



# Basic Understanding of EICC Requirements (Ethic)

Prepared by  
SCM\_SER Team  
Feb 2016

# **OVERVIEW OF ELECTRONICS INDUSTRY CITIZENSHIP COALITION (EICC)**

# Overview of EICC

- ✓ Founded in 2004
- ✓ Non-profit coalition of the world's leading electronics companies
- ✓ Purpose
  - improve social, economic, and environmental conditions in the global electronic supply chain through use of a standardized code of conduct.
- ✓ Incorporated in 2007 as an association
  - to ensure greater awareness of the Code, and to expand its adoption across the industry
- ✓ - governed by a Board of Directors that oversees the association's operations, communications, and programs



# MEMBERS

110 as of Jan 2016



JABIL

# EICC Focus Elements/Code - v501

Treat Employee with dignity and Respect

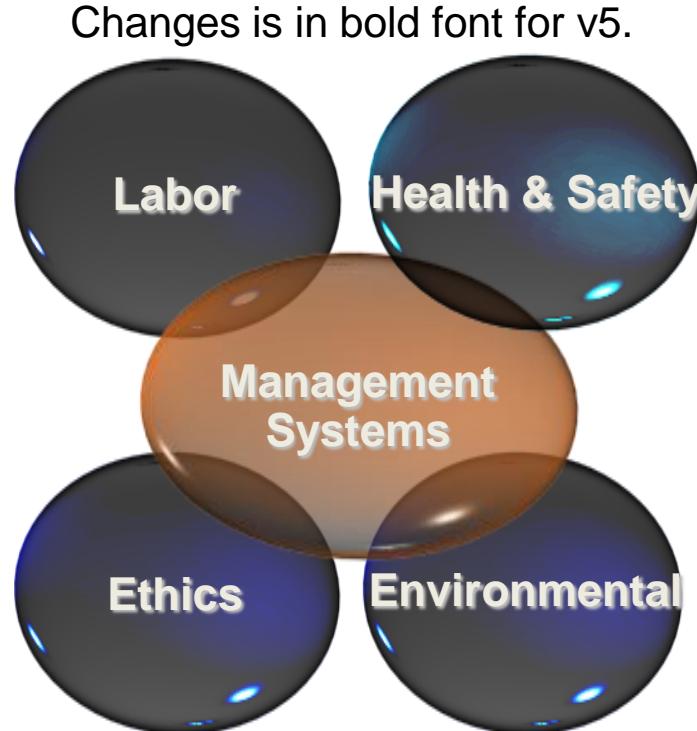
1. Freely Chosen Employment (5)
- 2. Young Workers (4)**
3. Working Hours (4)
4. Wages and Benefits (6)
5. Humane Treatment (3)
6. Non-Discrimination (3)
7. Freedom of Association (8)

Uphold the highest standards

1. Business Integrity (1)
2. No Improper Advantage (1)
3. Disclosure of Information (1)
4. Intellectual Property (1)
5. Fair Business, Advertising and Competition.(2)
6. Protection of Identity **and non retaliation.** (2)
7. Responsible Sourcing of Minerals (1)
8. Privacy (1)

Evaluate and control Exposure to hazards

1. Occupational Safety (3)
2. Emergency Preparedness (6)
3. Occupational Injury & Illness (4)
4. Industrial Hygiene (2)
5. Physically Demanding Work (1)
6. Machine Safeguarding (2)
7. Sanitation, Food , and Housing (3)
- 8. Health and Safety communication (1)**



A management systems approach drives sustainable solutions

Protect the Environment

1. Environmental Permits & Reporting. (2)
2. Pollution Prevention and resource reduction. (1)
3. Hazardous Substances. (3)
4. Wastewater and Solid Waste (2)
5. Air Emissions (2)
- 6. Materials Restrictions (1)**
- 7. Storm water management (1)**
- 8. Energy Consumption and Greenhouse Gas Emissions (1)**

