hired this way. Reducing the number of agencies we work with is a first step toward our goal of driving improvements across the industry through enhanced oversight and identification of solutions that protect our people. The EICC has proposed updates to the Code of Conduct that prohibit labor agency fees, and we will continue to adapt our processes and requirements in alignment with the Code.
Community

At Jabil, we take a localized, grassroots approach to community engagement. Driven by our employees and their understanding of local needs, we engage communities through a combination of volunteer efforts, charitable giving and strategic collaboration with community organizations.

As our efforts continue to evolve, we are committed to developing a more comprehensive and robust corporate community engagement platform focused on strategic issues across our global operations and complementing our existing local commitments. As an important first step, we are working to improve data tracking of our community programs. We will also solicit feedback and gain consensus from our sites over the upcoming fiscal year in order to launch a more unified and impactful global strategy for community engagement in Fiscal 2016.

VOLUNTEERISM AND CHARITABLE GIVING

Around the world, Jabil employees are empowered to support local causes and community organizations through volunteering and charitable giving. Led entirely by our employees, our community efforts are directed at issues that matter most to our local workforce. While our data does not capture the full extent of our activities, more than 14,000 employees reported volunteering in 2014, and we estimate that our employees volunteered more than 100,000 hours.

Volunteer events take place on-site and off-site, with each team planning its own events. Employees who are involved with a local organization or cause sometimes approach their site managers for funding to help support an event. Funds are approved on a site-by-site basis, with most sites contributing to their local communities each year. In addition to corporate funds, employees make individual, voluntary contributions to local initiatives and fundraising campaigns.

14,000

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CASE STUDY:
Investing in Education and the Community in Guadalajara, Mexico

For many individuals in economically challenged communities, quality and affordable education can be out of reach. At Jabil Guadalajara, there is a strong commitment to reversing this trend by offering free educational resources for both employees and the local community to enjoy.

Since 2013, the Jabil Guadalajara site has hosted open junior high classes for employees, their friends and families, as well as members of the local community. Each year, hundreds of individuals participate together in the free classes and workshops, and 200 of the top students are awarded high school scholarships. The site also provides learning opportunities, such as computer workshops, for local employees to help them achieve their educational goals and grow professionally.

By investing in education, Jabil Guadalajara is able to address the needs of employees and the surrounding community while also strengthening the bonds between them.
PRIORITY AREAS OF ENGAGEMENT

With more than 60 sites, the causes that our employees are most passionate about vary. Some common themes across regions include education, youth and health.

Many Jabil sites work with local educational institutions and youth organizations to support initiatives that benefit children and their communities. At our headquarters in St. Petersburg, Florida, we collaborated with the University of South Florida to provide students with opportunities to shadow Jabil employees and pursue internships with us. In Ho Chi Minh City, Vietnam, employee donations sponsored school fees for 27 children at an orphanage in Binh Duong province; and in Tiszaujvaros, Hungary, employees donated wooden pallets to construct a playground fence in the town of Görbeháza, making it safer for children in the community.

In 2014, investing in better health was a focus for our employees in St. Petersburg, who rallied local and virtual volunteers to benefit the American Heart Association. More than 600 employees donated a combined total of 1,800 hours of their time and raised $375,000 in donations and Jabil funds through a giving campaign that included fundraising events and a walk.

Last year, Jabil sites also supported several community activities to assist disabled youth and adults. In Venray, the Netherlands, we helped sponsor the Winterzon Festival, an annual event organized for disabled individuals in the region. In Tiszaujvaros, 34 Jabil employees volunteered at a children’s home that provides education for youth with disabilities. Volunteers repainted walls and provided light maintenance to make the home a more livable environment for both children and staff.

At many other sites, our employees engage with local organizations to donate cash, clothing, food, supplies and volunteer time to local schools, orphanages and community centers.