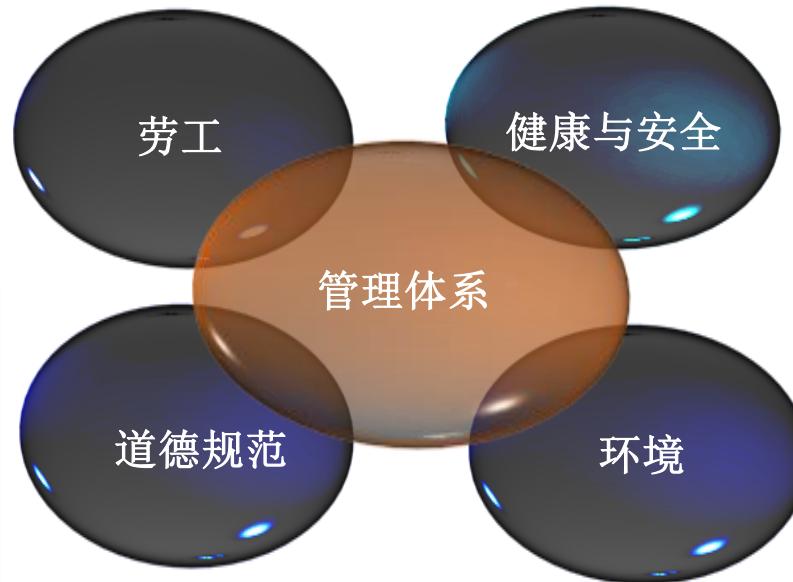
# EICC重点内容/守则版本501

以尊严和尊重对待员工

- 1) 自由择业 (5)
- 2) 青年员工 (4)
- 3) 工作时间 (4)
- 4) 薪资福利 (6)
- 5) 人道待遇 (3)
- 6) 非歧视 (3)
- 7) 自由结社 (8)

坚持最高的标准，

- 1) 诚信经营 (1)
- 2) 无不正当利益 (1)
- 3) 信息披露 (1)
- 4) 知识产权 (1)
- 5) 公平交易、广告和竞争 (2)
- 6) 身份保护和无报复政策 (2)
- 7) 负责任的矿物采购 (1)
- 8) 隐私 (1)



危害暴露的评估和控制

- 1) 职业安全 (3)
- 2) 应急准备 (6)
- 3) 工伤和疾病 (4)
- 4) 工业卫生 (2)
- 5) 强体力型工作 (1)
- 6) 机器防护 (2)
- 7) 公共卫生、饮食和住宿 (3)
- 8) 健康和安全沟通 (1)

保护环境

- 1) 环境许可与报告 (2)
- 2) 预防污染和节约资源 (1)
- 3) 有害物质 (3)
- 4) 废水与固体废物 (2)
- 5) 废气排放 (2)
- 6) 材料限制 (1)
- 6) 暴雨管理 (1)
- 7) 能源消耗和温室气体排放 (1)

管理制度方法推动可持续的解决方案

# ZERO Tolerance Items

## Labor

- Child Labor
- Forced Labor
- Bonded Labor
- Inhumane treatment

## Health & Safety

- Imminent health and safety issues as defined by VAP
- Imminent environmental risk as defined by VAP

## Ethics

- **Falsifying records**
- **Bribery**

Please Note: All Zero Tolerance items require a closure audit (VAP or 3<sup>rd</sup> Party AMA)

# BENEFIT TO FACTORIES

- ✓ Positive impact on brand name
- ✓ Ethical company is easier to recruit talent workers
- ✓ Cost Saving (reduce business waste, lawsuit etc)
- ✓ Improve working conditions and workers satisfaction
- ✓ Increase moral
- ✓ Decreases absenteeism
- ✓ Increase productivity, reduce worker turnover and lower the risk of labor disputes
- ✓ By leveraging on standardize tools and code of conduct from EICC, it help meet various customer requirements

# Business Integrity

- Develop a formal policy on highest integrity business standards and zero tolerance on all forms of bribery, corruption, extortion and embezzlement;
- Develop and implement a formal procedure & process that encourages workers/employees to declare conflicts of interest ;
- Record declarations of conflict of interest;
- Develop and implement a formal procedure to protect workers/employees from retribution for refusing to do anything in Nonconformance with the ethics policy and communicate/volunteer their decision.
- Train management and workers on policy on zero tolerance on all forms of bribery, corruption, extortion and embezzlement and conflict of interest process (including declaration of conflict of interest) is refreshed at least annually.

## Quiz

Training for management and workers on policy on zero tolerance on all forms of bribery, corruption, extortion and embezzlement and conflict of interest process should be conducted \_\_\_\_\_?

A ,annually   B, at every 2 years   C, only via orientation,   D, at least every 3 years

The correct answer = A

# No Improper Advantage

- Develop and implement effective procedures that ensure:
  - ✓ Gifts to or from suppliers and customers is not excessive in cost and frequency.
  - ✓ Bribes or other methods of obtaining undue or improper advantage are not being promised, offered, authorized, given or accepted.
- Implement a program to regularly monitor its business to ensure:
  - ✓ Workers do not make or accept improper offers, bribes or undue/improper advantage.
  - ✓ Investigation of allegations of improper business conduct by workers, managers, or an employee are carried out and action is taken.
  - ✓ Maintain records of investigation of allegations of improper business conduct by workers, managers and actions taken.
- Train management, supervisors and workers on no improper advantage procedure annually and maintain records.

## Quiz

The gift policy should clearly define which of the following information to or from suppliers and customers? (multiple choice)

A, In cost;      B, Frequency;      C, Cost evaluation of gifts;

The correct answer = A and B

# Disclosure of Information

- Develop and maintain inspection/assessment/Audit procedure to ensure records are not falsified and accurate;
- Develop and maintain procedures to prevent and investigate misrepresentation by workers, managers and contracted agents;
- Entrust an annual periodic third party financial audit to confirm that accounts are in order;
- Ensure to compliance with applicable legal requirements and good industry practice in financial and annual reports of business operations.

## Quiz

Supplier should develop and maintain procedures to prevent and investigate misrepresentation by \_\_\_\_\_? (multiple choice)

A, Workers;    B, Managers;    C, Contracted agents;    D, Customers;

The correct answer = A,B and C

# Intellectual Property

- Develop and maintain a formal policy and program to protect the information from its customers as part of the contracting process, includes:
  - ✓ Names and contact information for key customer personnel;
  - ✓ Contract pricing and volumes;
  - ✓ Names of sub-contractors and materials/components suppliers, ...;
  - ✓ Their identities and trademarks;
  - ✓ Third-Party Intellectual Property;
  - ✓ Patent records;
  - ✓ Copyright-protected content;
- Develop and maintain a program and/or procedures to review intellectual property ownership;
- IT polices Work out guidelines about the distribution/dissemination of information in IT policy, includes a non-disclosure agreement;
- Train managers and supervisors the information protection procedures annually;

## Quiz

Which kinds of information below from customers as part of the contracting process should be protected? (multiple choice)

A, Third-Party Intellectual Property;    B, Copyright-protected content;    C, Their identities and trademarks;    D, Contract pricing and volumes;

# Fair Business, Advertising and Competition

- Develop and maintain a procedure to ensure that public information includes products, services, opportunities, position..... are not false or misleading;
- Develop a formal policy to prohibit collusion that defines consequences for managers, employees and business partners or agents;
- Set up safeguards to prevent collusion with other companies on product pricing or other factors that could reduce competition;
- Train workers, employees, managers and business partner on collusion;

## Quiz

Supplier should ensure that public information \_\_\_\_\_ are not false or misleading? (multiple choice)

A, Products;    B, Services;    C, Opportunity;    D, Position;

The correct answer = A, B, C and D

**JABIL**

# Protection of Identity and Non Retaliation

- Develop a non-retaliation policy and clear communicate to workers /employees;
- Supplier should investigate the validity of the whistleblower claim promptly, take prompt remedial action if the claim is valid, and protect all workers, including indirect workers;
- Develop and maintain clear communications channels so that workers can comfortable report violations or issues of concern, reporting channels includes but not limit to grievance box, hotline, Hotmail, third party line,....;
- Establish and maintain a process for workers AND workers of major suppliers to anonymously report suspected violations of business conduct standards;
- Establish and maintain procedures to protect whistleblower identity as part of the allegation investigation process;

## Quiz

Confidential reporting channels, includes \_\_\_\_\_ should be established and maintained so that workers can report violations or issues of concern.

A, Grievance box;    B, Hotline;    C, Ethic email contact;    D, Third party line;

The correct answer = A, B, C and D

# Privacy

- Establish and maintain a formal policy and program to protect privacy, including suppliers, customers, consumers and employees;
  - ✓ The program complies with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.
  - ✓ Workers and managers are trained on the information protection procedures. Training material and training records are available, adequate and up to date;

## Quiz

The supplier should develop and maintain a formal policy and program to protect personal information of \_\_\_\_\_ ?

A, Suppliers;      B, Customers;      C, Consumers;      D, Employees;

The correct answer = A, B, C and D

# Responsible Sourcing of Minerals

- Develop and implement an adequate and effective program and clear policy on Conflict Minerals to avoid knowingly purchasing 3TG minerals that directly or indirectly finance armed groups;  
The policy must at least include:
  - ✓ Avoids minerals that directly or indirectly finance for benefit illegal armed groups from conflict-affected regions;
  - ✓ Covers 3TG as relevant to the products;
  - ✓ Covers the DRC and adjoining countries;
  - ✓ Policy is publicly available;
- The program must at least include:
  - ✓ A documented management system exists to support the policy and is capable of demonstrating procurement practices;
  - ✓ Policies are incorporated in management and procurement procedures to assure conflict mineral free sourcing been identified;
  - ✓ A process to determine whether sources of materials are either 3TG free or (if procured by the smelter/refiner site) are conflict-free;

# Responsible Sourcing of Minerals

- The program must at least include (Continue):
  - ✓ Information from the EICC-GeSI CFS Program or equivalent is used to understand the source of minerals in the Supply chain from the smelters/refiners they directly or indirectly procure from;
  - ✓ Direct suppliers have written requirements to source from smelters validated by an independent private sector audit firm (EICC-GeSI CFS program or equivalent);
  - ✓ Corrective Action Plan is implemented if a potentially non-conflict free mineral source is identified;
  - ✓ Annual review of the procedures to ensure compliance and improve where process improvements have;

## Quiz

Which kinds of minerals below are conflict minerals?

A, Tantalum;    B, Tin;    C, Tungsten;    D, Gold;

The correct answer = A, B, C and D

**JABIL**

# Jabil Requirements

- All Jabil suppliers must sign EICC acknowledgement letter
- All Jabil suppliers must response to EICC SAQ from Jabil
- Response to EICC SAQ through EICC ON or Offline Version and share with Jabil as required
- Support EICC audit as required ( VAP or CMA )
- Share EICC VAP report and the corrective action with Jabil
- Work on corrective action from VAP or CMA if there is any
- Work on corrective action and provide report to Jabil if there is any allegation report on your company

# Summary

From this course, you have learned:

- EICC Elements
- Zero Tolerance Items
- Benefits to Your Facilities
- Business Integrity
- No Improper Advantage
- Disclosure of Information
- Intellectual Property
- Fair Business, Advertising--and Competition
- Protection of Identity and non retaliation
- Responsible Sourcing of –Minerals
- Privacy

# Thank You

*Looking forward to a good business cooperation  
with you*